



<b>Meeting Date</b>	<b>14<sup>th</sup> February 2023</b>	<b>Agenda Item</b>	<b>3.2</b>
<b>Report Title</b>	Update - Medical Locum Efficiency programme		
<b>Report Author</b>	Emma Owen, Associate Head of Workforce systems, Analytics & Insight		
<b>Report Sponsor</b>	Debbie Eytayo, Director Workforce and OD Sharon Vickery Assistant Director Workforce and OD		
<b>Presented by</b>	Sharon Vickery Assistant Director Workforce and OD		
<b>Freedom of Information</b>	Open		
<b>Purpose of the Report</b>	To update the Workforce and OD Committee on the ongoing work on the medical locum efficiency programme which aims to improve systems around locum usage, support quality and safety and reduce locum agency spend.		
<b>Key Issues</b>	To discuss the locum spend and planned work around reducing the financial spend in this context .		
<b>Specific Action Required (please choose one only)</b>	<b>Information</b>	<b>Discussion</b>	<b>Assurance</b>
	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
<b>Recommendations</b>	Workforce and OD Committee are asked to: <ul style="list-style-type: none"> <li>• <b>Note</b> the contents of the paper</li> <li>• <b>Note</b> the ongoing work</li> </ul>		

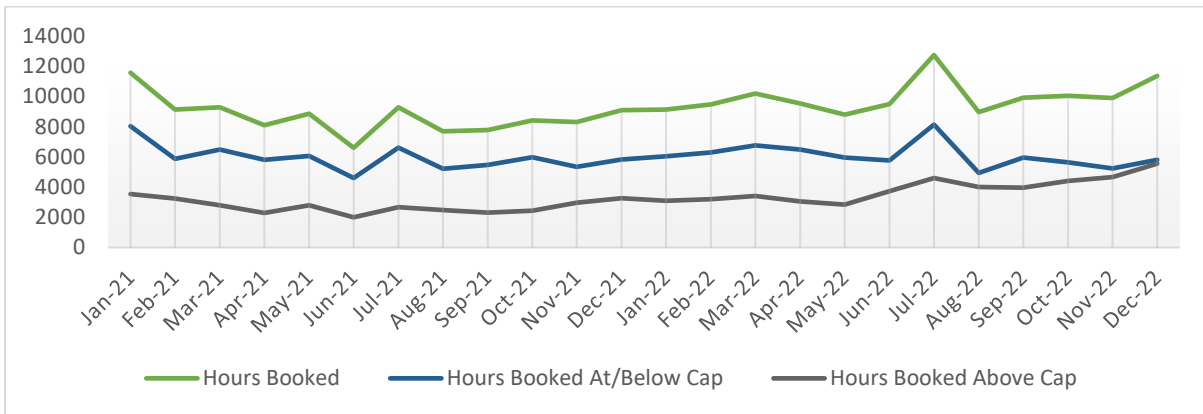
# MEDICAL AGENCY AND LOCUM UTILISATION

## 1. INTRODUCTION

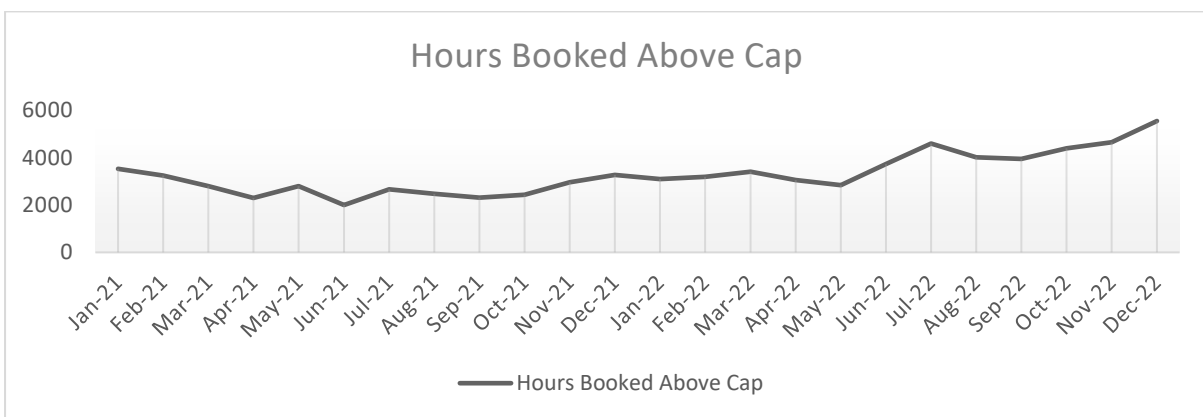
This paper is to highlight to the WOD Committee the work that is being undertaken in relation to the medical efficiency programme to improve information, and reducing locum usage and spend. The paper also sets out data, spend and challenges in relation to medical locum rates within the Health Boards.

## 2. BACKGROUND

During recent years the workforce & OD committee have received regular reports on locum spend information within the Health Board. During the last 12 months it has been noted that spend has increased and there has been an increase in the number of shifts that are being negotiated above the Welsh Government capped rates.



The graph below highlights the increase in negotiations during the last 24 months. It is noted that since September 2022 there has been a noticeable increase in the shifts being negotiated.



Discussions are taking place at an All Wales level to identify appropriate rates to avoid competition with neighbouring Health Boards. However, the implementation of such arrangements is frequently difficult due to the pressure of filling operational gaps. One Health Board in Wales has increased their medical rates which is impacting on the negotiations that are taking place. Whilst discussions are continuing preliminary work

has been undertaken to assess the difference in the rates and the potential financial impact. It is forecast that an All Wales rate will significantly increase the locum spend within the Health Board. During February, conversations will begin with Service Groups and specialties to discuss their specific rates and explore possible opportunities for reductions.

Set out below is the typical Welsh Government data that is illustrative the problem that the Health Board is attempting to solve via this work.

## Costs

The table below depicts total agency and locum costs for October, November & December 2022 and shows that the Health Board has seen an increase associated with the internal spend for locum staff. It is noted that the internal locum usage has increased and there has been a reduction in the MEDACS use. Whilst the internal spend has increased it indicates that agency spend has decreased.

However, it is noted that these costs only capture the locum work undertaken by internal and MEDACS Locums and therefore does not include the off-framework agencies which are picked up by the financial ledger so in essence the costs are likely to be higher

Service Group	October 2022		November 2022		December 2022	
	Ad hoc locum spend	Agency	Ad hoc locum spend	Agency	Ad hoc locum spend	Agency
Morrison	£516,237.3	£43,522	£428,403.07	£37,234	£496,857.81	£74,092
MH & LD	£41,703.51	£34,533	£41,814.8	£40,179	£28,588.50	£36,576
Singleton & NPT	£153,461.19	£130,759	£151,000.54	£112,708	£235,461.12	£93,090
PC & T	£60,33.93	£0.00	£4,380.18	£0.00	£20,888.99	£0.00
<b>Total</b>	<b>£717,435.93</b>	£208,814	<b>£625,598.59</b>	£190,120	<b>£781,796.42</b>	£203,757
<b>Total monthly Expenditure</b>	<b>£926,249.93</b>		<b>£815,718.59</b>		<b>£985,553.42</b>	

The financial information is showing a significant jump in December 2022 for internal spend. Singleton Service group saw a significant increase in December 2022 which could be linked to the implementation of AMSR (acute medical services redesign) and the increased sickness rates linked to respiratory illnesses.

## Compliance with the Welsh Government Capped Rates

The first table below outlines the internal locum shifts during October, November & December 2022 that have been booked both below and above the capped rates.

	Oct-22	Nov-22	Dec-22
Individuals Booked	324	317	331
Individuals Booked At/Below Cap	189	178	169
Individuals Booked At/Below Cap %	58.33%	55.15%	51.05%
Individuals Booked Above Cap	135	139	162
Individuals Booked Above Cap %	41.67%	43.85%	48.95%
Hours Booked	10031.99	9885.75	11345.74
Hours Booked At/Below Cap	5636.17	5236.75	5796.49
Hours Booked At/Below Cap %	56.18%	52.97%	51.09%
Hours Booked Above Cap	4395.82	4649	5549.25
Hours Booked Above Cap %	43.82%	47.03%	48.91%
Jobs Booked	1076	1047	1144
Jobs Booked At/Below Cap	565	537	520
Jobs Booked At/Below Cap %	52.51%	51.29%	45.45%
Jobs Booked Above Cap	511	510	624
Jobs Booked Above Cap %	47.49%	48.71%	54.55%

### Agency Information

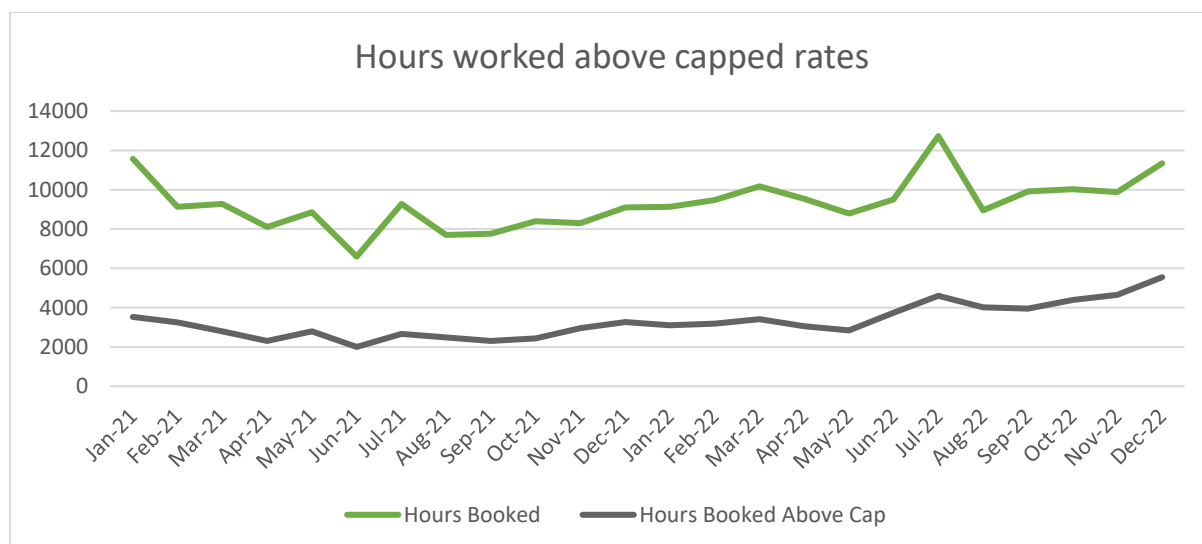
	Oct-22	Nov-22	Dec-22
Individuals Booked	14	13	10
Individuals Booked At/Below Cap	0	1	0
Individuals Booked At/Below Cap %	0.00%	7.69%	0.00%
Individuals Booked Above Cap	14	12	10
Individuals Booked Above Cap %	100.00%	92.31%	100.00%
Hours Booked	1,744.50	1,934.50	1,153.00
Hours Booked At/Below Cap	0.00	321.50	0.00
Hours Booked At/Below Cap %	0.00%	16.61%	0.00%
Hours Booked Above Cap	1,744.50	2,256.00	1,153.00
Hours Booked Above Cap %	100.00%	83.39%	100.00%
Jobs Booked	16	16	15
Jobs Booked At/Below Cap	0	1	0
Jobs Booked At/Below Cap %	0.00%	6.25%	0.00%
Jobs Booked Above Cap	16	15	15
Jobs Booked Above Cap %	100.00%	93.75%	100.00%

### 3. GOVERNANCE AND RISK ISSUES INCLUDING POSSIBLE SOLUTIONS

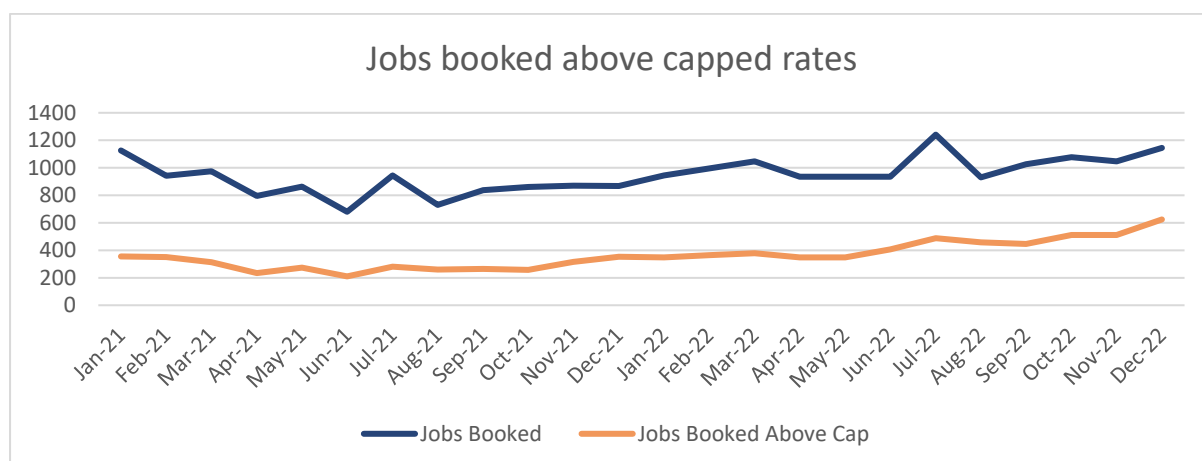
There are several factors that are influencing the increased rates for locums which are described below.

#### Internal Rates

During recent years the Health Board has seen an increased use in medical locum shifts and costs. To note during the last 12 months there has been a noticeable increase in the amount of locum shifts that are being worked at an increased pay rate that exceed the Welsh Government capped levels. The graph below demonstrates the hours that have been filled by the internal bank since January 2022 that are above Welsh Government capped rates.



To add further narrative, the graph below demonstrates the same time period and the number of shifts that have had the hourly rate negotiated and booked above Welsh Government capped rates. The data shows that in December 2022 nearly half of the shifts worked were negotiated above the capped rates.



As part of the medical efficiency programme the Health Board is undertaking a number of steps in an attempt to reduce the rates that are being negotiated.

**Information sharing:** Currently, each Service Group is given spend information of their locum usage. From February each Service Manager will be given specific information on bookings, usage and rates being paid for their individual areas. This increase in visibility will support appropriate decision making. Reports will also be circulated to Service Groups outlining the highest rates that are being paid.

Reducing the escalated rates is a significant challenge given the level of gaps that exist within the services. As the rates are being negotiated at a service level it is essential that appropriate information is available to inform decision making and accountability.

The medical efficiency programme is considering other measures that could be implemented to reduce the level of negotiation; however, these have not yet been developed into a full proposal or explored with the Service Groups. Considerations included have focussed on the potential benefits of centralised management of locum approval and negotiation of rates. However, it must be noted that if a centralised approach is adopted that there are a number of considerations to explore as the Service Groups are accountable for their individual locum spend and the clinical decision making that centres the use of locums must remain the professional responsibility of the individual service.

**The Data:** Typically, the spend information for locum usage is provided by Finance. Locum on Duty provides access to a number of different reports that supports further in-depth analysis of locum usage. It has been identified that there are a number of inconsistencies with the different systems that supply the data. Consequently, one of the critical aims of the medical efficiency programme is to establish a core data set that will be consistent across the Health Board. Work has begun with Finance and the Project Management Office to develop one dashboard that will provide consistent data on locum use and spend. The complexity of this work should not be underestimated.

### **Direct Engagement - MEDACS**

In October 2022 focussed work in conjunction with MEDACS and the Medical HR Team began to ensure that services were following the appropriate booking processes and to re-promote MEDACS. Since April 2022 the Health Board has saved £377,235.00 through the direct engagement agreement with MEDACS. During the period of January – September 2022 the Health Board saw a reduced use of MEDACS and an increase in other off contract agencies being used.

As part of the medical efficiency work a number of activities have taken place to maximise the direct engagement contract with MEDACS:

**Education:** Each service has had a dedicated session to advise of the correct process for advertising locum shifts. During April and September 2022 there was no evidence on Locum on Duty to suggest that the shifts were being escalated to non-contract agencies had gone via MEDACS first. As a result of this engagement there were 137 shifts vended to MEDACS in November and 111 in December 22.

In addition to this a stakeholder session with Rota Co-ordinators had taken place to reinforce the booking process for agency use. A similar session is being set up for Service Managers.

**Engagement:** From February 2023 each service will be having a locum review that will encompass all locum bookings. The purpose of these meetings will be to have individual discussions with Service Managers to highlight spend, locum trend information and to identify possible improvements that can be made within the service regarding locum booking and fill rates.

**Off- contract bookings:** revised processes have been implemented to ensure that all medical locums being booked via a direct award have a Locum on Duty reference number. This step ensures that appropriate escalation procedures are being followed and that MEDACS are being approached to fill the gap first.

**Replacement strategies:** Where services have been utilising off contract agencies work has been undertaken to identify appropriate replacements via MEDACS. This will not only reduce the cost of the locums but will also increase compliance checks of the locums engaged. Successes include the replacement of long-term locums within Oncology and Haematology. There are other examples where it has been possible to fill gaps in the rotas to improve the quality and safety of care that is provided. This will also include consideration if the service needs or is capable of moving to substantive recruitment via the Medical HR team.

**Non-contract use:** There are two non-contract agencies used frequently within the Health Board (Athona & Medi team). Engagement is taking place with these agencies to encourage them to join the MEDACS direct engagement framework. To date one of the agencies has verbally agreed to supply locums via the MEDACS direct engagement contract.

**Long term locums:** There are eleven long-term locums working across the Health Board (outlined below) due to hard to recruit vacancies.

Specialty	Grade	Assignment Start Date	Assignment End Date
A and E	ST1	5th September 2022	1st February 2023
Haematology	Consultant	9th January 2023	30th April 2023
Haematology	Consultant	7th September 2016	31st March 2023
Haematology	ST1	29th August 2022	10th March 2023
Haematology	ST1	2nd August 2022	31st March 2023
Haematology	ST1	15th August 2022	28th February 2023
Oncology	Consultant	28th January 2022	10th February 2023
Oncology	Consultant	26th June 2022	31 July 2023
Adult Psychiatry	Consultant	10th July 2017	31st March 2023
Community Psychiatry	Consultant	26th September 2022	29th March 2023
Community Psychiatry	ST3	4th January 2023	31st March 2023

There are some examples where the same individual locum has been in place for several years. This presents a range of risks for the Health Board both from a contractual and management perspective.

These hard to fill vacancies present a challenge in recruiting which is typically why locums are in post for several years. There are services from companies that offer a Recruitment Process Optimisation (RPO) Model which will recruit staff to fill long-term vacancies. The pricing structure is based on a gain share of savings. At the outset of the arrangement, the service provider and the Health Board will agree a savings figure, based on the current annualised agency expenditure, and on achievement of reaching the savings figure, calculated monthly, a percentage will be payable. Initiatives such as this may assist in filling hard to recruit vacancies that will reduce agency expenditure.

Based on the long terms locums within Swansea Bay modelling has taken place with Medacs to identify the potential savings that can be made if an RPO model is agreed. The table below identifies the potential forecasted savings that can be made by contracting an RPO model for the long-term locums engaged within the Health Board. If all positions outlined in the table below were filled using the RPO model the NET saving to the Health Board could be £1,742,143.96. If just the long term agency locums were targeted and filled then that could deliver a saving of £740,586.49.

Substantive Annual Salary Breakdown					Agency Annual Salary Breakdown			Intro Fee	Savings & Gain Share			
Grade	Directorate	Salary	Banding	Oncosts	Total	Agency Avg. Hourly Rate	Hours	Total Cost	Intro Fee	Net Saving	MGG 20%	UHB 80%
Consultant	Acute Physician	£86,063.00	£5,227	£24,648.30	£115,938.30	£144.42	1,950	£281,619.00	£12,000.00	£153,680.70	£30,736.14	£122,944.56
Consultant	Anaesthetics	£86,063.00	£5,227	£24,648.30	£115,938.30	£120.49	1,950	£234,955.50	£12,000.00	£107,017.20	£21,403.44	£85,613.76
Consultant	COTE	£86,063.00	£5,227	£24,648.30	£115,938.30	£120.49	1,950	£234,955.50	£12,000.00	£107,017.20	£21,403.44	£85,613.76
Consultant	Gastroenterology	£86,063.00	£5,227	£24,648.30	£115,938.30	£120.49	1,950	£234,955.50	£12,000.00	£107,017.20	£21,403.44	£85,613.76
Consultant	Haematology	£86,063.00	£5,227	£24,648.30	£115,938.30	£137.87	1,950	£268,846.50	£12,000.00	£140,908.20	£28,181.64	£112,726.56
Consultant	Haematology	£86,063.00	£5,227	£24,648.30	£115,938.30	£83.61	1,950	£163,039.50	£12,000.00	£35,101.20	£7,020.24	£28,080.96
Consultant	Oncology	£86,063.00	£5,227	£24,648.30	£115,938.30	£168.92	1,950	£329,394.00	£12,000.00	£201,455.70	£40,291.14	£161,164.56
Consultant	Oncology	£86,063.00	£5,227	£24,648.30	£115,938.30	£133.03	1,950	£259,408.50	£12,000.00	£131,470.20	£26,294.04	£105,176.16
Consultant	Palliative Medicine	£86,063.00	£5,227	£24,648.30	£115,938.30	£120.49	1,950	£234,955.50	£12,000.00	£107,017.20	£21,403.44	£85,613.76
Consultant	Psychiatry - Adult	£86,063.00	£0	£23,237.01	£109,300.01	£102.19	1,950	£199,270.50	£12,000.00	£77,970.49	£15,594.10	£62,376.39
Consultant	Psychiatry - Learning Disabilities	£86,063.00	£0	£23,237.01	£109,300.01	£120.49	1,950	£234,955.50	£12,000.00	£113,655.49	£22,731.10	£90,924.39
Consultant	Radiology - Vascular	£86,063.00	£5,227	£24,648.30	£115,938.30	£120.49	1,950	£234,955.50	£12,000.00	£107,017.20	£21,403.44	£85,613.76
Consultant	Radiology - Interventional	£86,063.00	£5,227	£24,648.30	£115,938.30	£120.49	1,950	£234,955.50	£12,000.00	£107,017.20	£21,403.44	£85,613.76
Specialist Doctor	Oncology	£71,336.00	£5,227	£20,672.01	£97,235.01	£109.68	2,080	£228,134.40	£8,000.00	£122,899.39	£24,579.88	£98,319.51
Specialist Doctor	Palliative Medicine	£71,336.00	£5,227	£20,672.01	£97,235.01	£109.68	2,080	£228,134.40	£8,000.00	£122,899.39	£24,579.88	£98,319.51
					<b>£1,688,391.34</b>			<b>£3,602,535.30</b>	<b>£172,000.00</b>	<b>£1,742,143.96</b>	<b>£348,428.79</b>	<b>£1,393,715.17</b>

The RPO Model approach has not been approved for use within the Health Board, however, the modelling work undertaken identifies that the Health Board is able to achieve a cost saving on the existing long term locum use. Perhaps this should be captured in a paper to explore in more detail

## Medic on Duty implementation

A critical component to managing the locum usage is being able to identify the gaps in the rota. The implementation of Medic on Duty will highlight the gaps in the rotas and identify over allocation of locums.

The implementation so far has highlighted several process issues in terms of how medical staff are managed. It has been highlighted that there are inconsistencies in Annual Leave and Bank Holiday calculations. Guidance is being developed to ensure consistency of approach and appropriate management of leave.

## 4. FINANCIAL IMPLICATIONS

There are financial implications associated with the provision and management of locum and agency staff.

## 5. RECOMMENDATIONS

The Workforce and OD Delivery Group are asked to:

- **Note** and discuss the proposals outlined in the paper.
- **Discuss and agree** on appropriate reporting to the delivery group.



<b>Governance and Assurance</b>		
<b>Link to Enabling Objectives</b> <i>(please choose)</i>	<b>Supporting better health and wellbeing by actively promoting and empowering people to live well in resilient communities</b>	
	Partnerships for Improving Health and Wellbeing	<input type="checkbox"/>
	Co-Production and Health Literacy	<input type="checkbox"/>
	Digitally Enabled Health and Wellbeing	<input type="checkbox"/>
	<b>Deliver better care through excellent health and care services achieving the outcomes that matter most to people</b>	
	Best Value Outcomes and High Quality Care	<input checked="" type="checkbox"/>
	Partnerships for Care	<input type="checkbox"/>
	Excellent Staff	<input checked="" type="checkbox"/>
	Digitally Enabled Care	<input type="checkbox"/>
	Outstanding Research, Innovation, Education and Learning	<input type="checkbox"/>
<b>Health and Care Standards</b>		
<i>(please choose)</i>	Staying Healthy	<input type="checkbox"/>
	Safe Care	<input type="checkbox"/>
	Effective Care	<input type="checkbox"/>
	Dignified Care	<input type="checkbox"/>
	Timely Care	<input type="checkbox"/>
	Individual Care	<input type="checkbox"/>
	Staff and Resources	<input checked="" type="checkbox"/>
<b>Quality, Safety and Patient Experience</b>		
Whilst there are significant recruitment difficulties the supply of locum doctors is vital to safe patient care		
<b>Financial Implications</b>		
Securing these doctors at appropriate rates is also key to the recovery and sustainability of the Health Board		
<b>Legal Implications (including equality and diversity assessment)</b>		
Not applicable.		
<b>Staffing Implications</b>		
None other than the need to improve the supply of the medical workforce.		
<b>Long Term Implications (including the impact of the Well-being of Future Generations (Wales) Act 2015)</b>		
Not applicable		
<b>Report History</b>	20 <sup>th</sup> report	
<b>Appendices</b>	None	