



National Services Division

**Service agreement with:
NHS Tayside**

**For:
Neurosurgery for mental disorders**

2007/08

1. Introduction

- 1.1 This agreement is between National Services Division of NHS National Services Scotland as the commissioner, for and on behalf of the Scottish Executive, and NHS Tayside as the provider of neurosurgery for mental disorders as identified below.
- 1.2 This agreement shall cover the period from 1 April 2007 to 31 March 2008.
- 1.3 The agreement is made under the provisions of Section 30 of the National Health Service and Community Care Act 1990.

2. Objective

To provide a comprehensive service for the neurosurgical treatment of chronic refractory affective disorders to residents of Scotland, including:

- vagus nerve stimulation
- ablative neurosurgery

3. Definition of service

Service specification

- 3.1 The entry point for this service is:
- acceptance into the programme for assessment
- The exit point is:
- discharge to local clinical teams after follow-up
- 3.2 There will be tight referral criteria in place, including advice to referring clinicians on which other forms of treatment or medical therapy must have been pursued as a first- or second-line therapy prior to assessment.
- 3.3 An initial assessment will be carried out by the multidisciplinary team. Following the assessment, a decision will be made whether or not the patient is suitable for either vagus nerve stimulation or ablative neurosurgery. During the assessment period the full implications of the surgery and its consequences will be explained to the patient and their family or carers prior to the offer of treatment.
- 3.4 All patients proceeding to surgery will be authorised by the Mental Welfare Commission (MWC) for Scotland.

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- 3.5 For patients who are found unsuitable for neurosurgical intervention, the team will issue clinical and/or patient management recommendations to referring clinicians and will provide support for the local services in delivering these treatment recommendations.
- 3.6 Provision of operating facilities, at the time needed, is essential. The theatre will be provided with appropriate agreed levels of staff with the required expertise and the necessary specialist equipment and other facilities.
- 3.7 Provision, at the time needed, for post-operative care of patients in medical and/or psychiatric intensive care beds / high dependency beds with adequate levels of skilled nursing staff and supervision by intensivists in collaboration with surgical, medical and mental health staff. These services will be accessible 24 hours a day, 365 days per annum, for the duration of the service agreement.
- 3.8 Links with GPs and the referring clinical team will be maintained to monitor the patients' progress prior to surgery, and to collaborate in post-surgery clinical management.
- 3.9 The service will ensure that effective discharge planning arrangements are in place. Shared care agreements must be in place with referring clinicians and GPs for the long term care of the patient. Communication with GPs and referring clinicians must be continuous and contact maintained.
- 3.10 All patients proceeding to NMD will be subject to comprehensive clinical review at 12, 24 and 60 months post-surgery.

4. Activity level

Indicative activity is expected to be as follows:

| | |
|--|-----------|
| Referrals | 24 |
| Assessments | 24 |
| Follow-up visits | 12 |
| | |
| Vagus nerve stimulation | 7 |
| Ablative neurosurgery | 5 |
| Total no of surgical procedures | 12 |

The provider must inform the commissioner if the base activity levels are likely to be exceeded within the agreement period.

5. Referral

Referrals to the service will be accepted from practitioners of consultant grade and will be expected from all parts of Scotland.

Referrals may be accepted from other parts of the UK, assuming that this does not disadvantage the service being offered to NHS Scotland. Up to the base activity levels, these costs will be funded through this agreement and recharged appropriately (see section 9).

Referred patients will be assessed by a consultant of appropriate experience. The resultant opinion regarding clinical management will be given promptly to the referring clinical team.

6. Quality

6.1 Standards

Central guidance

The provider will be expected to comply with all relevant guidance, legislation and statutory instruments.

In particular the provider should comply with:

- all relevant Health & Safety Executive guidance
- NHS QIS Standards
- the EC Working Time Directive
- Junior Doctors' New Deal
- the recommendations of the Glennie Report
- Disability Discrimination Act 1995
- Race Relations (Amendment) Act 2000

Local NHS Board

Quality standards, performance targets and indicators agreed within NHS Tayside will be applied to this agreement. This will include:

- increasing value for money by improving efficiency and effectiveness.
- ensuring a person-centred National Health Service, giving people the opportunity to influence planning and decision-making and offering services responsive to their needs.
- improving quality through the development and implementation of clinical care protocols, systematic monitoring and ensuring that strategies for research and audit are in place.

National Services Division

General

- Patients and their relatives or other carers will be treated with kindness and respect for their dignity, and care will be taken to support and reassure them.
- Services should be provided irrespective of the gender, race, religion, ability, culture or sexuality of the individual.

Patient information

- Information should be provided to individual (and their carers, if appropriate), informing them of all aspects of the care and treatment which are required.
- This information should be available in written format and/or in a format that takes account of physical, cultural, educational and mental health needs; however, person-specific communication will also be done verbally by the relevant health care professional.
- All electronically-provided information (emails, websites, etc) should conform to the NHS Scotland and Disability Right Commission guidance on accessible communication [*Fair For All: Achieving Fair Access*]
- It should, as a minimum, cover the following subject areas:
 - general information about the unit and the treatment offered
 - advice on care programmes to be initiated by individual/families/carers following discharge
 - follow-up procedures

Discharge procedures

- Clear and appropriate discharge agreements will be established for each individual patient, including liaison with local hospital and primary care teams to facilitate the co-ordination of post-discharge aftercare.

Patient and carer feedback

- There will be effective arrangements in place for monitoring patient and carer feedback and, where appropriate, acting on this feedback both during and after episodes of care.

6.2 Clinical governance

The Chief Executive of NHS Tayside will be accountable for the quality of the clinical service provided. The commissioner expects that robust mechanisms will be put in place to support clinical governance.

6.3 Clinical audit and outcome

General

Providers will ensure that the quality of service is evaluated through systematic clinical audit. The provider will monitor at least annually all relevant aspects of the service and make the results available to the commissioner.

Documentation should include:

- an outline of the audit programme applicable to this service agreement
- aggregated and anonymised data reporting clinical care
- anonymised summaries of regular audit meetings including the frequency of meetings and disciplines included
- clinical complaints relating to all aspects of the service
- deaths (all deaths within 30 days of the operation/intervention and all hospital deaths related to the service, irrespective of the timing)
- complications and critical incidents (to include all significant events)
- hospital-acquired infections

Service specific

The provider will plan services to ensure that patients receive surgery within the following waiting times:

- standard NHS Scotland waiting time targets (26 weeks, falling to 18 weeks)

The provider will supply process and outcome data as detailed in Annex B. This will include:

- re-admission and subsequent interventions (planned and unplanned);
- length of stay (days unless length of stay is less than 24 hours)
 - ITU
 - HDU
 - Neurosurgical/surgical ward
 - Psychiatric ward

Where possible the commissioner will also monitor data on mortality at one month, one year and five years following surgery as available routinely via ISD.

The provider will participate in UK and, where appropriate, international audit, and make available to the commissioner comparative information on results achieved.

Development of further outcome indicators

Clinical audit information will provide a basis for agreeing and establishing appropriate performance indicators for future service agreements. The provider will continue to develop and refine clinical performance indicators.

7. Teaching and research

The service needs to maintain close liaison with universities and NHS National Education Scotland to ensure future training and succession planning. The provider will aim to continue the service's commitment to teaching and research in health related areas in the future.

Teaching and research are outwith the funded value of this agreement.

8. Confidentiality

The provider will comply with the provisions of the Caldicott Report. In particular, patient-identifiable information will only be used in clearly defined and monitored circumstances, only when absolutely necessary and should entail the use of the minimum necessary patient-identifiable information.

Access to patient identifiable information will be on a strict need to know basis, everyone in the organisation will be aware of their responsibilities with respect to patient confidentiality and the organisation will ensure that its use of patient-identifiable information is lawful.

National Services Division does not require returns to include patient-identifiable information; information on clinical activity required by NSD must be submitted in anonymised format.

9. Financial arrangements

9.1 Agreement structure

This agreement takes the form of a cost and volume agreement under which the provider will be entitled to receive an agreed monthly sum together with an amount based on the actual activity achieved, up to the maximum indicative level of activity laid down in Section 4.

9.2 Funded value of agreement

The funded value of this agreement is agreed as:

| | |
|--------------------|------------------|
| Fixed Element | £ 339,966 |
| Variable Element | £ 176,511 |
| Total value | £ 516,477 |

A full breakdown is at Annex E

These figures exclude Agenda for Change - to be funded at actual cost, once known

9.3 Payment procedure

Payment will be in two stages. The monthly sum will be paid automatically on or around 19th day of the month. The statement supporting the monthly variable payments should be prepared as soon as possible after the end of the month and be supported by the activity data in Annex A.

Detail must be provided to NSD by the 7th day of the month following discharge.

9.4 Basis of funding

The baseline value of the agreement shown above is based on expected price levels for 2007/08. This value will be reviewed throughout the year, with the intention of reconciling expenditure and funding, wherever possible.

Negotiations should, in normal circumstances, only be re-opened where it is apparent that the longer-term trends in service delivery differ significantly from the current plan. The commissioner does, however, reserve the right to re-open formal negotiations with the provider at any point during the term of the agreement if there are material changes in activity and/or expenditure.

(For the purpose of this agreement, material variations in activity and expenditure will be assumed as +/-10%, although breaching this threshold will not automatically trigger a re-opening of negotiations.)

Following receipt of the 9-month statement (see Annex B), the commissioner and provider will meet to agree a final funded value.

The value may also be increased if the commissioner receives additional funding in respect of:

- national pay awards and/or policy
- other statutory changes

The variable element will be linked to the number of discharges.

9.5 Cost shifting

The provider shall not take action to shift activity or costs to other budgets or to make agreements with other commissioners or providers without prior agreement in writing with National Services Division.

9.6 Purchase and replacement of capital equipment

National Services Division receives a nominal capital allocation for equipment for specialised services. This does not cover buildings or infrastructure. NHS Tayside will therefore ensure that the service has a planned programme for the purchase and replacement of vital capital equipment for all national services.

Items of minor capital (under £5,000 including VAT, where appropriate) are considered revenue funding. All minor capital purchases not explicitly included in the indicative baseline should be agreed with the commissioner. Additional funding may be made available for this purpose.

9.7 Charging for other UK residents

UK residents may be treated under this agreement and their activity should be allocated against this agreement and a sum equivalent to the value of that income will be removed from the baseline funding provided by NSD.

The provider will ensure that all non-Scottish residents are charged for at full cost-per-case rates, including fixed costs.

9.8 Other international patients

Treatment of EEA residents through reciprocal health arrangements is the responsibility of the host NHS Board and, as such, is excluded from the baseline of all national agreements. [Note: this includes the Republic of Ireland, the Channel Islands and the Isle of Man.]

Anyone not covered by reciprocal health care agreements are considered private patients and must provide be able to provide proof of funding (either personal or from their own health system) before any referrals can be accepted. This would have to be agreed in writing with NSD prior to accepting the referral. Again, these patients should be treated within the national service and the costs of their care reflected as income against the NSD-funded baseline.

10. Performance monitoring

10.1 Information returns

The provider is responsible for the provision of information to the commissioner and for the validity, accuracy and timeliness of all returns and data.

10.2 Right to visit

National Services Division retain the right to visit the unit at the provider's convenience and welcome the opportunity for communication throughout the year.

10.3 Reporting timetable

The provider will supply the following reports on the progress of the service agreement:

| Report | Date due | Format for report |
|-------------------|--------------------------------|-------------------|
| Monthly | 7th day of the following month | Annex A |
| Six month report | 31 October | Annex B |
| Nine month report | 31 January | Annex C |
| Annual report | 31 May | Annex D |

Notes:

Reports should be sent to: National Services Division, NHS National Services Scotland, Ground Floor, Gyle Square, 1 South Gyle Crescent, Edinburgh EH12 9EB

Email: reports@nsd.csa.scot.nhs.uk

Fax: (0131) 275 7614

It is the provider's responsibility to ensure that all reports are received within the agreed timescales. Failure to submit reports on time may impact on NSD's ability to reconcile funding to expenditure.

10.5 Annual review

The service will be reviewed each year in late autumn following receipt of the annual report. The extent of the review will depend on local circumstances.

11. Variations to the agreement

11.1 Variations and notification times

Variations to the agreement will only be made at the mid-year review unless there are exceptional reasons for deviating from this procedure.

Either party will give:

- six months' notice of any proposed changes to the service which require a reduction in staffing
- two months' notice of any other material changes

Variations without notice will be considered in the event of unforeseen circumstances such as:

- the occurrence of a major incident
- emergency treatment needs
- a major outbreak of illness or infection
- industrial action.

11.2 Sub-contracting

No sub-contracting shall be undertaken without the prior agreement in writing of National Services Division.

12. Resolution of disputes

The commissioner and the provider both resolve wherever possible to settle any disputes or disagreements in relation to this service agreement by negotiation.

In the unlikely event that these negotiations fail, the formal disputes procedure as detailed in NHS Circulars FIN (CON) (1992) 1 and FIN (CON) (1993) 4 will apply.

13. Distribution

A copy of this service agreement is to be held by the clinical head of service.

**For and on behalf of
The Scottish Executive**

**For and on behalf of
NHS Tayside**

Signature

Signature

Block Capitals

Block Capitals

Designation

Designation

National Services Division

NHS Tayside

Date

Date

Signature

Block Capitals

Head of Service

Annex A

Provider: NHS Tayside
Service: Neurosurgery for mental disorders
Report format: Monthly report

Activity:

| | previous month - activity | previous month - costs | activity YTD | costs YTD |
|-------------------------|------------------------------|---------------------------|--------------|-----------|
| Assessments | | | | |
| Vagus nerve stimulation | | | | |
| Ablative neurosurgery | | | | |
| Follow-up | | | | |

Comment on any material variance from agreed activity

Annex B

Provider: NHS Tayside

Service: Neurosurgery for mental disorders

Report format: Six month report

1. Activity - actual against planned:

| | <i>actual</i> | <i>planned</i> |
|-------------------------|---------------|----------------|
| Assessments | xxx | xxx |
| Vagus nerve stimulation | xxx | xxx |
| Ablative neurosurgery | xxx | xxx |
| Follow-up | xxx | xxx |

Comment on significant variances from activity

In addition, the provider should include detail on:

- NHS Board of residence (or other UK region) for all referrals and surgical patients
- length of stay (ward, ITU, HDU)

2. Waiting times

- first consultant appointment
- average time between completion of assessment and surgery

3. Quality of care

- List of formal complaints over last 6 months and a report of the management of complaints.

4. Clinical audit and outcomes

- Summary of audit programme accompanied by relevant documentation on meetings and follow up action. This should identify current and future audit issues.

Specific issues:**Unit to provide monitoring and evaluation information on:**

- Hospital-acquired infections
- Re-admission to ITU and/or HDU within inpatient stay
- Second and subsequent procedures during the same inpatient stay

Mortality data:

- All deaths within 30 days of intervention and all hospital deaths related to this service irrespective of the timing.

5. Developments with potential financial implications for further years.**6. Financial report**

| | <i>Agreement value to 30 September</i> | <i>Expenditure to 30 September</i> | <i>Projected outturn at 31 March</i> |
|--------------------|--|--|--|
| Breakdown of costs | as per annex E | | |
| Total | | | |

Comment on any material variances from planned expenditure

Annex C

Provider: NHS Tayside

Service: Neurosurgery for mental disorders

Report format: Nine month report

Financial projections

| | <i>Agreement value to 31 December</i> | <i>Expenditure to 31 December</i> | <i>Projected outturn at 31 March</i> |
|----------------------|---------------------------------------|-----------------------------------|--------------------------------------|
| Costs as per Annex E | | | |
| Total | | | |

Comment on any material variances from planned expenditure

Forward baseline

Firm proposals for the forward baseline:

| | <i>current NSD funded value</i> | <i>proposed baseline</i> | <i>variance</i> |
|--------------------|---------------------------------|--------------------------|-----------------|
| Breakdown of costs | | | |
| Total | | | |

All variances must be fully explained.
Developments not previously agreed with NSD must be supported by a full business case.

NB Developments highlighted at this late stage will not normally be considered for funding from 1 April of the following year

Annex D

Provider: NHS Tayside

Service: Neurosurgery for mental disorders

Report format: Annual report

1. Introduction**2. Activity**

- Report on actual activity against planned, as per annex B
- The service should also comment on any material variance from agreed activity.

3. Mortality data:

- All deaths within 30 days of surgery and all hospital deaths related to this service, irrespective of the timing.

4. Waiting times

- first consultant appointment
- average time between completion of assessment and surgery

5. Quality of care

- List of formal complaints over last 12 months and a report of the management of complaints.

6. Clinical audit and outcomes

- An outline of the audit programme applicable to this service agreement.
- Aggregated and anonymised data reporting clinical care.
- Anonymised summaries of regular audit meetings including the frequency of meetings, disciplines included.
- Complications and critical incidents.

Specific issues:

Unit to provide monitoring and evaluation information on:

- average age of patient
- survival data for 6, 12 and 60 months (as applicable)
- peri-operative deaths
- second and subsequent procedures during the same inpatient stay
- hospital acquired infections

7. Teaching and research activities

8. Financial profile

9. Service developments and future plans

10. Summary and conclusions

Annex E

Provider: NHS Tayside
Service: Neurosurgery for mental disorders
Report format: Financial reporting

| | | 2007/08 | | |
|--------------------------------|------------|----------------|---------------|----------------|
| | WTE | FIXED £ | VARIABLE £ | TOTAL £ |
| <i>uplift on previous year</i> | | 2.75% | 2.75% | 2.75% |
| Staff Costs | | | | |
| Medical | | | | |
| Consultant Psychiatrist | 1.0 | 90,831 | 0 | 90,831 |
| | 1.0 | 90,831 | 0 | 90,831 |
| PTA | | | | |
| Neuropsychologist | 0.5 | 21,970 | 0 | 21,970 |
| Psychotherapist | 0.1 | 8,006 | 0 | 8,006 |
| | 0.6 | 29,976 | 0 | 29,976 |
| Nursing | | | | |
| Clinical Nurse Specialist | 1.0 | 43,607 | 0 | 43,607 |
| Nurse Grade H | 2.0 | 77,864 | 0 | 77,864 |
| | 3.0 | 121,471 | 0 | 121,471 |
| Admin | | | | |
| Grade 4 | 1.0 | 21,833 | 0 | 21,833 |
| Receptionist Grade 3 | 0.5 | 8,949 | 0 | 8,949 |
| | 1.5 | 30,782 | 0 | 30,782 |
| TOTAL STAFF COSTS | 6.1 | 273,060 | 0 | 273,060 |

Supplies & Services**Inpatient Stay**

| | | | |
|--|---|--------|--------|
| Initial Assessment | 0 | 7,801 | 7,801 |
| Pre Operative | 0 | 23,402 | 23,402 |
| Neurosurgical Stay (Part Post & Pre Op.) | 0 | 0 | 0 |
| -Ablative Ninewells | 0 | 7,473 | 7,473 |
| -Vagal Nerve Ninewells | 0 | 3,487 | 3,487 |
| Post Operative | 0 | 0 | 0 |
| -Ablative Carseview | 0 | 29,253 | 29,253 |
| -Vagal Nerve Carseview | 0 | 3,900 | 3,900 |
| Follow Up (incl. MRI) | 0 | 21,190 | 21,190 |

Theatre Cost

| | | | |
|-------------------------------------|---|--------|--------|
| Ablative plus Vagal Nerve Procedure | 0 | 15,122 | 15,122 |
|-------------------------------------|---|--------|--------|

Supplies

| | | | |
|------------------------|---|--------|--------|
| Vagal Nerve Stimulator | 0 | 57,271 | 57,271 |
| Travel | 0 | 3,502 | 3,502 |
| Miscellaneous Costs | 0 | 4,110 | 4,110 |

Overheads

| | | | |
|----------------------|--------|---|--------|
| Property Maintenance | 15,854 | 0 | 15,854 |
| Cleaning | 4,825 | 0 | 4,825 |
| Heat,Light & Power | 2,980 | 0 | 2,980 |
| Rates | 24,900 | 0 | 24,900 |

Capital Charges

| | | | |
|--|--------|---|--------|
| | 18,347 | 0 | 18,347 |
|--|--------|---|--------|

TOTAL SUPPLIES & SERVICES

| | | |
|---------------|----------------|----------------|
| 66,906 | 176,511 | 243,417 |
|---------------|----------------|----------------|

TOTAL COST

| | | | |
|------------|----------------|----------------|----------------|
| 6.1 | 339,966 | 176,511 | 516,477 |
|------------|----------------|----------------|----------------|

Notes

1. These are FYE costs.
2. No assumptions have been made for Agenda for Change. This will be funded at full cost, once known.