

09:45 – 10:45
Montague

A Helicopter View of Homecare

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Homecare – a definition

- A homecare medicine delivery service can be described as being a service that delivers ongoing medicine supplies and, where necessary, associated care, initiated by the hospital prescriber, direct to the patient's home with their consent. The purpose of the homecare medicines service is to improve patient care and choice of their clinical treatment.

RPS Professional Standards for Homecare Services in England September 2013

Homecare – why do we do it?

- Some medicines are genuinely suited to this route of supply
- Convenience for patients – no unnecessary trips to hospital
- Frees up capacity within hospitals
- Most homecare companies provide specialist nurse support within the home
- Government policy to treat patients in the community – closer to home - rather than hospitals
- Medicines dispensed within primary care are zero rated for VAT

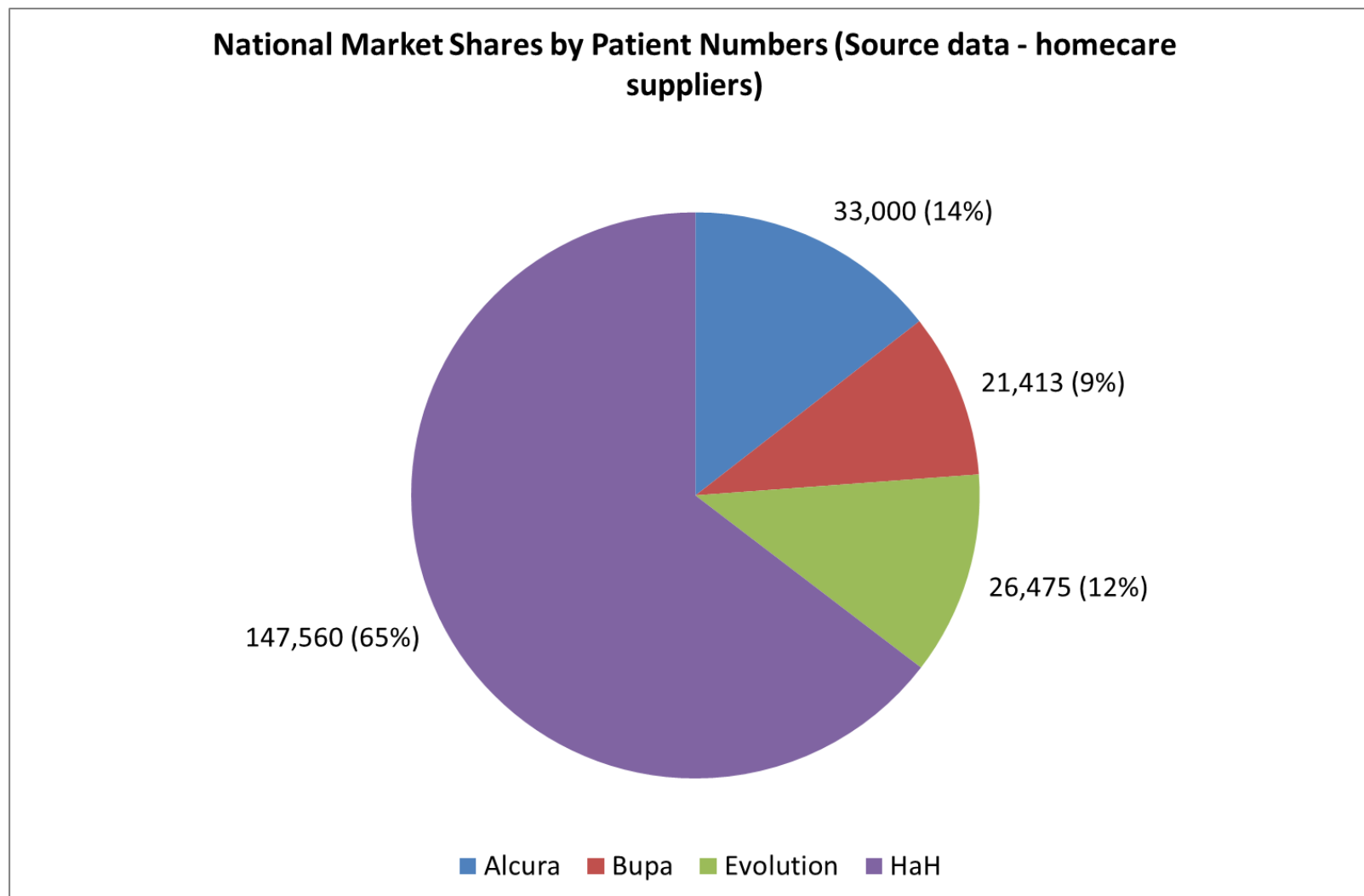
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Current Homecare Suppliers in UK Market

- Healthcare at Home
- Alcura Healthcare (Alliance Boots)
- Evolution Homecare (Celesio)
- BUPA Homecare
- Calea
- Pharmaxo
- Polarspeed
- Fresenius Medical Care
- Nutricia
- Abbott
- Baxter
- B. Braun Medical
- IVIG suppliers

Market shares of top 4 UK homecare suppliers on patient numbers



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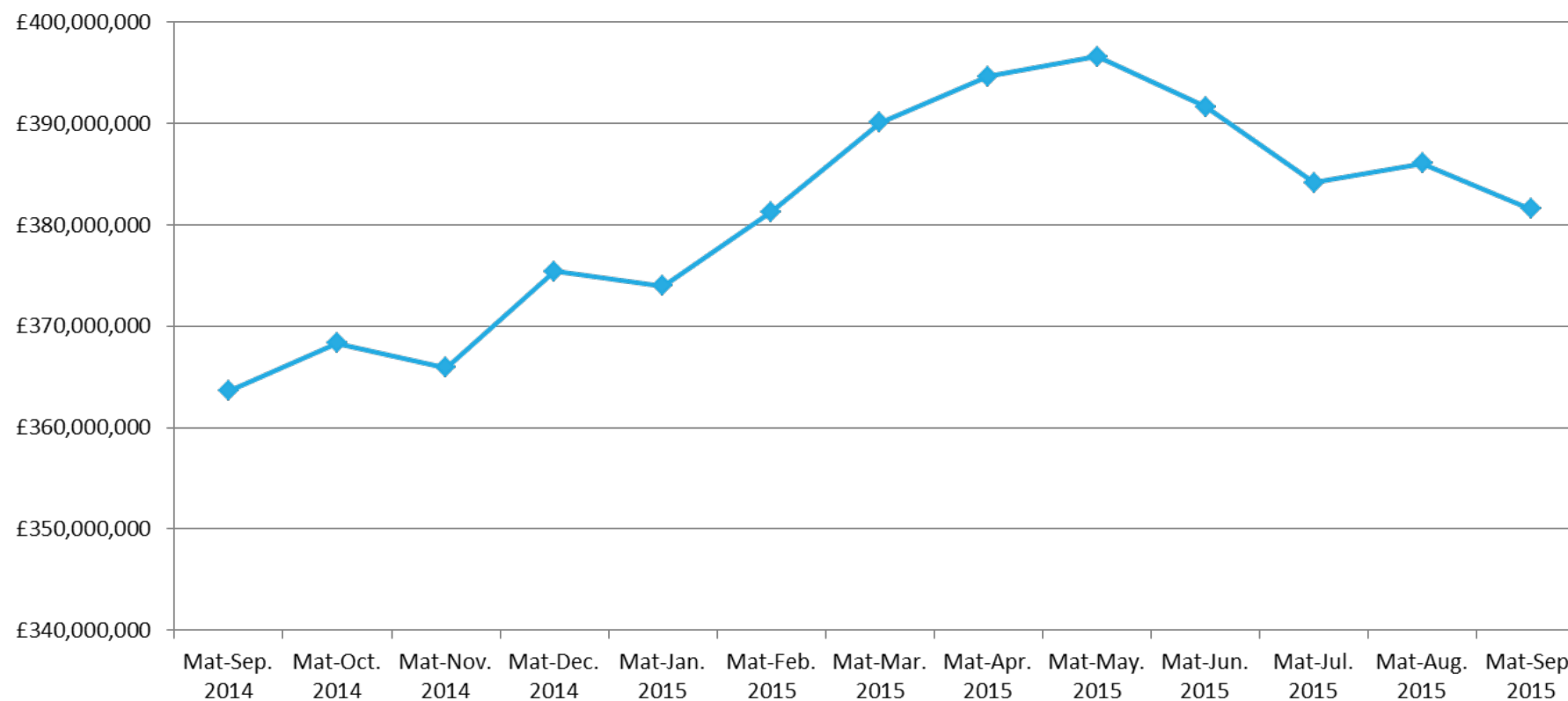
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Examples of therapies supplied through homecare

- Anti TNFs
- Antiretrovirals
- Multiple sclerosis
- Oral chemotherapy agents
- Immunosuppressants
- Pulmonary Hypertension
- Growth Hormone
- ESAs
- Haemophilia
- Hepatitis B and C
- Osteoporosis
- Home Parenteral Nutrition
- Dialysis fluids
- Enteral Feeds
- Cystic Fibrosis
- Thalassaemia
- Enzyme Replacement Therapies (LSD)
- IV Chemotherapy
- Fertility
- IVIG / SCIG

London Expenditure on Medicines supplied via Homecare

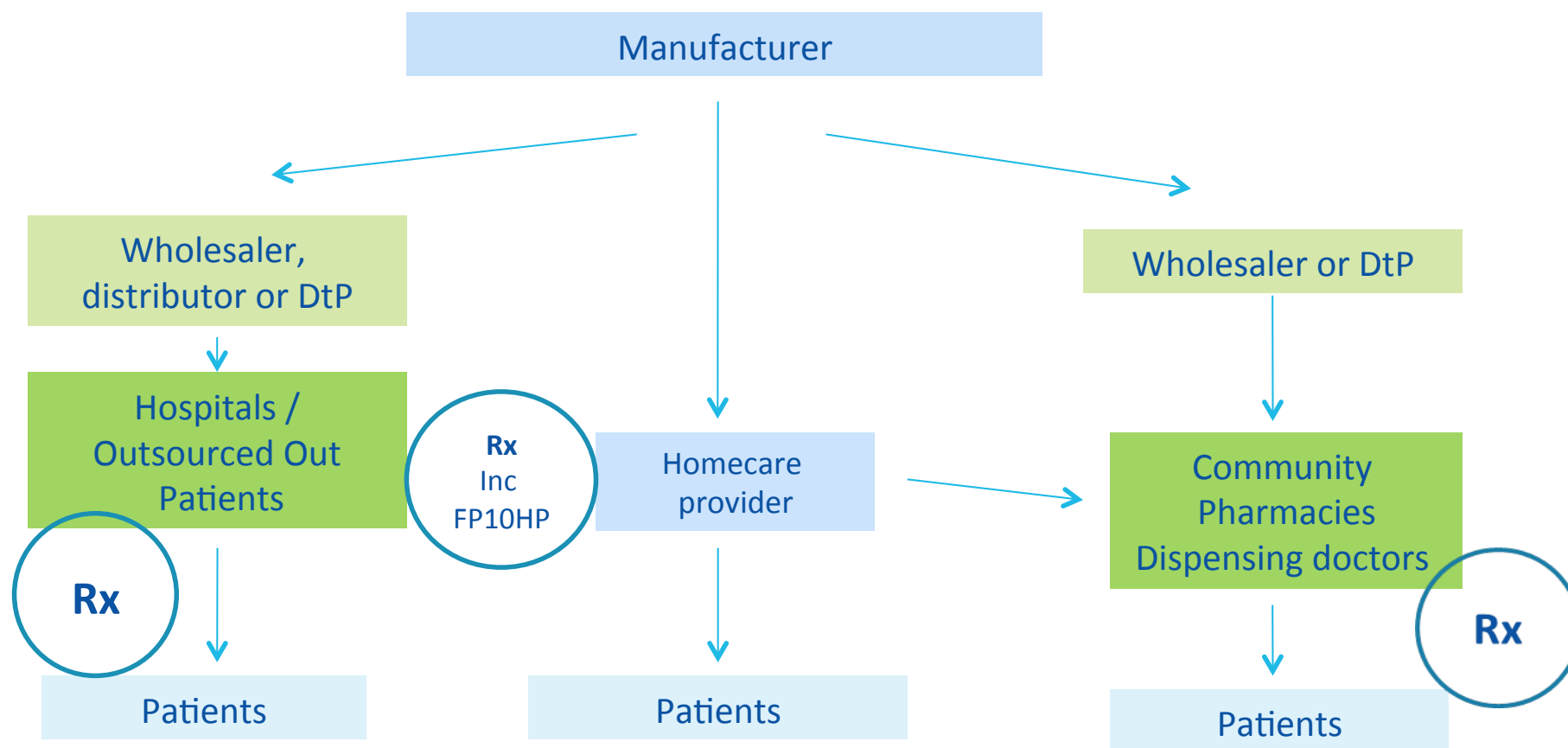
London Expenditure on Medicines supplied through Homecare at List Price (Source data IMS)



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Pharmaceutical Supply Chain



Procurement Arrangements for Homecare Contracts

- National contracts through the Commercial Medicines Unit for HPN, BCF, PH and ERT
- Regional contracts by Collaborative Procurement Organisations
- Local contracts – very few now
- No contracts!
- Pharma contracts – 70% of all homecare

Remember – procurement is for a service rather than a product – very different issues!

Key stakeholders in the Homecare Market

- Patients and carers
- Hospital clinicians
- Nurse specialists
- Pharmacists
- Pharmacy Technicians
- NHS commissioners (CCGs and NHSE)
- NHS Medical Directors
- NHS Finance Directors
- Homecare providers (NHCA)
- Pharmaceutical Industry (ABPI)
- Shareholders
- Pharmaceutical wholesalers
- Community Pharmacies
- Logistic providers
- Post Office

National Homecare Medicines Committee (NHMC)

- DH Commercial Medicines Unit
- NHS Procurement Specialists
- ABPI representation
- National Clinical Homecare Association (NCHA) – represents the homecare providers
- Nurse specialists
- Commissioners
- Chair Jane Kelly (LTH) from Sept 2015

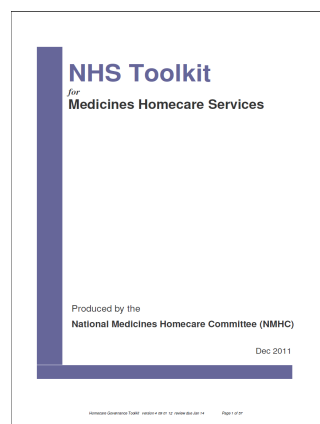
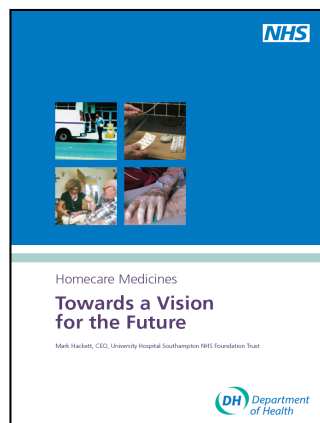
National Homecare Medicines Committee (NHMC)

- Key national strategic group for homecare across UK
- Gives guidance and assists trusts in managing homecare
- Consistent approach
- Builds in governance to managing homecare
- Assesses risks in the homecare model of patient care
- Capacity analysis of homecare suppliers
- Formulates UK wide documents, tender specifications etc
- Monitors implementation of Mark Hackett report –
“Homecare Medicines Towards a Vision for the Future

National Homecare Medicines Committee (NHMC) Documentation

- National Contract Specification Template
- NHS National Homecare Contract Template
- Patient Registration form
- Consent form
- Risk Assessment
- Key Performance Indicators – national dataset
- Service Level Agreements (SLAs)
- Complaint and Incident Handling and Reporting

Key documents



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So – all these standards and national documents produced by the NHS in conjunction with stakeholders....

What can possibly go wrong??

The Meltdown

Medco Healthcare Solutions

- Purchased Careology in Dec 2010
- Owned by Express Scripts (American)
- Provider of homecare services for low tech, mid tech and high tech medicines
- 14,000 active patients Aug 2013
- Mix of Pharma and NHS schemes
- Never made a profit in the UK on homecare
- Served notice on all contracts end of Aug 2013 to exit UK market by end of Dec 2013
- NHS, Pharma and homecare suppliers worked collaboratively to switch patients to alternative homecare arrangements

Healthcare at Home (HaH)

- By far largest provider of homecare services in UK
- 150,000 patients across all therapy areas (more than all other homecare providers put together)
- Enbrel® (Pfizer) shortages Q1 2014 – 3 monthly to 1 monthly deliveries
- Outsourced in-house logistics (distribution) to Movianto
- HaH and Movianto's IT systems – serious interface problems.
- No track or trace
- Plans to close Featherstone facility and move all services including HIV homecare to Burton-on-Trent
- Denial of any problems by SMT
- Severe deterioration in service levels

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Alcura-Health

- Acquired Central Homecare Ltd in 2008
- Rebranded as Alcura-Health in 2013
- Decision to move services from Alton facility to Northampton (ex Medco) mid 2014
- New IT system – it doesn't work!
- Can't invoice trusts – so can't get paid!
- Major problem on budget setting for HIV 2015-16 as huge backlog of invoices
- Customer services – remain at Alton
- Use third party courier for making deliveries – not good at gaining “Proof of Delivery” (POD)
- Under Trust SFIs – can't pay unless POD received

How the NHS managed the Meltdown

- Patient care severely compromised
- Homecare customer services swamped – can't deal with number of calls
- Patients supplied medicines directly from trusts to ensure patients receive their medication – cost pressure for commissioners
- Patients come “off service” – cost pressure for commissioners
- Homecare Lite services initiated for Trusts with outsourced outpatients
- Regular national meetings between NHS and homecare suppliers on resolving the situation
- Extra resources put into customer services to deal with calls
- Agreement between NHS and homecare companies to work more collaboratively in the future

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So – what have we learnt?

- Outsourcing services to homecare does not outsource the problems
- Risks to patient care if service levels fall
- Outsourced services need to be managed effectively on a regular basis – both nationally, regionally and at a local level
- Collaboration between NHS and homecare companies essential if patients are to benefit from homecare
- Too many eggs in one basket may not be a good thing!
- Are some homecare companies too big to fail??
- Spread risk by looking at alternative methods of supply that suits patients
- Ask ourselves – why are we supplying medicines to patients via homecare – does this benefit the patients??

Market risk analysis

- Relatively small supplier base for patient numbers
- NHS capacity for repatriation - limited
- Low margins for homecare providers on service charges
- Homecare providers need volume to be viable – have a duty to deliver a profit to shareholders
- Predominantly high cost drugs supplied through homecare – need healthy cash flow
- Pharma may insist on selling to homecare suppliers at list price and then rebate later
- Homecare companies have to invoice at hospital contract prices

Market risk analysis

- NHS financial climate means some Trusts not paying within 30 days or even 60 or 90!
- NHS has limited options if a homecare company exits the market
- NHS T&Cs do not currently include penalty clauses for poor service
- Huge financial cost pressure to commissioners if Trusts have to supply medicines due to poor performance

Homecare – lets build in quality

- Regular quarterly national meetings between NHS and homecare suppliers
- Collaborative working between pharma, homecare companies and NHS
- Utilise outsourced outpatients rather than homecare – more patient choice and spread the risk
- Future work of National Homecare Medicines Committee
- National Specification for tendering
- National KPI data set – live from June 2015
- NHS patient registration and prescription forms
- Incorporate more quality into tendering process

National Key Performance Indicators (KPIs)

- Agreed dataset between NHS, Pharma and National Clinical Homecare Association (NHCA)
- Live from June 2015
- Not all companies providing full dataset as yet
- Who will do the analysis?
- Homecare companies have agreed to provide KPIs at national, regional and local level
- Includes all homecare including Pharma schemes
- Managed by the National Homecare Medicines Committee
- Need to be careful how KPIs are interpreted by homecare companies

Regional Homecare Co-ordinators

- Some but not all regions now a Regional Homecare Co-ordinator
- Supports trusts in managing their homecare
- Centralised approach
- KPI management and analysis
- Supplier performance meetings
- Facilitates regional homecare networks

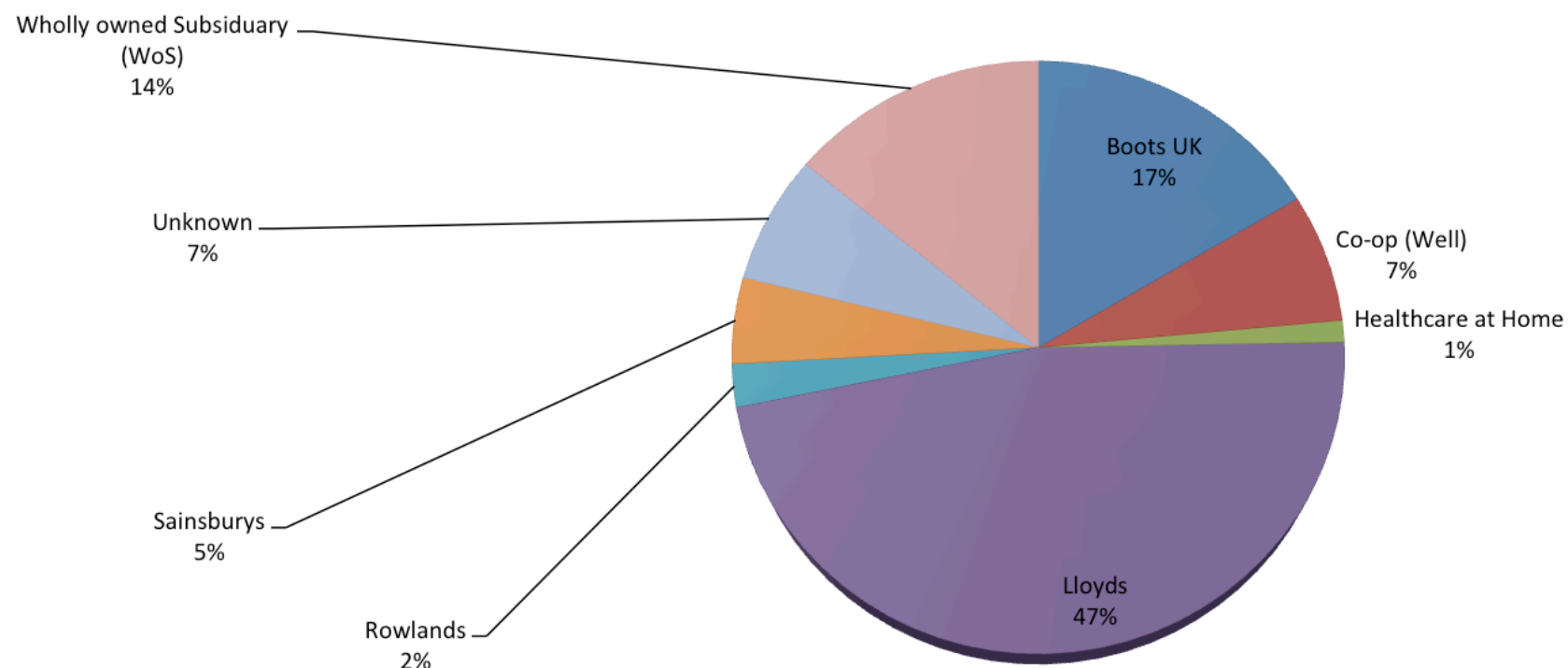
Gain Share and Homecare

- Some gain share arrangements in place regionally and locally
- Not consistent
- Should it be a 50 – 50 share of VAT savings??
- More likely to be a fixed cost tariff
- Even though Trust outsourced service to homecare still a lot of work for Trusts
- No gain share means all savings made by commissioners – is this fair?
- Gain shares incentivise Trusts to drive uptake of homecare
- Need consistency on gain share nationally whether therapy is CCG or NHS England commissioned

Spreading the risk through outsourced out patient services?

- May release capacity in homecare market
- Zero rated for VAT so no VAT implication
- Currently 86 sites nationally with this arrangement
- Outsourced to a commercial third party provider or wholly owned subsidiary
- Lloyds pharmacy dominant with 40 sites
- Companies have access to hospital contract prices
- Need to ensure data is processed through hospital pharmacy computer systems

Division of Outsourced Outpatient Suppliers



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Questions?

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