



# Managing homecare in the NHS

## *A collaborative approach*

A joint meeting organised by the Department of Health's Commercial Medicines Unit, the Association of the British Pharmaceutical Industry and the National Clinical Homecare Association



## Preface

In 2011, the Department of Health (DH) published the ‘Hackett Review’ (*Homecare Medicines – Towards a vision for the future*), written by Mark Hackett, then CEO at Southampton University Hospitals Trust. The Hackett Review described the current landscape of homecare medicines in the UK and made a series of recommendations to enhance future development of the field.

In April 2012, the Chief Pharmaceutical Officer established a network to promote implementation of these recommendations. To coincide with the publication of a report describing progress to date (*Homecare Medicines: Towards a vision for the future – Taking forward the recommendations*), the DH’s Commercial Medicines Unit, the Association of the British Pharmaceutical Industry (ABPI) and the National Clinical Homecare Association (NCHA) organised a one day event to discuss practical issues in the implementation of homecare medicines services and how they can be addressed.

Held at the Royal Society of Medicine on 7 May 2014, the event heard from leading individuals involved in taking forward the recommendations from the Hackett Review, and stimulated considerable debate on how this nascent field of healthcare is developing. We hope that this brief summary captures the essence of these discussions and provides additional guidance for those involved in the development of homecare medicines services.

**Samantha Ogden, Director at the ABPI**

**Dr Keith Ridge, Chief Pharmaceutical Officer, supporting NHS England, the Department of Health and Health Education England**

**Dave Roberts, Chief Executive of the NHCA**

## Executive summary

The homecare medicines field is large and growing, accounting for some 20% of the NHS medicines budget and delivering services to more than 200,000 patients.

Since 2012, a network has been driving forward implementation of the recommendations of the 2011 Hackett Review. A summary of the network's work (*Homecare Medicines: Towards a vision for the future – Taking forward the recommendations*) was published in May 2014.

A governance guide has been developed providing a set of principles to underpin the development of homecare medicines services. This guide emphasises the key role of the Chief Pharmacist in providing oversight and strategic leadership of homecare medicines services within an NHS trust.

To promote good practice in the development and implementation of homecare, a set of professional standards has been developed by the Royal Pharmaceutical Society (RPS). An accompanying *'Handbook for Homecare Services in England'* provides practical guidance to those adopting the standards.

A patient charter has been produced outlining what patients can expect from homecare, as well as their rights and responsibilities.

Some progress has been made in procurement discussions and moves towards increased transparency in pricing. However, further discussions are required to achieve a mutually acceptable agreement on key issues such as 'unbundling' of medicines and service delivery costs.

An 'output-based specification' and technical specification have been developed to support the development of new IT systems to support the delivery of homecare services, alongside recommended approaches for enhancing currently used systems.

Some progress has been made in 'gain-sharing' agreements, whereby commissioners and NHS trusts share cost savings from implementation of homecare services, enabling trusts to invest in the development of appropriate governance and operational systems. However, more work is needed to embed this approach more widely, possibly through nationwide guidelines.

Although the homecare medicines marketplace is growing, it remains fragile, and mechanisms are needed to ensure it develops into a stable, sustainable and innovative marketplace meeting the needs of patients and NHS customers.

## Introduction

Homecare, the delivery of hospital prescribed medicines to patients in their own homes, has undergone rapid growth in recent years. It is estimated that more than 230,000 patients now benefit from homecare medicines services.

Homecare is popular with patients who have medicines delivered directly to them and receive associated clinical care in the comfort of their own homes, rather than having to visit hospital or other pharmacy facilities. There are also potential cost benefits to the NHS through reduced demand on hospital services and VAT savings on drugs distributed in this manner.

Although the numbers of patients treated through homecare schemes is relatively small in comparison to the total numbers of patients treated within the NHS every year, the medicines used are often expensive. Hence the total costs of homecare associated medicines is high – estimated in the original Hackett Review as £800m out of a total expenditure of £3.9bn, or more than 20% of total costs. Moreover, the field is developing rapidly, with increasing numbers of hospitals implementing homecare services.

The rapid ‘bottom-up’ growth of homecare services prompted the DH to commission Mark Hackett, then CEO of Southampton University Hospitals Trust, to carry out a rapid review of the field and to make recommendations on how it might best be developed. The resulting Hackett Review, *Homecare Medicines – Towards a vision for the future*, was published in November 2011.

The Hackett Review stressed the major patient benefits offered by homecare, and noted many examples of good practice around the country, but it also identified a significant number of issues with current arrangements, how schemes were being operated, and how the field as a whole was developing. The Hackett Review made a series of recommendations to address these issues.

The following April a network was established, with representatives from key stakeholder groups, including patients, the NHS, industry (including representation from both the pharmaceutical and homecare provider associations) and the DH, to take forward implementation of these recommendations. Progress in implementation to date has been captured in a new report, (*Homecare Medicines: Towards a vision for the future – Taking forward the recommendations*), published in May 2014.

## Implementation: An overview

Introducing the event, **Mr Mark Hackett** described the history of the project to date and summarised the work of the implementation network. Task groups were established to address recommendations in six key areas:

1. Governance and operations
2. Patient engagement
3. Standards and toolkit development
4. Procurement
5. Systems and technology
6. Gain share of savings

Emphasising the importance of a collaborative approach, each task group involved partnerships with an NHS lead and a deputy industry lead.

Considerable progress has been made in many areas, with the publication of guidance on governance and the key strategic role of the hospital Chief Pharmacist, the publication of professional standards by the

RPS in September 2013, and the release of an initial *Handbook for Homecare Services in England* in May 2014. IT-oriented work has made great strides in identifying what systems are needed to support effective homecare service delivery and how current systems can be adapted. Some progress has been made in tackling procurement issues, particularly the need for greater transparency in costing of medicines and associated clinical support, though Mr Hackett acknowledged that these were difficult issues and further discussions were needed to achieve full agreement.

Mr Hackett also presented an update on the current state of play in the homecare medicines field. It was, he suggested, still experiencing growing pains, with a fragile marketplace populated with companies of different sizes but a remaining need for additional players. In addition, although good examples of ‘gain-share’ have been identified – where commissioners and NHS trusts agree how cost savings can be shared, enabling trusts to make the necessary investments to deliver effective homecare services – this approach is not yet widespread. To fully realise the benefits of homecare over the long term, he suggested trusts and commissioners needed to engage in constructive dialogue driven by clear patient oriented objectives. Although this could be left to local level discussions, there might also be a need for more centrally driven guidance.

Speaking from an NHS England (NHSE) perspective, **Dr Keith Ridge**, Chief Pharmaceutical Officer, described how homecare services sat within the wider NHSE landscape. He drew attention to the NHSE Business Plan, which outlines the characteristics intrinsic to a health service aiming to deliver ever higher quality of care while facing considerable financial challenges. Implementation of the business plan will call for creative and innovative solutions that place patients at the heart of service delivery, a shift away from traditional infrastructure or discipline based approaches. Homecare, he suggested, was a good example of this new way of thinking.

The new delivery model established by NHSE is captured within five year strategic plans and two year operational plans. These provide the organisational context for implementation of homecare medicines services.

Homecare could also be seen in the context of medicines optimisation, Dr Ridge suggested, further emphasising the patient centred approach. Indeed, although the landscape is complex, with multiple stakeholder groups, the patient centred approach is a valuable foundation for planning the development of effective services.

Dr Ridge also summarised some of the ways in which NHSE was now aiming to optimise homecare services and potentially support their expansion. Building on existing partnerships, these included helping to establish appropriate governance frameworks (locally and perhaps nationally too) and promoting more standardised approaches, where appropriate. Specialised commissioning Clinical Reference Groups were likely to have an important role, supported in particular by the Medicines Optimisation Clinical Reference Group, which provides a cross-sector forum for discussion of issues related to ‘specialised’ medicines. He also highlighted the importance of NHSE’s relationship with both the DH’s Commercial Medicines Unit and the NHS’s Specialist Pharmacy Services, the future of which has recently been secured.

Dr Ridge argued that the existing climate was suitable for the further development of homecare services, even as implementation of the Hackett recommendations continues. As well as continuing to promote and provide leadership for the homecare programme centrally, there was also a need to engage further with commissioners and to potentially develop a commissioning toolkit to guide commissioning practice.

## Standards and handbook

One of the key recommendations of the Hackett Review was that a set of professional standards should be established covering governance and operation of homecare services, with a practical handbook developed to support implementation of such standards. With the Chief Pharmacist identified as the key individual with responsibility for hospital homecare medicines services within NHS trusts, the RPS was the natural body to lead the development of the standards and handbook.

**Catherine Duggan**, Director of Professional Development at the RPS, described how the development of professional standards formed part of the RPS's aim to establish and uphold good pharmacy practice across the UK. The homecare standards have been designed to be consistent with and complement other RPS standards. Their position in the 'guidance hierarchy', she suggested, was beneath legislation and formal regulation and above locally developed procedures and practices, with the principal aim of supporting the sharing and implementation of best practice.

The RPS has developed a set of 10 professional standards for hospital pharmacy services. The homecare standards complement those hospital standards, which were developed after an extensive data collection exercise involving 38 volunteer sites. They were first published in July 2012, and are currently being revised to address issues such as the recommendations of the Francis Report into the Mid-Staffordshire NHS Foundation Trust and other recent developments. The homecare standards were developed by a cross-sector Hackett task group and were published in September 2013.

The *Handbook for Homecare Services in England*, published in May 2014, provides practical guidance on the implementation of the RPS's professional standards for homecare services. It includes information, guidance and a range of practical tools for service development, and signposts users to other useful resources. Its development was described by **Carol McCall**, a consultant in risk, compliance and governance, who represented the NCHA on the task group.

The handbook has been published as a web document to promote linking to other useful resources and to enable efficient updating. It is organised around three main domains, covering individual patients, homecare services, and organisation wide governance and strategic issues.

Patient level information covers the practicalities of the medicines pathway and individual care plans. The homecare services section covers key issues such as contractual frameworks and operational guidance. The organisation level domain focuses primarily on the needs and concerns of Chief Pharmacists, covering a broad range of issues from IT systems to complaints procedures.

Materials have been categorised according to a star system. Three star resources are recommended national resources, two star resources are consistent with the homecare standard, and one star resources are potentially useful with some adaption.

**Professor Ray Fitzpatrick**, Clinical Director Pharmacy at Wolverhampton Hospitals NHS Trust, who played a key role in developing the handbook, described how it had helped him analyse and plan local services. He suggested that Chief Pharmacists typically had very good oversight of medicines usage and procurement within hospitals, and it was only natural that the same principles should apply to hospital prescribed medicines used in patients' homes. Furthermore, since most homecare associated medicines are excluded from the Payment by Results tariff system, commissioners expect to receive financial information on their use.

Professor Fitzpatrick outlined how the handbook's tools had enabled him to analyse current homecare arrangements and to identify his objectives for further development of services. As is likely to be true of many sites, Professor Fitzpatrick suggested that although good services were being offered in several areas, some had 'just happened' without any strategic planning or input from pharmacy and could be enhanced. The likely absorption of a new hospital into his Trust would also present additional practical challenges.

Using the self-audit tools in the handbook, Professor Fitzpatrick was thus able to develop a strategic plan based on a review of key therapeutic areas, and to develop a pharmacy team geared towards management of homecare medicines services. He has been able to establish service level agreements with suppliers, with suitable key performance indicators, and develop risk management arrangements. Financial support has been obtained through constructive gain-sharing dialogue with commissioners – although he acknowledged this was often a difficult area, and relationships between commissioners and NHS trusts were not always sufficiently strong to support open and fruitful negotiations.

## Procurement

**Mr Howard Stokoe**, Principal Pharmacist in the DH's Commercial Medicines Unit, described the progress made to date in procurement. He acknowledged that the area was complex and challenging, and that practical issues involving key personnel in the task group had slowed progress. Although some agreement had been reached, more discussions were still needed in several areas.

An additional complication is that some homecare arrangements are based on direct contracts with providers, while others involve contracts with manufacturers which then manage the relationship with suppliers.

Procurement naturally raises difficult issues. The NHS has particular ways of working, and a desire to minimise costs and achieve value for money; companies have clear commercial imperatives. Detailed negotiations would be needed to address these differences. It was important, Mr Stokoe suggested, to view this strand of work in the light of the original Hackett recommendations. While there was a need for more transparency in costing between dispensing, delivery and care costs, to enable the NHS to make informed choices and achieve value for money, a functioning marketplace was also in the NHS's long term interests. Some level of profit is essential to attract players to the market and to support companies' investment in the infrastructure needed to deliver effective homecare medicines services.

Progress had been made in a number of areas, said Mr Stokoe, including agreement and publication of non-commercial service level agreements. Nevertheless, some key issues such as unbundling have not yet been resolved. 'Taking forward the recommendations' summarises progress to date, areas in which agreement is likely to be confirmed before the end of 2014, and areas in which further dialogue will be necessary. It would be important, he suggested, for NHSE to maintain the momentum of these discussions begun by the Hackett task group.

## The patient perspective

Homecare has the potential to deliver patient benefits above and beyond those provided by their medication, suggested Mr Martin Stephens, Chief Executive of the Wessex Academic Health Science Network and lead of the public engagement Hackett task group. More convenient access to medicines can play a significant part in enhancing the quality of life of patients and their families.

The original Hackett Review had promised a patient homecare 'charter', and Mr Stephens described how this charter had been put together and the areas it covered. The key aim of the charter is to ensure that patients understand their treatment plans and how homecare works, and are empowered to make the most of homecare services. They need to be aware of their options and where they have choices, but also their responsibilities.

The task group began by consulting widely with patient groups, industry, homecare providers and NHS representatives. It first developed a set of key headings and then a draft charter, both of which were tested before they were finalised. The discussions with patients also helped to identify some of their key concerns, such as fears around continuity of supply and the need for privacy and discreet services. They also demonstrated patients' willingness to take responsibility in areas such as adherence and monitoring.

The charter itself explains what homecare medicines services are and the roles of the different groups involved in their delivery. It outlines where patients have choices or options, and what they can expect in terms of information and opportunities for communication. It also summarises their responsibilities, for example, to be available for deliveries and to contribute to monitoring of service delivery. The charter is incorporated into the RPS's *Handbook for Homecare Services in England*.

The charter has been developed to sit within the wider context of the NHS constitution. Ideally, suggested Mr Stephens, it provides a framework for the development of locally owned and tailored homecare oriented patient engagement policy and practice.

## The homecare provider industry perspective

**Mr Dave Roberts**, Chief Executive of the National Clinical Homecare Association, provided a homecare provider industry perspective on the development of homecare services. Their key feature, he argued, was that they were delivering what patients wanted – high quality medicines and care in the comfort of their own homes. The majority of the 230,000 or so patients enrolled in homecare were happy with the services they were receiving.

He acknowledged that recent months had seen problems, with the NHSE's Chief Pharmacist issuing a patient safety notice after some discontinuity of supplies following one of the NCHA member companies withdrawing from the UK market. He suggested that the market was recovering from this setback, and that implementation of the Hackett recommendations would help to ensure it was not repeated.

Mr Roberts argued that, at a national level, homecare should be seen as strategically important and resourced and given the appropriate strategic leadership. This would depend on close collaboration between the NHS and providers.

He also made his own recommendations to enhance the development of homecare services. First among these was a shared clarity of purpose, with the focus squarely on patient benefits. Undue focus on cost savings, he suggested, had the potential to divert attention from this core goal. Longevity of contract (and/or guaranteed patient numbers) was an important issue for his organisation's members, providing security to support continued investment. More efficient information systems would also be beneficial. Over the longer term, effective communication among key stakeholders – the NHS, providers and patients – was critical, as was the transparency and openness needed to build an environment of trust and work towards common goals.

He acknowledged that there was a tension between the NHS's desire to minimise costs and the homecare provider industry's need to generate a profit. He warned that an aggressive drive to minimise costs could have detrimental long term consequences, forcing companies out of business or deterring newcomers from entering the field. The NHS would benefit from a stable, thriving and potentially more diverse market, perhaps encompassing not-for-profit organisations or social enterprises.

Mr Roberts also highlighted the need to manage expectations, and to be realistic about what could be provided. Homecare services should be seen as a better way to meet patients' needs, which would lead to cost control through service redesign. Focusing solely on cutting costs had the potential to reduce the quality of care delivered to patients.

## Systems development

The systems task group was established to consider how IT and systems development could support the implementation of the Hackett recommendations, and more generally enhance the cost effective delivery of homecare services. **Andrew Alldred**, Clinical Director of Harrogate and District NHS Foundation Trust, and **Andrew Davies**, Director Pharmacy at North Bristol NHS Trust, described progress to date.

Technology has the potential to support more efficient working practices and greater integration between hospitals and service providers. The task group mapped out a high level patient journey to identify key information flows through the current system – from prescription, through delivery of medicines, to invoicing and payment – and to pinpoint 'hotspots' or labour intensive problem areas. More detailed patient journeys

were developed to provide a higher resolution view of such hotspots and to identify the ‘owners’ of the problematic processes.

Hotspots are typically points of manual data entry or time consuming processes such as scanning and photocopying. Not only are they manual, slow and costly, they also have the potential to compromise patient safety and data security. The goal of enhanced processes would be to promote single entry of data, to automate processes as much as possible, and to maximise electronic data transfer.

The task group also identified three case studies where hospitals around the country had introduced systems to enhance homecare medicines workflows. Notably, between them, the three approaches had addressed almost all the hotspots in the detailed patient journeys, suggesting that there is great potential to introduce enhanced ways of working even with existing systems.

Following extensive consultation, the task group has developed an ‘output-based specification’, detailing what would be desired from a technological infrastructure, and an associated technical specification. Both have been included as appendices in the RPS handbook.

The task group has also produced recommendations on how hospitals can adapt their current pharmacy systems, such as JAC and Ascribe. The task group is continuing discussions to ensure that the needs of homecare medicines delivery are factored into the development of future electronic prescribing systems.

## Discussion

Discussion sessions at the event touched upon several key issues related to the planning and implementation of homecare medicines services, as well as development of the field more generally.

Although the focus on governance was widely welcomed, concerns were raised of the potential for a ‘governance industry’ to develop, slowing implementation and increasing costs. While these risks were acknowledged, it was felt that there was potential for processes to be streamlined, for organisations to work together to standardise processes and achieve efficiencies, and for the potential to cut red tape to be considered, while maintaining a focus on the objectives behind the governance recommendations, particularly safe and effective use of medicines.

In a similar vein, questions were also raised relating to the potential for increased pharmacy workloads, and the difficulties of securing gain-sharing to support investment in homecare oriented pharmacy services. Again, this was recognised to be a real issue. Examples have been seen where gain-sharing has been achieved in practice, and constructive negotiations between commissioners and NHS trusts are essential. There is also the potential for enhanced IT systems to support improved workflows, to reduce workloads and realise efficiency savings.

Questions were also raised about the sustainability of homecare services. It was suggested that outsourced outpatient services could eliminate one of the major financial benefits of homecare. While the potential value of such services was not disputed, and indeed a mixed economy could be envisaged that also included community pharmacies, it was felt that the core driver of homecare services should be the needs of patients and their families. Even so, homecare services should not be seen as a panacea nor imposed on all patients (some patients on HIV medication, for example, might prefer to use community pharmacies).

The potential drawback of developing services on the back of gain-sharing agreements was also raised. In time, there might be a temptation to go back on agreements, or for savings to be siphoned off for other uses. Indeed, there is undeniably ongoing competition for resources within the NHS. Problems might also occur when drugs fall off-patent. Such concerns again raise the importance of early and constructive engagement with commissioners, and potentially for stronger nationwide steers on commissioning practice.

The nature of the homecare marketplace also drew comment. Issues with the relationship between manufacturer and supplier can generate problems, and may require alternative mechanisms to be put in place to ensure patients continue to gain access to medicines. The recent patient safety alert highlighted shortcomings in the current system, though arguably a wider implementation of the Hackett Review recommendations might have averted the issue.

In a market with a limited number of players, the value of service level agreements and key performance indicators was also questioned – was there always an alternative to an underperforming service provider? The consensus was that contracts should be enforced rigorously, and alternative suppliers sought if existing companies were not meeting their commitments.

It was also widely agreed that a ‘stronger’ market would be good for all parties in the long term. As well as providing more options for the NHS, competition would drive forward innovation and maintain pressure on companies to deliver high quality services. It is undoubtedly true that there is currently limited spare capacity in the system and a high bar to entry. Furthermore, overzealous procurement practices have the potential to limit diversity further. Ways could be envisaged to stimulate the field, for example, through longer term and/or volume based contracts, and it may even be necessary to consider agreed profit levels.

In a field that is still developing, there is potential for pharmacists to work together regionally to enhance their systems to reduce administrative burdens, and to improve payment systems to help with cash flows. Greater interactions between the sectors might also be beneficial to aid mutual understanding, for example, through staff secondments or joint ventures. There might also be space in the marketplace for not-for-profit ventures or social enterprises.

## Conclusions

Homecare medicines services offer a number of benefits to all those involved. Most importantly, patients and their families are the major beneficiaries, receiving a high quality service oriented around their daily lives. In theory, at least, these enhanced services can be delivered without increasing the financial strains on a hard pressed NHS. More than 200,000 patients already enjoy the benefits of medicines delivery to their homes, and the numbers look set to rise still further.

On the other hand, it must be acknowledged that this rosy picture is not always being achieved in practice. At the heart of the Hackett Review recommendations was a drive to create an environment in which homecare medicines services were more deeply embedded and their reach could be expanded to ensure more patients could benefit.

Nevertheless, these are early days and homecare is still a fledgling area of NHS activity. The Hackett Review recommendations are yet to be fully implemented across England, and several important issues remain to be resolved. In particular, there remains the need to reach agreement on procurement and to develop more transparent and open financial reporting systems, particularly in unbundling. These important discussions are continuing.

Commissioners remain an important part of the landscape, and more needs to be done to engage them in discussions about financial models for supporting investment in homecare delivery systems. This is likely to require both local and national dialogue and action.

Finally, the homecare medicines marketplace remains in its infancy, and more needs to be done to ensure it is robust, sustainable and meets the needs of both patients and NHS customers. It is perhaps only to be expected that a young, immature market has not reached the equilibrium of, say, the conventional medicines supply industry. Imaginative mechanisms may be needed in these early days to establish a robust and responsive marketplace that can deliver growing levels of homecare medicines services to increasing numbers of patients.

## *Links*

**‘Homecare Medicines – Towards a vision for the future’:**

<http://media.dh.gov.uk/network/121/files/2011/12/111201-Homecare-Medicines-Towards-a-Vision-for-the-Future2.pdf>

**‘Towards a vision for the future – Taking forward the recommendations’:**

<http://www.uhns.nhs.uk/AboutUs/NHSHomecareMedicinesinEngland.aspx>

**The NHS Constitution:**

<http://www.nhs.uk/choiceintheNHS/Rightsandpledges/NHSConstitution/Pages/Overview.aspx>

**RPS Professional Standards for Homecare:**

<http://www.rpharms.com/unsecure-support-resources/professional-standards-for-homecare-services.asp>

**RPS Handbook for Homecare Services in England:**

<http://www.rpharms.com/unsecure-support-resources/professional-standards-for-homecare-services.asp>

**Gain Share Framework and Guidance:**

<http://www.england.nhs.uk/wp-content/uploads/2014/01/princ-shar-benefits.pdf>

**Output Based Specification: System-wide Delivery of Medicines in Homecare (DH Homecare Strategy Board):**

<http://www.rpharms.com/homecare-appendices/15-obs-homecare-v8-post-consultation.docx>

**Technical Specification: System-wide Delivery of Medicines in Homecare:**

<http://www.rpharms.com/homecare-appendices/15b-homecare-technical-specification.docx>

**Medicines Optimisation Clinical Reference Group:**

<http://www.england.nhs.uk/ourwork/commissioning/spec-services/npc-crg/medicines-optimisation/>