THE PROPOSED RUSHCLIFFE MUTUAL CONCEPT

FREQUENTLY ASKED QUESTIONS

Q. What is a Mutual?

A. A Mutual is shorthand for a mutual benefit society, which is an organisation run by its members for the benefit of its members.

Q. What is Rushcliffe Mutual?

A. The Mutual is a non-profit making public benefit corporation set up for the benefit of its members. In order to do this, the Mutual will have to contract for Clinical Services to a defined population. It will be the Mutual that is the contractual entity, and it will need to be established as a Public Corporation.

The Mutual will act as clinicians do now. It will provide services and where appropriate commission services from other provider's e.g. acute trusts. It will be both the provider and commissioner but the difference is that the Mutual will retain any surplus for reinvestment locally for the benefit of members.

There are probably going to be different classes of members according to their roles, but this is likely to change over time as working practices evolve. At the moment there are independent practitioners with Rushcliffe such as GPs who have a financial stake in the healthcare, often owning their own premises. Then there are the employed staff of various disciplines and there are patients, all of whom will need to co-operate and be stakeholders.

Q. So if the Mutual is going to be everybody working together, how are people going to be motivated to work within it?

A. Motivation in good organisations comes not from financial reward but from working in a high performing organisation that allows individuals to be valued. Although the Mutual is set up to be a commercially successful organisation, staff rewards are likely to be through a combination of good salaries, good staff benefits, including pensions, high quality employment conditions, and a realisation that staff are working for a progressive and innovative organisation. Some of these aims have characterised the work of Rushcliffe Primary Care Trust and this ethos will be carried forward.

Q. Why do we need to do this?

A. The Mutual is a way of ensuring that the work we have done on localities and locality health needs in Rushcliffe is retained.

Future changes to the NHS mean that a variety of different providers will be able to deliver health services and a Mutual is a way of ensuring that the existing services, which are based on the needs of local patients, are able to compete with the best of the competition.

Q This is being introduced with Practice Based Commissioning. Is it not the same as GP fund holding?

A. With GP fund holding, GPs were given budgets in order to purchase appropriate care for their patients. However, the care they purchased did not cover the wide complexity of care now included in Practice Based Commissioning. Effectively Practice Based Commissioning requires practices, or aggregations of practices, to purchase all the healthcare needed for their population within a specific budget. The difference between fund holding and the proposal for a Mutual is that in fund holding it was the GPs who determined the health needs of their patients, and spent the money accordingly. With a Mutual, it will be the Mutual that holds the budget and determines the health needs and consequently makes the commissioning decisions. Practices will be welcome to take on all the responsibilities of Practice Based Commissioning, but these are extremely complex.

Q. You talk of the Mutual securing the future for Rushcliffe. Why is this?

A. In the future NHS, private providers will be able to provide a different range of services and the criteria for doing this will firstly be quality and secondly "contestability". This means that tests of value for money will have to be met. Existing healthcare providers or GP practices will no longer have an automatic monopoly to provide services. What is being seen in other parts of the country is that Independent Sector Healthcare providers are using economies of scale to provide care more cheaply than the current NHS practices. The only way practices can meet this challenge is by combining together to provide their own economies of scale and working in concert.

Q. You say that the Mutual will reduce bureaucracy – how is this possible?

A. The idea behind the Mutual is that the Mutual will hold the contract from the Nottinghamshire wide PCT to provide and commission medical and clinical services to a defined population. It will be the PCT, for example that will have to meet the Governance Framework, provide Performance Monitoring reports, set up a Board, provide Audited Accounts, and do everything to meet the equivalent of Star Ratings. The Mutual will largely be freed of this, although still having to work within a legislative framework. It is possible that the Government will increase the bureaucracy and reporting necessary for a Mutual, as it has done with Foundation Trusts, but at the moment the Mutual will have no more bureaucracy associated with it than any other Personal Medical Service (PMS) Practice.

Q. That is the first I have heard about the Board – who will be on the Board?

A. The day to day running of the Mutual will be by a Management Team led by a Chief Executive. However, the strategy, governance, and accountability of the Management Team will have to be to a Board very much the same as is done in any Public Company. The Board will have overall responsibility for ensuring that stakeholder views are met and their interests protected.

Q. Who could join the Mutual?

A. At the moment it is being considered as an organisation including all the staff and patients within Rushcliffe. However, there is no reason why anyone with a logical connection to Rushcliffe should not ultimately be a member. This might include staff groups who work in the same field (e.g. all therapy staff in the community in

Nottingham might want to be employed by the Mutual as the employer of choice) or it might include adjacent practices (e.g. those in the city of Nottingham close to Rushcliffe or alternatively a group of practices not immediately adjacent but with very similar aims).

Q. So what will be the constitution of the Mutual?

A. The exact constitution of the Mutual will have to be determined by lawyers, but in essence it will be very similar to any other Mutual organisation such as the Co-operative Society. There will be a Board at the top accountable for high-level strategy and governance and on this will be represented the various classes of stakeholder. There will probably also be other representatives such as those from local government with a seat on the Board. Below that will be a Management team with a Chief Executive and several Executive Directors and they in turn will lead teams who do the main administrative work to ensure that the Mutual manages its £100m budget properly.

There will also be various classes of stakeholders who will probably be represented by stakeholder groups, who in turn will elect representatives to the Board. The stakeholder representation will have to evolve. At the moment, for example, family doctors in Rushcliffe who own their premises have a far greater stake in the running of the Mutual, than employees who in turn have a different sort of stake to that of patients.

Q. Who will ordinary members of staff employed by the Mutual report to?

A. If all goes well and the Mutual is established, this will bring with it a management structure within which all staff could transfer over. We would expect many services to transfer in their entirety to the Mutual. Many staff will not notice the change in their employer with respect to changes in their terms and conditions of service.

Q. This might apply to Primary Care but where do Rushcliffe community services fit in?

A. The Mutual provides a good basis for not only providing Primary Care but also offering other community services such as the existing rehabilitation service currently provided by Rushcliffe PCT. There is no reason why a mutual benefit society should not also be a provider of health care. What is clear is that community staff will still continue to be needed and care will be taken to ensure continuity of employment.

Q. So will there be any redundancies?

A. There is nothing in the proposal for a Mutual that calls for any redundancies. However, the organisation is going to have to make some tough decisions if it acts in the interest of all its members and some services will need to be changed. Under those circumstances normal good practice in employment relations with regard to changes to existing posts will apply.

Q. Does this mean that this will pitch staff against each other?

A. There are bound to be occasions when the interests of the stakeholder members as a whole are opposite to the interests of any particular member. This could be a strength of the Mutual. For example the Mutual will no longer wish to purchase services from an expensive monopoly provider within the patch if it can obtain the

same services cheaper elsewhere, which will free up money for distribution within the health community.

Q. Why can we not just stay as we are?

A. The Government has unveiled its intended plans for Primary Care, which include contestability and the ability for patients to choose different aspects of healthcare from different providers. The new GP contract already sets the tone for payment for different aspects of Primary Care work and it will not be long before each aspect will have to be contested for value for money.

In the short-term, practices can carry on as they have been but they will be obliged to take on Practice Based Commissioning by the end of 2006. They will then have three years to make it work. If at the end of 2009 practices have not been able to make Practice Based Commissioning work, or have defaulted in their budgets, they will effectively have declared themselves unable to be General Practices.

Although the Government has not made this explicit, it is quite likely that such "failing" practices will then be put up to tender. Commercial Organisations would snap at the chance of bidding for the regular income of a Rushcliffe General Practice.

Q. If the Private Sector took over parts of Primary Care in Rushcliffe, would this mean an end to family medicine?

A. Quite possibly. We have already seen significant inroads under the NHS to the principle of continuity of care. For example it is now more important in the eyes of the government to see any doctor within a short period of time than for patients to be able to wait to see their own doctor. This is one of the reasons why we are so keen for a Mutual to be successful in Rushcliffe because, being set up by members for members, the Board can direct the work of the Mutual in the interests of its members and not be bound up with getting the best return for shareholders.

Q. One justification for the Mutual is because there might be competition from the Private Sector. Where is the Private Sector going to get all the doctors and nurses they need, when we know there are serious recruitment problems within the Health Service?

A. The Private Sector has never had significant difficulty in recruiting health professionals because it offers top wages and conditions.

Q. Will the Mutual act as a monopoly provider for the benefit of local doctors?

A. No – this is precisely the justification for having a Mutual where there are different stakeholders all with a share in ensuring the business acts in the common good.

Q. So GPs will not be leading the Mutual?

A. Clinical leadership will be very important to the Mutual. However, the GPs will not have a monopoly of leadership and will be one of several classes of stakeholder. The initial set up arrangements for the Mutual will be quite complex as clearly people are coming from different perspectives. GPs have an existing stake in Healthcare in Rushcliffe, which needs to be preserved and protected. However, other Mutual organisations, e.g. that in Tower Hamlets, London, have also addressed these issues and a good legal framework will have to be considered.

Q. Will the existing practice managers be able to run the Mutual?

A. There will be a greater range of roles within the Mutual than currently exist at the moment. However, its income, if all Rushcliffe Practices join, will be approximately £100m per year. It requires management of considerable calibre to manage a budget of this size. There will also be possibly 700 staff employed. It is likely that staff of the calibre of the existing Rushcliffe PCT management team (even though it may not be the same personnel) will be needed to run the Mutual efficiently and effectively. A variety of other processes appropriate to running an organisation of this size and complexity such as Governance, Audit, Finance and HR services will need to be included. This will have to be a highly professional organisation. It will also need a strong patient involvement arm, as patients will be key stakeholders and members of the Board.

Q. What will happen when a GP retires?

A. The same as will happen when anybody else retires. The Mutual organisation has to consider whether there is a need to replace that person or whether the opportunity can be taken to redesign services that are better for patients and more efficient and effective. However, part of the constitution will have to be written to protect the entitlement of existing contractors and members of staff and not to do anything to alter this.

Q. A lot is made of the Mutual being able to offer NHS Dentistry. How is it going to be able to do this?

A. The NHS fee structure is insufficient to allow dentists to earn the sorts of income they can get in the private sector. Consequently most dentists are opting out of NHS work because otherwise they are, in effect, paying out of their pockets to work within the NHS. What the Mutual will do is invest some of its resource into employing dentists at a salary that matches what they can earn in the private sector. The Mutual can only do this if patients register with it and support it. This is no different from patients belonging to any other sort of society and then receiving the benefits open to members.

Q. I think this whole Mutual concept is far too complex and difficult. Why don't you just see what happens when the new PCT is formed?

A. Because if we do that we will lose forever the chance to unite to continue to deliver good care to the residents of Rushcliffe. Once this is broken up and different independent sector providers take on different aspects it would never be possible to recreate this and we will get fragmentation. We don't think anybody particularly wants that. What people are looking for and what the Government is looking for is an efficient way of delivering high quality services to local people at reasonable costs. The Mutual seems to be the only option capable of doing this.