Note: Information contained in this paper has already been made available in the public domain in a variety of papers, arenas and discussions; material has been drawn together here into one paper for ease of reference.

The Case for Change in East Sussex (Accountable Care) (November 2016)

1. Summary

1.1 This paper recaps why the move to a new model of Accountable Care is needed in East Sussex Better Together (ESBT) area, building on our initial research in August 2015[1]. We know that we have already made significant progress through the first part of our ESBT programme in designing and implementing the principles for a new NHS and social care system that will offer high quality, sustainable services into the future. However, we also know that service redesign, integration and innovation are not enough to deliver the scale of change we require in East Sussex to fully deliver our triple aims of improving population health and wellbeing, enhancing care, quality and experience and restoring and maintaining financial balance, including addressing the system wide predicted funding gap of £169 million by 2020/21.

2 Geography and services in the ESBT area

2.1 Initially this work was undertaken on an East Sussex-wide basis, and as such at times this report refers to demographic and financial information on a county-wide basis. As of September 2016, the ESBT programme partners are Eastbourne, Hailsham and Seaford and Hastings and Rother Clinical Commissioning Groups (CCGs), East Sussex County Council, East Sussex Healthcare NHS Trust and Sussex Partnership NHS Foundation Trust. The ESBT footprint, and therefore this report, covers acute hospital, primary care, community, mental health, social care and specialist services provided in the Eastbourne Hailsham Seaford CCG and Hastings and Rother CCG areas.

3 Key points

- Across health and social care in England, there is a requirement to provide services that centre on the needs of patients and service users to meet the rising future demand within our financial resources.
- In East Sussex the population is projected to rise steadily by 0.4% each year for the next five years but there will be disproportionate growth in our over-65 population, a group set to grow by 9% between 2015 and 2020.
- While life expectancy has increased and is higher than the national average, disability free life expectancy has not increased in line with this, and there are significant health and social inequalities across the county.
- Leaving the system 'as is' is not an option. In financial terms we face an anticipated funding gap of over £169 million by 2020/21, and there are significant challenges in recruiting and retaining a skilled workforce across primary, acute, community, and social care that can meet the new demands associated with changing health and care needs brought about by an ageing population.

3.1 It is clear that these circumstances require a new model of care to be designed that is fit for purpose in the 21st century to address the challenges we face in East Sussex. This paper is designed to be read in conjunction with the companion paper 'Developing the

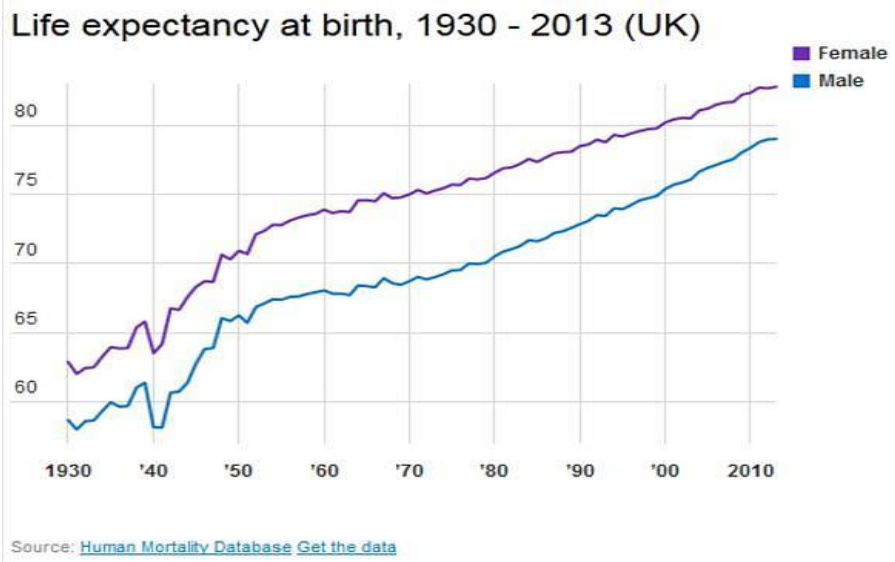
[1] 'Moving to Accountable Care in East Sussex' (East Sussex Better Together, 2015)

Evidence Base Further for ESBT Accountable Care' which recaps why the features of Accountable Care will help make the provision of quality health and care services clinically and financially sustainable in the ESBT area. It also summarises the outcomes of local discussions during 2016 and presents ideas for a test-bed year in 2017/18 to test and develop aspects of Accountable Care models further, and support further decisions on the most appropriate organisational arrangements for an ESBT Accountable Care Model.

4. Rising demand and changing needs

4.1 The rapid rise in demand for health and social care is a familiar story for many health and care systems across the world. Populations are growing and people are living longer, Figure 1 shows that the average life expectancy of men and women in the United Kingdom is approximately twenty years longer than it was eighty years ago. There has been a decrease in communicable disease and an increase in chronic conditions, with more and more of us requiring long-term support. As patients and clients of services we also each expect to receive high quality and consistent care, resulting in the best possible outcomes for ourselves and for others.

Figure 1: Life expectancy at birth, 1930 – 2013 (United Kingdom)



Source Human Mortality Database

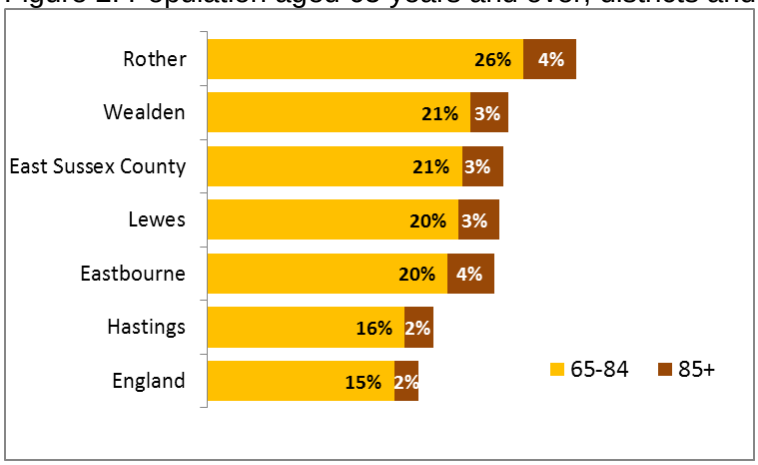
4.2 The NHS and social care services in England are facing unprecedented challenges due to demographic shifts, ever advancing technology and an extended period of financial austerity[2], coupled with an ever-growing expectation as to what services they should deliver. There is consensus nationally that change is required in order to meet these demands. As the recent NHS Five Year Forward View describes there is also growing consensus about the nature of the change required, particularly around the importance of overcoming the current divisions between health and social care, primary and secondary care and mental health and physical health. The Five Year Forward View outlines a number of organisational forms – including multi-specialty community providers (MCPs) and primary and acute care systems (PACS) – through which such services could be delivered on a more integrated basis. These organisational forms share characteristics with Accountable Care models and systems that are emerging elsewhere in the world.

4.3 In East Sussex we are at the forefront of experiencing this pattern of rising demand and pressure on resources. The East Sussex Joint Strategic Needs Assessment (JSNA) identifies that there is a larger older aged population in East Sussex compared to nationally (figures 2 and 3). More than three out of four lower super output areas (LSOAs) in East

[2] NHS Five Year Forward View (2014)

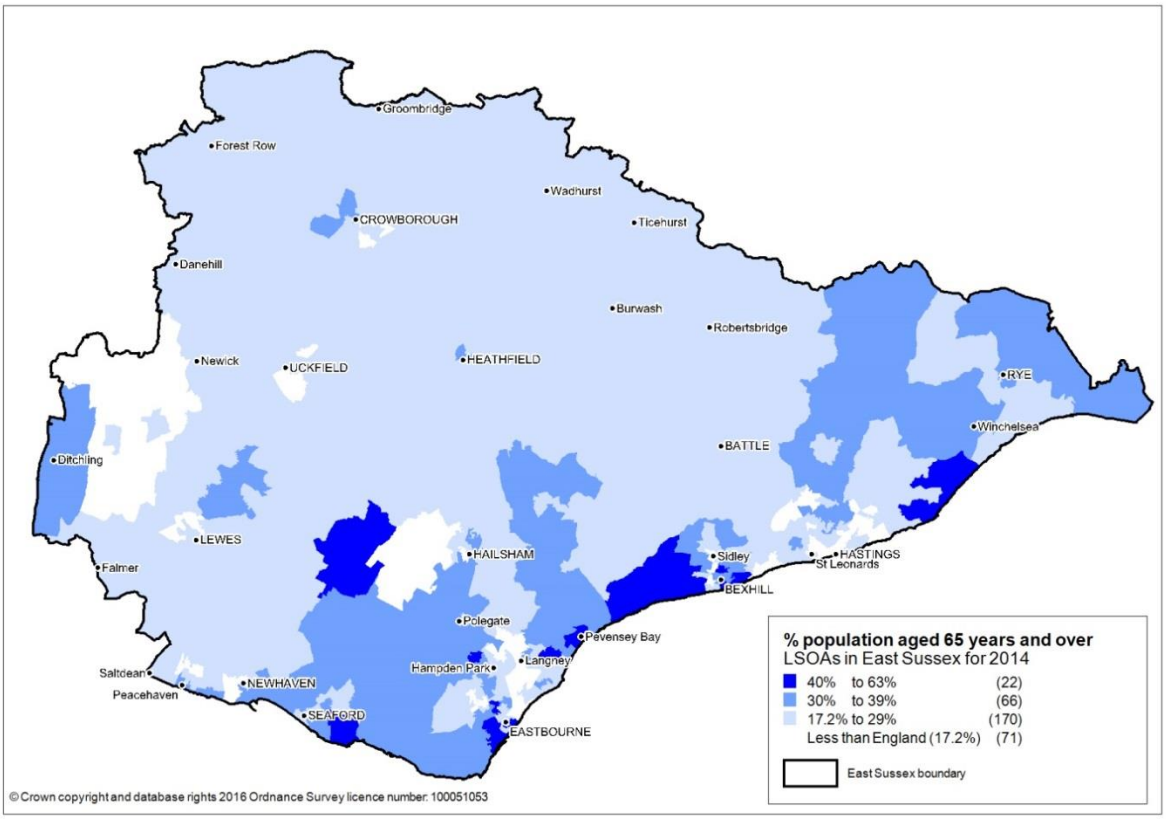
Sussex have a greater percent of persons aged 65 years and over compared to the England figure. Whilst the East Sussex population is expected to increase by 0.4% each year the number of older people is expected to increase by 9% between 2015 and 2020. Life expectancy in East Sussex is higher than the national average, but disability free life expectancy at age 65 has not increased in line with this (figure 4), creating unprecedented demand on social care services. There is projected to be a 15% increase in persons with a disability between 2014 and 2027 (figure 5) with an 18% increase in persons with a higher severity disability. There are also inequalities in years of life lost for causes considered amenable to healthcare. Hastings & Rother CCG have rates 1.5 times higher than High Weald Lewes Havens CCG (figure 6).

Figure 2: Population aged 65 years and over, districts and boroughs in East Sussex



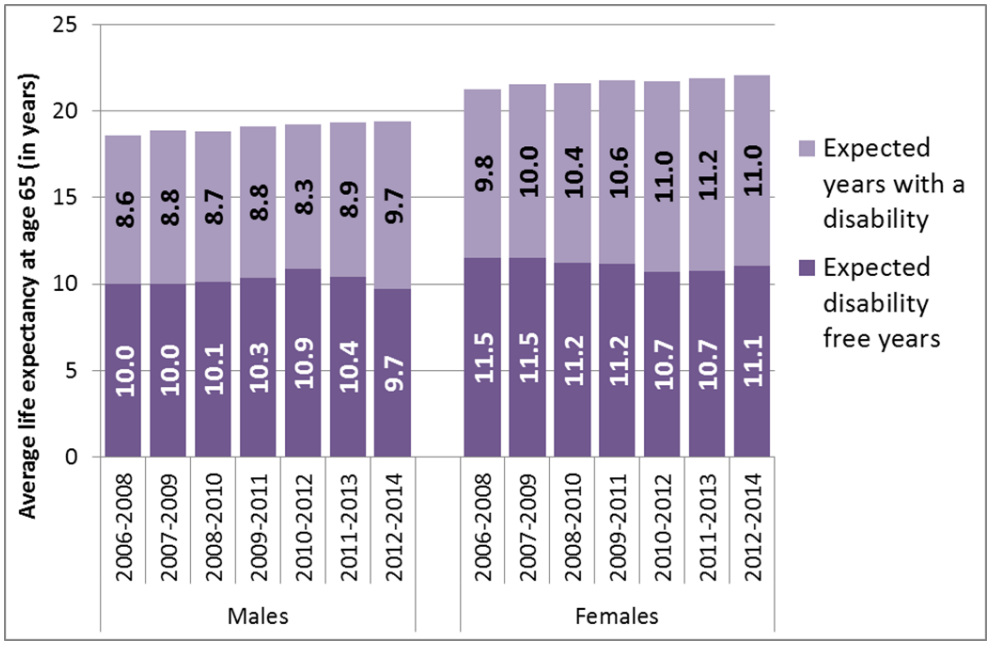
Source: Mid-2014 resident population estimates, ONS June 2015

Figure 3: Population aged 65 years and over by LSOA in East Sussex, 2014



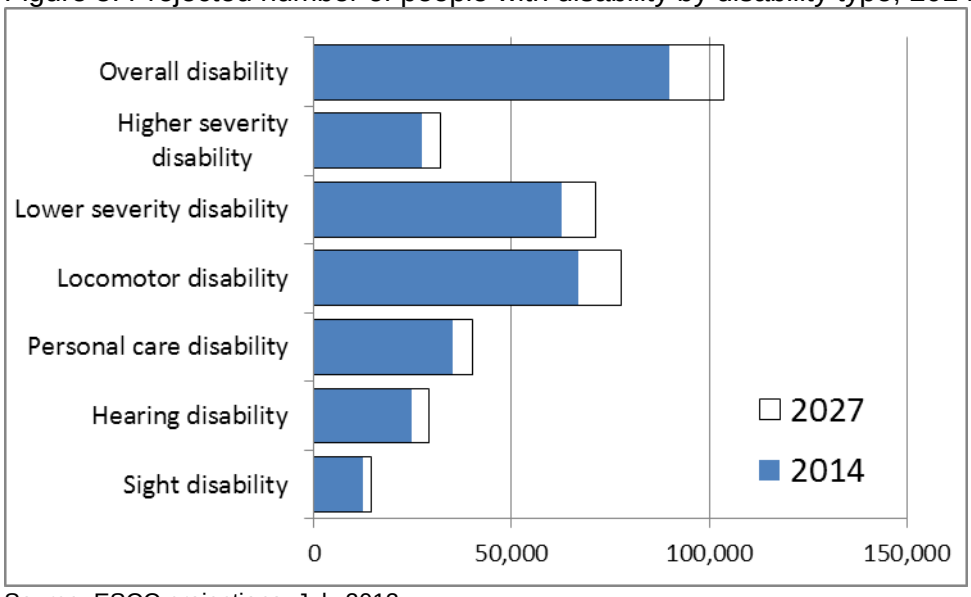
Source: Mid-2014 resident population estimates, ONS November 2015.

Figure 4: Life expectancy and disability free life expectancy at age 65 in East Sussex



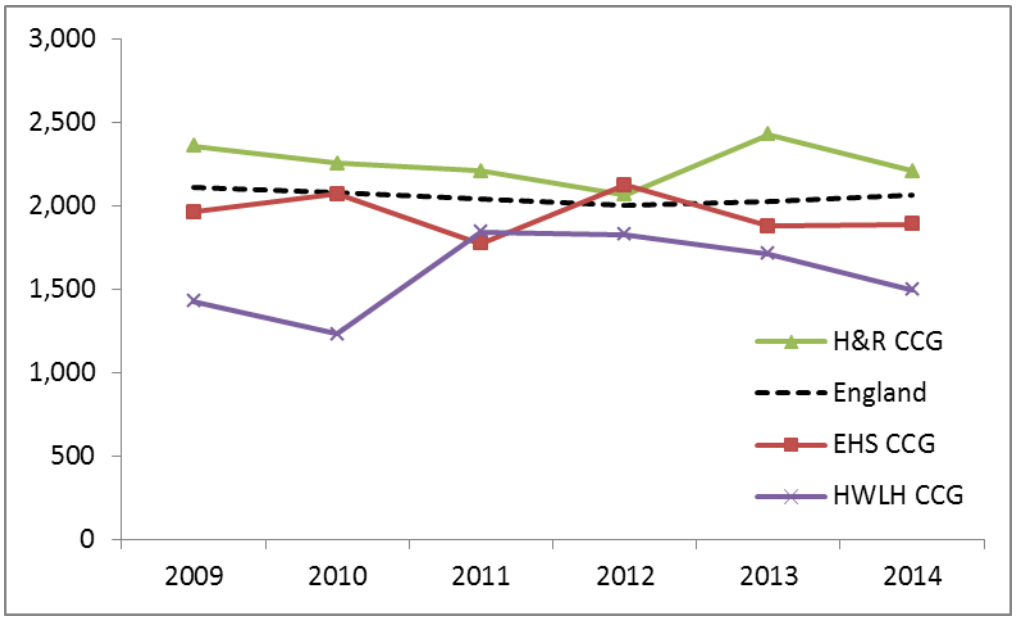
Source: ONS March 2016

Figure 5: Projected number of people with disability by disability type, 2014-2027



Source: ESCC projections, July 2013

Figure 6: Directly age and sex standardised potential years of life lost (PYLL) from causes considered amenable to healthcare per 100,000 registered patients, CCGs in East Sussex, 2009 to 2014



Note: H&R CCG = Hastings & Rother CCG, EHS=Eastbourne, Hailsham & Seaford CCG, HWLH = High Weald lewes Havens CCG
Source: CCG Outcome Indicator Set, HSCIC, Sept 2015

4.4 With increasing pressure across all services and an anticipated funding gap in the region of over £169 million by 2020/21[3] if status quo is maintained, as a response we launched East Sussex Better Together (ESBT) in August 2014 - our bold and transformative approach to developing a fully integrated and sustainable health and social care economy in East Sussex. We aim to achieve this through a 150 week whole system programme designed to invest to the best effect the combined £846 million[4] we spend on health and social care services on behalf of our population.

4.5 Our initial research[5] shows us that, Accountable Care models, whereby a 'whole person' focus crosses traditional health and social care silos, have emerged internationally as the most likely solution to address the 'Triple Aims' of healthcare systems of the future, where integrated approaches should be applied "to simultaneously improve care, improve population health, and reduce costs per capita"[6]

4.6 Through offering a different way of organising the way we arrange, pay for and deliver care, Accountable Care models offer a potential solution to the challenges associated with achieving a high value and integrated health and social care system. This helps to deal with some of the current the perverse incentives that are present in how health and social care is currently commissioned in England, enabling us to:

- Tackle poor system alignment and reducing fragmentation across the system or care pathway by incentivising collaboration between providers to coordinate care, in order to deliver person centred outcomes and eliminating unnecessary treatment or duplication.

[3] Draft ESBT 5 Year Strategic Investment Plan (updated 2016/17 modelling)
[4] 2016/17 figures
[5] 'Moving to Accountable care in East Sussex' (East Sussex Better Together, 2015)
[6] Institute for Healthcare Improvement – Triple Aim for Populations

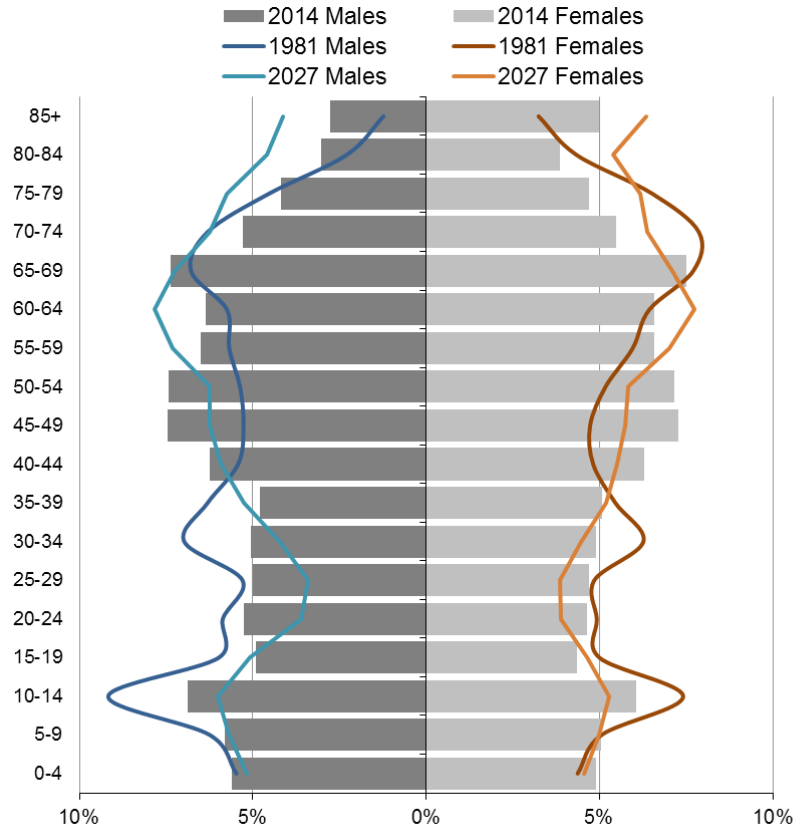
- Incentivise community-based preventative service delivery (sometimes called the lowest level of effective care) and population wellness, therefore achieving better outcomes for patients as well as greater cost efficiency.
- Give people a stronger voice in their own care and determining what matters through the process of actively setting outcomes that matter to the local population
- Allow for greater delegation of decision-making to frontline services enabling a more flexible response to meet needs more effectively and efficiently, as well as stream lining and simplifying the overall commissioning and contract management function.

4.7 Accountable Care, with the use of whole population capitated budget and payment mechanism, coupled with longer term outcomes based contracts as a way of arranging and paying for health and social care services, is increasingly seen as the model required to drive the changes needed to address these multiple and interdependent issues to make our health and social care services more sustainable for future generations.

5 Demographic profile in East Sussex

5.1 There is a rapidly changing demographic picture in East Sussex. Between 2014 and 2027, the population is predicted to grow by 6% with the over 65 group alone growing by 27%. Figure 7 illustrates the disproportionate growth in over 65s between 1981 and 2027.

Figure 7: Population structure in East Sussex, 1981, 2014 and 2027 projections



Source: ONS population estimates 1981 & 2014, ESCC projections for 2027

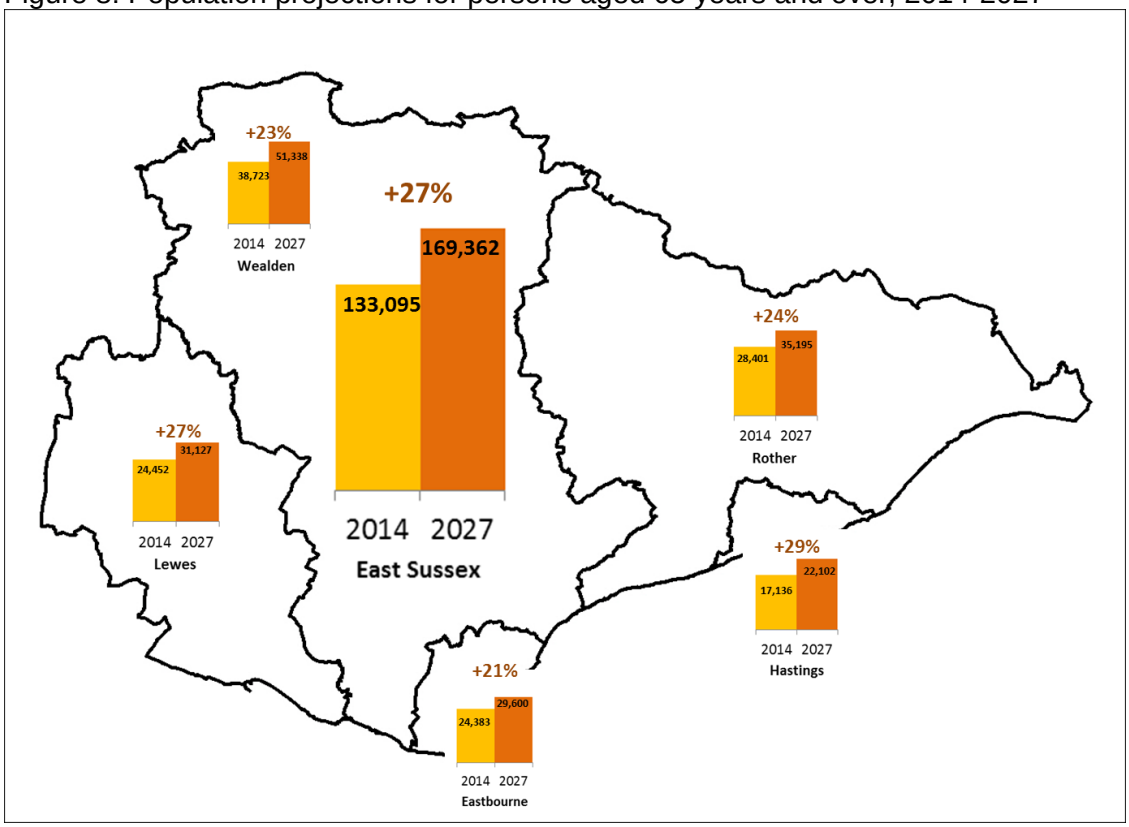
5.2 There are demographic shifts across all age brackets in East Sussex, as table 1 shows. However, across our geography, figures 8 and 9 show just how significant the increase in the proportion of the over 65s and 85s is.

Table 1: East Sussex population projections by age group, 2014-2027

Age bands	2014	2015	2019	2023	2027	% change over the period
People aged 0-9	57,536	58,004	58,874	58,525	57,942	1%
People aged 10-19	59,793	57,977	55,539	58,459	59,754	0%
People aged 20-34	79,589	78,132	74,934	69,776	66,869	-16%
People aged 35-44	60,498	59,908	59,079	61,779	62,275	3%
People aged 45-54	79,086	79,278	77,574	70,788	68,327	-14%
People aged 55-64	70,169	70,612	77,024	83,416	85,004	21%
People aged 65-69	40,140	40,476	35,861	37,055	40,830	2%
People aged 70-74	29,120	30,542	38,988	35,674	35,936	23%
People aged 75-79	24,052	24,155	26,688	35,016	34,022	41%
People aged 80-84	18,653	18,804	20,276	21,723	28,524	53%
People aged 85-89	12,668	12,867	13,485	14,818	16,008	26%
People aged 90 ad over	8,462	8,680	10,131	11,884	14,042	66%
Total	**539,766**	**539,435**	**548,453**	**558,913**	**569,533**	**6%**

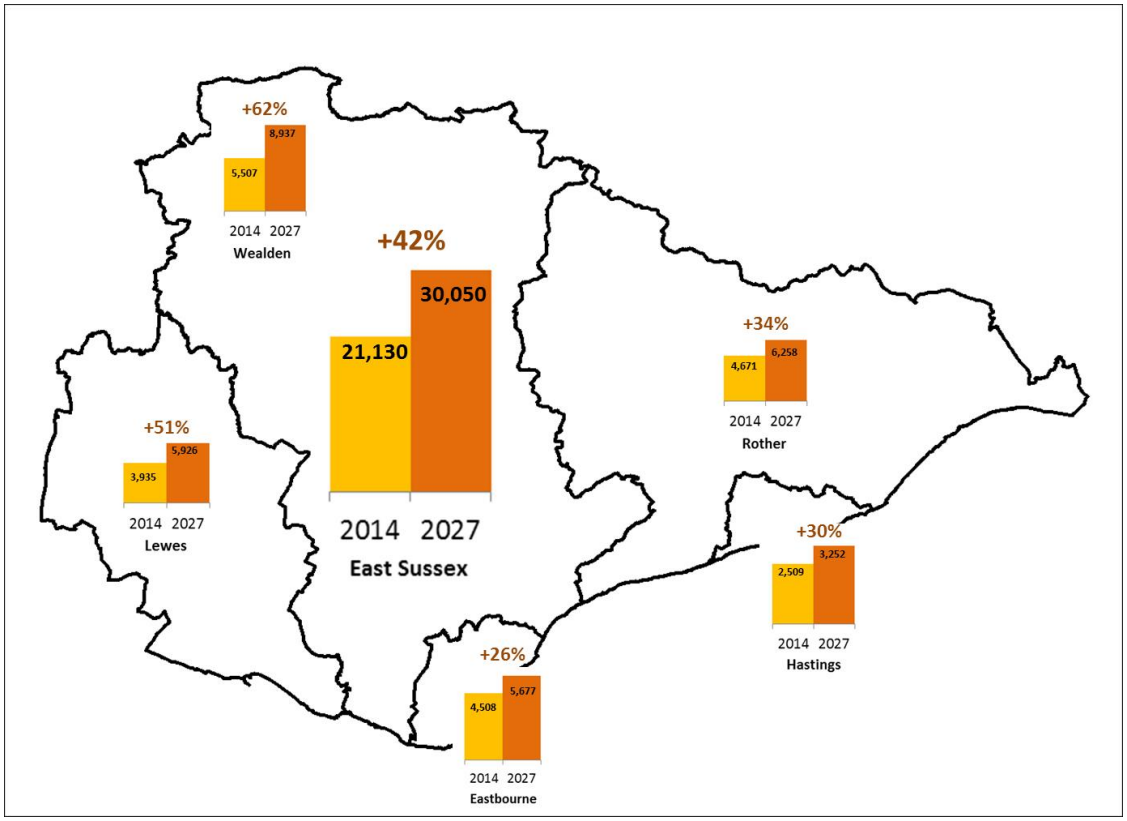
Source: ESCC projections (dwelling led), January 2016

Figure 8: Population projections for persons aged 65 years and over, 2014-2027



Source: ESCC projections (dwelling led), January 2016

Figure 9: Population projections for persons aged 85 years and over, 2014-2027



Source: ESCC projections (dwelling led), January 2016

5.3 However, although people are living longer, healthy life expectancy is not increasing in line with this. The numbers of over 65s with dementia, diabetes and longstanding health conditions caused by stroke in our population is expected to increase. In addition there is evidence that health inequalities are widening[7]. In short more people are living longer with complex needs, requiring extended help and support in non-hospital-based settings in an environment where our funding is constrained.

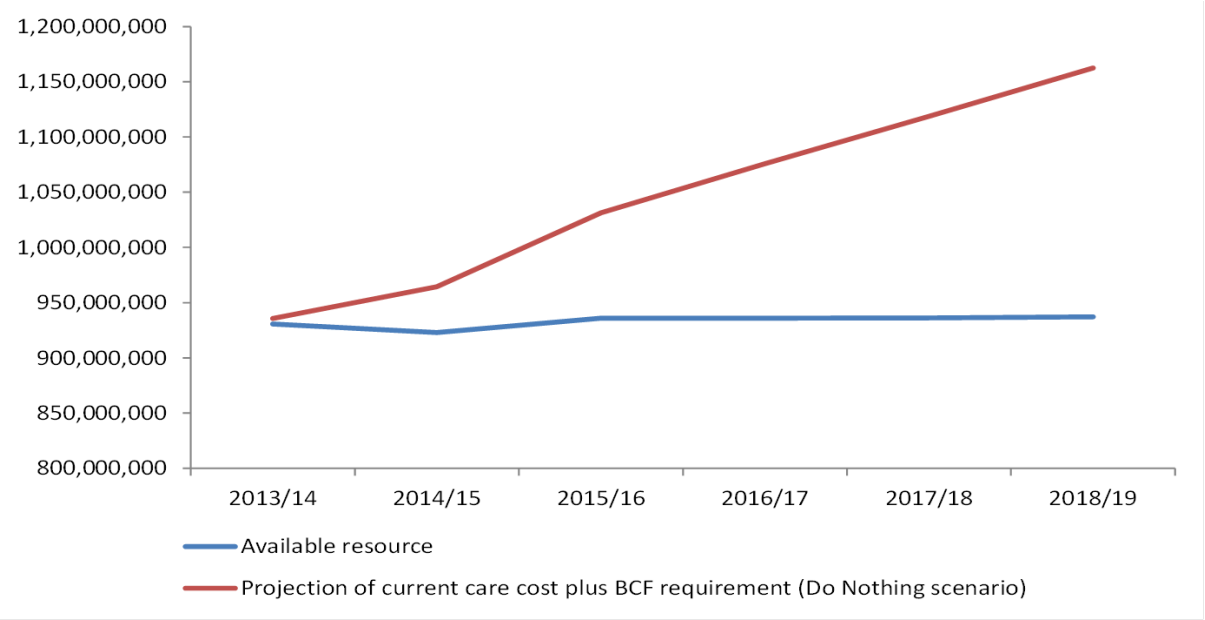
6. Consequences of 'doing nothing'

6.1 Like many parts of the country, demand for health and social care services is growing. If the use of services grew in line with overall changes in the population the system would be unlikely to cope through organic growth alone. This doesn't take into account the fact that as we get older we are likely to need more services and support, and this is the fastest growing segment of our population, and therefore ultimately we need to design a new service model that meets the needs of today's and tomorrow's population.

6.2 Work by PricewaterhouseCoopers, completed in late 2014 on an East Sussex-wide basis, to assess the financial implications of a 'do nothing' option concluded that, if left unaddressed, there would be an East Sussex-wide funding gap of approximately £200million by 2018 (figure 10). We have updated this analysis to take into account the current ESBT footprint and project that by 2020/21 there will be an anticipated funding gap of over £169 million[8]. This includes the costs of activity taking place within the ESBT area or financed by the CCGs outside of ESBT, as well as social care spend.

Figure 10: original PwC financial projections

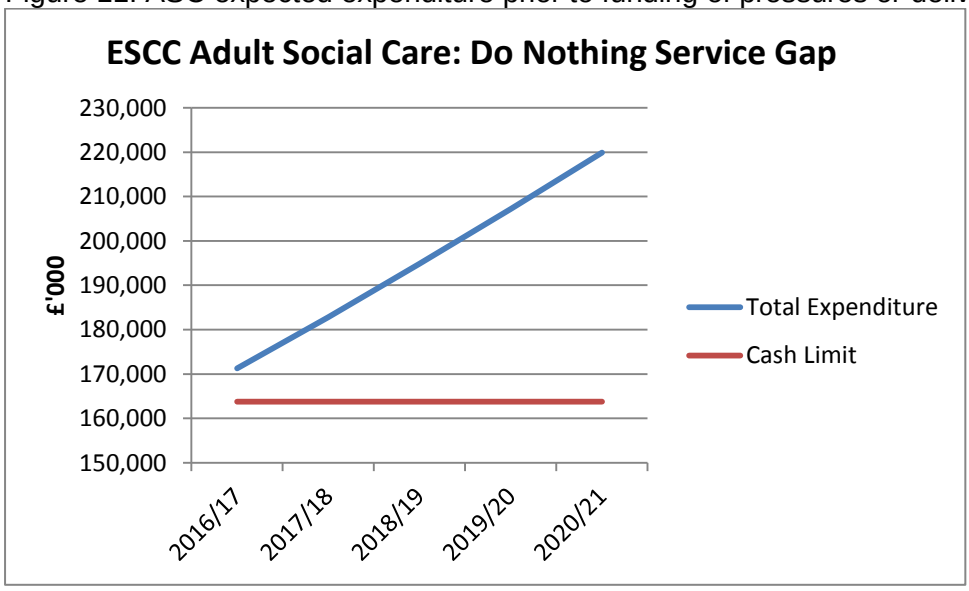
[7] East Sussex Joint Strategic Needs Assessment http://www.eastsussexjsna.org.uk/
[8] Draft ESBT 5 Year Strategic Investment Plan (updated 2016/17 modelling)



6.3 The ESBT programme is predicated on spending the current collective £850 million resource wisely, rather than saving £200 million badly. Another way of looking at this is that the collective £850 million represents a 'Year of Care' average cost per person in our population of £2,189 – the average amount available per person whether or not they use any services in that 12 month period. If we carry on delivering services in the same way our Year of Care cost would rise to £2,800. Our 'Year of Care' average cost per person needs to be in the region of £2,300 so that we can meet people's health and social care needs within the resources we think we'll have available.

6.4 Within this, figure 11 shows the five year financial projections for the expenditure needed to meet predicted demand for Adult Social Care (ASC) services against the resource available if there are no interventions; rising to £220 million by 2020/21 against a current cash limit of approximately £163 million – an unprecedented financial challenge.

Figure 11: ASC expected expenditure prior to funding of pressures or delivery of savings



6.5 Our developing ESBT 5 Year Strategic Investment Plan modelling[9] provides further detail on the activity that is driving increased costs across non elective (unplanned) admissions, accident and emergency attendances, elective (planned) admissions, first attendances at Out Patients and follow up Out Patient attendances, contributing to the anticipated £169 million gap.

7 Workforce recruitment, retention and sustainability

7.1 This is also a time of unprecedented challenge in workforce supply across many professions in health and social care. Our local workforce is fundamental to the success of all of our ESBT transformation plans and therefore challenges relating to workforce present a major risk to the successful delivery of the ESBT Programme's objective of a clinically and financially sustainable health and social care economy. In response to this the ESBT Programme Board has initiated an overarching strategic workforce development group to enable a joined up strategy[10] to be developed with the aim of tackling the deep seated issues relating to workforce.

7.2 Focusing on the areas where we need to see a shift in the care model to prevention and proactive care in primary and community-based settings, the critical issues relating to the overall resilience and sustainability of the local health and care workforce can be summarized as being characterized by an ageing workforce, and high levels of vacancies and turnover. This has an impact on the capacity of primary and community based services to successfully offer preventative and proactive care in out of hospital settings.

7.3 A brief summary of the position for primary care shows the following:

- The vast majority of GPs remain partners although there is some evidence from GP trainees that this option is less attractive to them with some looking for more flexibility in a varied role without the responsibility of being a partner in a practice. This may affect the workforce supply of the future if the current model remains unchanged.
- The current age demographic shows there is a high retirement risk in H&R CCG practices. The current GP workforce is an aging workforce particularly in Hastings and Rother (H&R) CCG practices with 28% being over 55 compared to 14% in Eastbourne, Hailsham and Seaford (EHS) CCG practices (figures 12 and 13).
- Overall GPs in the 45 – 54 and 55+ age group represent 50% and over of the workforce in both CCG areas
- There is an even higher retirement risk for Practice Nurses, where the ageing workforce is a greater issue with 58% of Practice Nurses being over 55 in H&R and 28% in EHS. Although EHS has a much lower proportion of over Practices Nurses who are over 55, 53% of the Practices Nurses in EHS are aged between 45-55 (figures 14 and 15).

[9] Draft ESBT 5 Year Strategic Investment Plan (updated 2016/17 modelling)

[10] East Sussex Better Together Workforce Strategy 2016 – 2018 (ESBT 2016)

Figure 12: Hastings and Rother GP age profiles

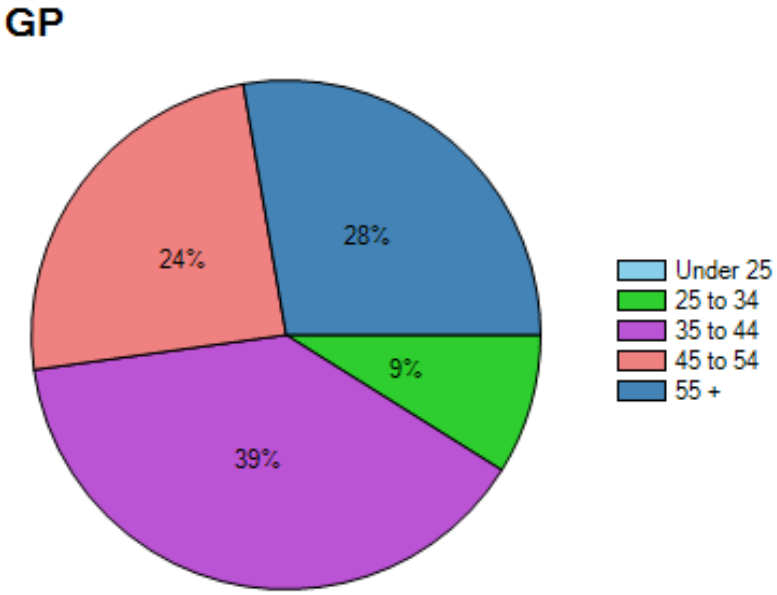


Figure 13: Eastbourne, Hailsham and Seaford GP age profiles

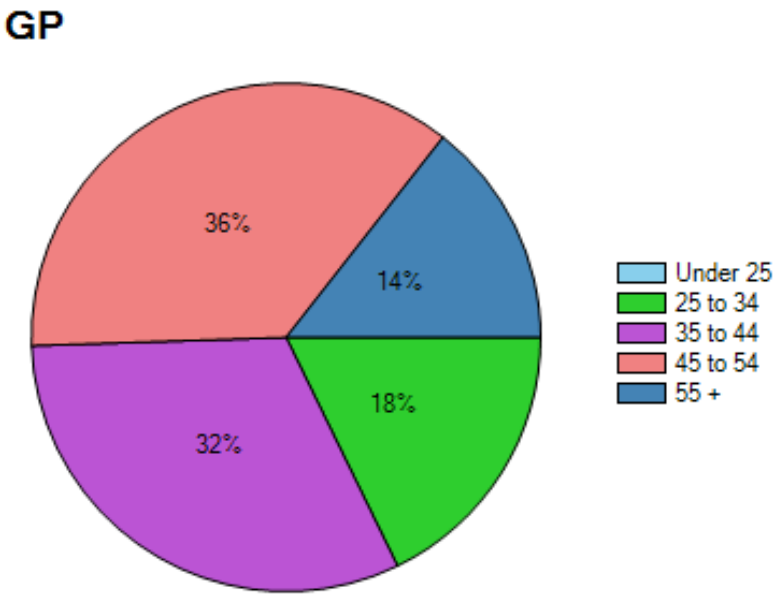


Figure 14: Hastings and Rother Practice Nurses age profiles

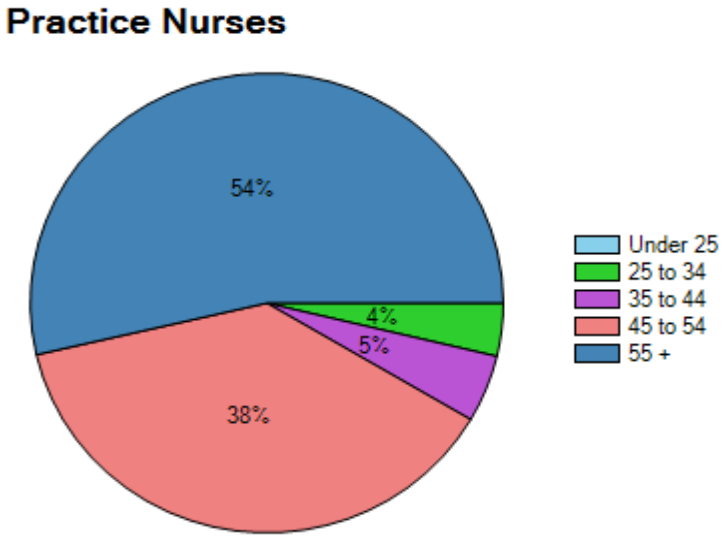
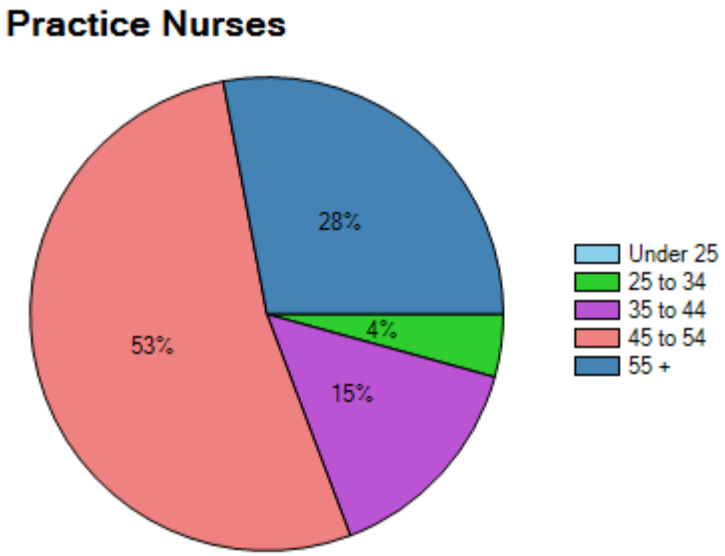


Figure 15: Eastbourne, Hailsham Seaford Practice Nurses age profiles



7.4 Over the next four years we expect to need recruit 45 GPs and 33 Practice nurses (a combination of replacement and additional). The current skills gap includes:

- 12.15 GP vacancies in EHS
- 14.05 GP vacancies in H&R
- 1.9 nurse vacancies in EHS
- 3 nurse vacancies in H&R

7.5 There are several recent studies[11] that confirm the pressures in primary care, often being described as a crisis, with growing vacancies, increasing dissatisfaction with work life balance, risk of retirements and insufficient numbers taking up junior doctor training and going on to become trainee GPs.

7.6 The National Minimum Data Set – Social Care (NMDS-SC) data for the East Sussex Adult Social care workforce also shows that the sector is employing an ageing workforce. For example, the majority of the workforce in East Sussex are aged between 50 to 54, with an average age of 43. Those aged 24 and under represent 10.1% of the workforce and those aged over 55 represent almost 25%. This means that a significant number of the workforce could be lost through retirements over the next 5-10 years

7.7 Turnover is one of the biggest costs to care organisations because the cost of recruiting, inducting and training new staff is considerable. Turnover is also a major influencing factor when it comes to the experience of service users. The NMDS-SC workforce dashboard at 23 August 2016 shows that Adult Social Care for East Sussex has an average staff turnover rate of 27.6 %. With regards to the vacancy rates amongst direct care roles within East Sussex the NMDS-SC workforce dashboards at 23 August 2016 shows that the greatest risk is in the recruitment of Social Workers.

7.8 It is expected that a fully integrated model of Accountable Care would strengthen the opportunities already identified by the ESBT Programme partners to work as a system to create a coherent approach to workforce and estates, that can deliver benefits in relation to the significant workforce challenges faced by health and social care organisations, and move away from being in the position of different organisations competing for the same workforce. These include opportunities for greater portfolio career development across primary and acute care, increased delegation of roles and skills and the creation of generic and integrated roles, as well as a range of back office and estates management support to alleviate pressures on primary care.

8 Summary and conclusion

8.1 The significant challenges brought about by the demographic profile of our population in East Sussex and the financial context we are working in (set out in the 5 Year ESBT Strategic Investment Plan[12]), show that East Sussex shares many characteristics with health and care systems around the country and globally. Over the coming years we will be required to meet the rising demand for health and social care services within an increasingly restricted financial envelope. We can only meet this new challenge by leading and delivering the transformation of health and social care as envisioned by East Sussex Better Together.

8.2 The challenges that shape the context that we are working in and the need for a new model of care include:

- Increased demand and also changes in the nature of demand caused by the changing age structure in our population. In East Sussex we have high numbers of people over 75 years and over 85 years such that, although our population is projected to rise steadily by 0.4% each year for the next five years, there will be disproportionate growth in our over-65 population a group set to grow by 9% between 2015 and 2020. In ten years' time it is estimated the population aged over 65 in East Sussex will increase to around 160,000[13].

[11] Understanding the pressures in Primary Care, May 2016, Kingsfund
[12] Draft ESBT 5 Year Strategic Investment Plan (updated 2016/17 modelling)
[13] East Sussex in Figures

- While life expectancy has increased and is higher than the national average, disability free life expectancy has not increased in line with this and there are significant health and social inequalities experienced across the county. In 2012-14 the gap in life expectancy between the most and least deprived Wards in East Sussex was 13.6 years. Circulatory diseases and cancer are the main contributors to the life expectancy gap between the most and the least deprived areas and to people dying prematurely.
- There is an increasing prevalence of long-term conditions (LTC) and in particular a significant older population living with multiple LTCs. In 2011, 20% of people in East Sussex had a long-term health problem or disability and by 2024 this is expected to increase to around 22% of the total population. National figures show that people with Long Term Conditions, such as Diabetes, account for 50% of all GP appointments, 64% of outpatient appointments and 70% of all inpatient bed days and consume 70% of the total health and care spend.
- Increased demand, particularly for urgent care, caused by changes in expectations and patient behaviour.
- Demand is outstripping NHS investment and local government budget reductions. Our local acute and community provider, East Sussex Healthcare NHS Trust (ESHT) is carrying a historical deficit of approximately £50 million. East Sussex County Council needs to make savings of between £70 million and £90 million by March 2019 due to funding from Government shrinking. This is on top of £78 million already saved since 2010 and represents around 20% of the Council's total budget. Although in the past the Council has sought to protect Children's and Adult Services this is increasingly difficult and it is anticipated that £45.1 million will need to be saved from Adults' and Children's Services by March 2019.
- Within East Sussex Better Together we have three organisations that are responsible for commissioning health and care services. Moving to a place-based approach will enable us to fully share the commitment to integration, as well as the leadership, accountability and systems needed to mobilise a collaborative system-wide approach.
- East Sussex Better Together (ESBT) is one of three place-based localities in the Sussex and East Surrey Sustainable Transformation Plan (STP) footprint. Together with our neighbouring CCGs, Local Authorities and provider Trusts, we are working to develop an STP which will drive transformation of the patient experience and outcomes, over the longer term, to deliver sustainability. Local place-based approaches, such as ESBT, that deliver integration, prevention, proactive care, self-care and self-management, as well as wider population health and wellbeing, will form the bedrock of delivering the STP, as these approaches underpin the sustainability of local acute hospital services.
- Disjointed systems of care are failing to deliver the best possible outcomes and return on public investment. National and international evidence is clear that investment in integrated primary, community and social care provides the best outcomes and reduces demand for more costly hospital care and other bed-based care. The current situation however incentivises the use of hospital care through activity and volume based payments.
- The provision, quality and sustainability of hospitals is a high profile issue, and our local Challenged Health Economy analysis (2014) showed that hospital reconfiguration in and of itself won't solve this. As the Wanless Reports[14],[15] originally

[14] Securing Our Future Health: Taking a Long-Term View (Derek Wanless, 2002)

stated, simply investing in acute hospital care without addressing the underlying problem of the sustainability of the whole system is not the answer. This includes putting population health at the heart of the care model, as well as ensuring acute, primary, community, mental health and social care investment is in balance so that we can provide high quality care and specialist services when people need them

- Difficulty in recruiting and retaining a skilled workforce across primary, acute, community and social care that can meet the new demands being made is a challenge nationally. In East Sussex we face specific challenges in the east of the county with the sustainability of some General Practice partnerships, and there is ongoing difficulty with recruiting community nurses and care workers in the independent care sector.

8.3 It is predicted that if nothing changes between current and projected demand and available health and social care budgets the funding gap will be over £169 million by 2020/21. We have made strong progress already under our ESBT Programme to integrate services and redesign pathways in line with best practice, however we also need to transform the way services are organised and provided at a deeper level to meet the triple aims of improved population health, improved quality of care, and reducing the overall per capita cost of care. This means integrating more fundamentally as commissioners and providers to achieve a health and social care economy that is sustainable in the long-term.

8.4 Put simply, doing nothing is not an option. At the time of writing we are now in week 122 of our 150 week ESBT programme with progress made in the first 18 months on key areas of service and pathway redesign to support integrated delivery, such as integrated local health and social care teams, streamlined points of access and urgent care. The programme also aligns key workstreams such as community and personal resilience, workforce, financial planning, Information Management and Technology (IM&T) and data sharing to enable the necessary changes to back office systems to be made to support the overall transformation to person centred integrated care. The rationale behind ESBT – which is fully recognised and supported by all our inspectors and regulators as critical to sustainability in East Sussex in the long-term - is documented in previous reports and more detail can be found at https://news.eastsussex.gov.uk/east-sussex-better-together.

8.5 The next phase of our programme therefore needs to focus on transforming commissioning and delivery. To ensure that resources are directed where they are of best use and to guarantee sustainability we will need to be ready to begin to implement the transitional plan for testing new approaches to arranging and delivering local health and social care services in shadow form by April 2017.

[15] Securing Good health for the Whole Population (Derek Wanless, 2004)