

Trust Management Board

Report

Subject: Outsourcing Radiology Reporting
Date: 21/7/15
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Executive Summary

The aim of this report is to obtain approval and provide the TMB with an insight into the current arrangements for outsourcing of Radiological Reports. Outsourcing of Radiological reports is used for additional capacity and to support the out of hours on call Radiologist service for CT.

A contract for this service has been in place since July 2013; however it is now up for renewal. The Radiology service has reviewed the contract and the preferred method for moving forward is to award the contract to a split provider (existing company and an additional outsourcing company); other Radiology Services are doing this locally and nationally. The estimated forecast for the new contract is £260k per annum based on current activity figures. There is a requirement for the current contract to be extended by 3 months (£75k) that will take us through the implementation process for the new provider. In changing to a new provider there is a potential CIP recurrent saving of £14,936. This CIP will sit within the Diagnostic work stream.

Recommendation

The committee's recommendation is that the Trust approves the split contract with an estimated value of £260k and to extend the initial contract by £75k to cover the implementation process. It is therefore requested that the TMB consider the information provided and give their approval.

Relevant Strategic Priorities (please mark in bold)

To consistently deliver a high quality patient experience safely and effectively	To develop extended clinical networks that benefit the patients we serve
To eliminate the variability of access to and outcomes from our acute services	To provide efficient and cost-effective services and deliver better value healthcare
To reduce demand on hospital services and deliver care closer to home	

How has organisational learning been disseminated

Links to the BAF and Corporate Risk Register

Details of additional risks associated with this paper (*may*)

<i>include CQC Essential Standards, NHSLA, NHS Constitution)</i>	
Links to NHS Constitution	
Financial Implications/Impact	
Legal Implications/Impact	
Partnership working & Public Engagement Implications/Impact	
Committees/groups where this item has been presented before	
Monitoring and Review	Monitoring through collation of data, audit and quarterly review meetings with the outsourcing companies.
Is a QIA required/been completed? If yes provide brief details	

Background

In July 2013 a contract with an external company was set up to support the Radiology reporting capacity due to increased waiting time for reports linked to the increase in referrals and the number of Radiologist vacancies as nationally there is a chronic shortage of Radiologists. Radiological investigations are required to have a report and a delay in the reporting of imaging is potentially linked to the delay in diagnosis that can include cancer and other serious illnesses. Patient experience is also heavily dependent on the responsiveness of the Radiology Services and an unreasonable length of time waiting for the results of imaging can seem like a failure in the system. The Radiology Service works to a protocol for outsourcing, once imaging examinations have not been reported in 5 days then the images are outsourced.

Outsourcing companies are being utilised by Trusts locally and nationally to support capacity and the fluctuating demands of referrals. The Radiology service also utilises the outsourcing service for out of hours CT reporting, this is due to vacancies. The present contract for outsourcing is now up for renewal and the Radiology service has reviewed the contract and the preferred method for moving forward is to award the contract to a split provider; this is what other Radiology services are doing locally and nationally. The reason for this is that outsourcing companies can struggle for capacity at peak periods and depending on the pool of radiologists working for them (many of the radiologists also work for the NHS). It is proposed that the trust will have a contract with two outsourcing companies to ensure that there is sufficient capacity for outsourcing. To accommodate the second outsourcing company there has to be rigorous governance and IT processes in place which can take up to 6 to 10 weeks to complete.

Financial Summary

Current Supplier 4ways			
Routine/Elective	Forecast annual usage *	Each exc vat	FYE exc vat
Single Area MRI / CT	2192	£24.00	£52,608.00
Two Extended Area MRI / CT	264	£31.20	£8,236.80
Three Extended Area MRI/ CT	112	£38.40	£4,300.80
Four Extended Area MRI/ CT	0	£45.60	£0.00
Cost per x ray	14168	£4.25	£60,214.00
Out of Hours			
Single Area CT	1480	£74.00	£109,520.00
Two Extended Area CT	312	£96.20	£30,014.40
Three Extended Area CT	44	£118.40	£5,209.60
Total			£270,103.60
Proposed contract split provision 4ways / TMC			
Routine/Elective/OOH Based on 4 ways retaining 50% Elective	Usage Forecast	Each Cost EXC vat	FYE Exc VAT
Single Area MRI / CT /4ways	1096	£ 24.00	£ 26,304.00
Two Extended Area MRI / CT / 4 ways	132	£ 31.20	£ 4,118.40
Three Extended Area MRI/ CT / 4ways	56	£ 38.40	£ 2,150.40
Single Area MRI / CT /TMC	1096	£ 28.60	£ 31,345.60
Two Extended Area MRI / CT / TMC	132	£ 50.05	£ 6,606.60
Three Extended Area MRI/ CT / TMC	56	£ 64.35	£ 3,603.60
Cost per X-Ray	14168	£ 4.85	£ 68,714.80
Out of Hours			
Single Area CT /TMC	1480	£ 59.00	£ 87,320.00
Two Extended Area CT/TMC	312	£ 69.00	£ 21,528.00
Three Extended Area CT/TMC	44	£ 79.00	£ 3,476.00
Total			£ 255,167.40
		saving	£ 14,936.20

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