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NHS
Northern, Eastern and Western Devon
Clinical Commissioning Group

Supply and demand model

November 2014

This supply and demand model has been developed to better understand the potential impact of Care UK ceasing to provide services from the Peninsula NHS Treatment Centre. This model has been developed jointly between NEW Devon CCG and Kernow CCG.

Assumptions

- Baseline activity is based upon all activity that is linked to orthopaedic non-trauma (HB), ophthalmology (cataracts), mouth head neck & ears (CZ)
- Other significant actitivty undertaken by Care UK being included for the purpose of agreeing mitigation
- Baseline activity includes elective inpatient/ daycase, non-elective inpatients (Kernow only), 1st outpatients and follow-up outpatients
- Demographic growth has been included at an estimated 1.0% pa from 15/16 and is equivalent to the level expected based upon population projections even though orthopaedic demand has reduced
- Impact of Care UK contract ceasing has been based upon 13/14 level of activity as this is the last full year of activity (base year for all calculations)
- Initial demobilisation assumption that Care UK would deliver 50% of regular activity in Q4 2014/15 reducing to zero from Q1 2015/16
- Market shift to other providers limited to previous activity levels ie returning to 13/14 levels of orthopaedic activity in 15/16 and to 11/12 levels in 16/17. This is the resulting market shift that would happen without further action
- Patient choice to go to other providers in the health community will naturally change in response to changes in supply. Assumption 33% of patients in South Hams and West Devon will choose a provider outside of Plymouth ie SDHFT, RDE etc
- Model is based upon likely case scenario ie 100% delivery of existing QIPP schemes. A worst case scenario has been calculated based upon 50% delivery of existing QIPP schemes
- Model represents the potential gap between supply and demand if no further action is undertaken to close this gap (ie expansion of other providers/ further QIPP schemes). More work will be undertaken which is as yet unquantified and not included in this model. This includes expansion of Beacon pilot and redesigning models of follow-up care to focus on patient initated follow-up etc.
- Model does not take into account of the short term mitigating actions which are in the process of being developed across the health community. This will address any potential under-supply during transition

NEW Devon CCG (Western Locality) supply and demand model (base case)

(ophthalmology, orthopaedics non-trauma, and other activity undertaken by Care UK)

Demand

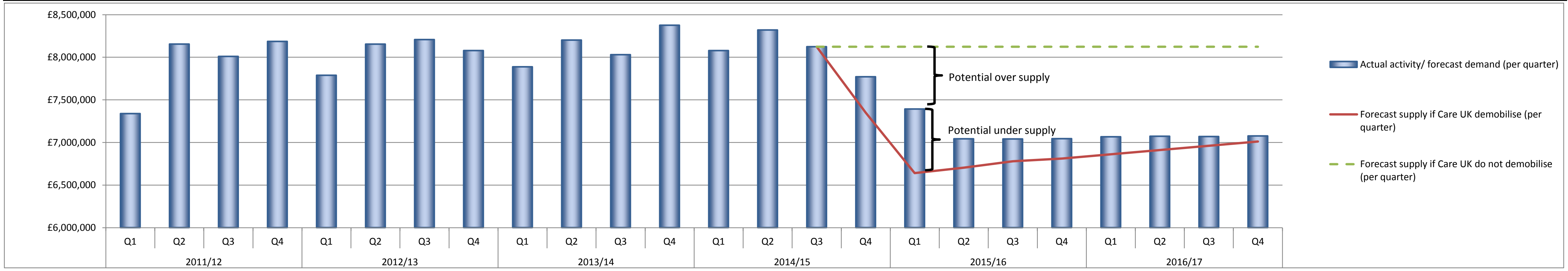
	2011/12				2012/13				2013/14			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Baseline	£7,338,447	£8,154,351	£8,009,756	£8,185,770	£7,788,297	£8,153,809	£8,207,401	£8,078,435	£7,887,629	£8,201,495	£8,030,146	£8,375,810
1st outpatient (T&O and ophthalmology)	£872,511	£876,361	£935,600	£943,338	£1,013,743	£980,732	£936,806	£831,253	£1,025,682	£924,895	£889,977	£927,745
FU outpatient (T&O and ophthalmology)	£981,653	£1,066,184	£1,078,503	£1,243,924	£1,156,860	£1,210,395	£1,227,695	£1,160,340	£1,230,114	£1,215,767	£1,338,013	£1,303,544
Inpatient (HB, CZ and other selected HRGs)	£2,937,084	£3,629,612	£3,418,757	£3,277,195	£3,170,884	£3,248,951	£3,337,302	£3,246,835	£2,845,124	£3,259,469	£2,832,288	£3,050,212
Daycase (HB, CZ and other selected HRGs)	£2,547,200	£2,582,194	£2,576,895	£2,721,313	£2,446,809	£2,713,732	£2,705,598	£2,840,007	£2,786,710	£2,801,364	£2,969,868	£3,094,309
Projected activity from 13/14 baseline												
Expected QIPP impact	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Scheme 1 - ophthalmology												
Ophthalmology PHNT backlog clearance												
Scheme 2 - Hip replacements												
Scheme 3 - Knee replacements												
Scheme 4 - Shoulder procedures												
Scheme 5 - Arthroscopy												
Scheme 6 - Carpal tunnel												
Scheme 7 - Foot & ankle												
Orthopaedics outpatients												
Demographic growth at 1% pa												
Actual activity/ forecast demand (per quarter)	£7,338,447	£8,154,351	£8,009,756	£8,185,770	£7,788,297	£8,153,809	£8,207,401	£8,078,435	£7,887,629	£8,201,495	£8,030,146	£8,375,810

	2014/15				2015/16				2016/17			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Baseline	£8,078,288	£8,319,978										
1st outpatient (T&O and ophthalmology)	£1,056,145	£956,960										
FU outpatient (T&O and ophthalmology)	£1,205,520	£1,160,296										
Inpatient (HB, CZ and other selected HRGs)	£2,892,241	£2,969,104										
Daycase (HB, CZ and other selected HRGs)	£2,924,381	£3,233,618										
Projected activity from 13/14 baseline			£8,123,770	£8,123,770	£8,123,770	£8,123,770	£8,123,770	£8,123,770	£8,123,770	£8,123,770	£8,123,770	£8,123,770
Expected QIPP impact	£0	£0	£0	£352,975	£810,334	£1,163,309	£1,163,309	£1,163,309	£1,215,193	£1,215,193	£1,215,193	£1,215,193
Scheme 1 - ophthalmology			£0	£17,722	£35,445	£53,167	£53,167	£53,167	£53,167	£53,167	£53,167	£53,167
Ophthalmology PHNT backlog clearance					£104,384	£104,384	£104,384	£104,384	£104,384	£104,384	£104,384	£104,384
Scheme 2 - Hip replacements				£126,547	£253,093	£379,640	£379,640	£379,640	£379,640	£379,640	£379,640	£379,640
Scheme 3 - Knee replacements				£89,241	£178,481	£267,722	£267,722	£267,722	£267,722	£267,722	£267,722	£267,722
Scheme 4 - Shoulder procedures				£35,524	£71,047	£106,571	£106,571	£106,571	£106,571	£106,571	£106,571	£106,571
Scheme 5 - Arthroscopy				£27,034	£54,068	£81,102	£81,102	£81,102	£81,102	£81,102	£81,102	£81,102
Scheme 6 - Carpal tunnel				£13,936	£27,873	£41,809	£41,809	£41,809	£41,809	£41,809	£41,809	£41,809
Scheme 7 - Foot & ankle									£51,885	£51,885	£51,885	£51,885
Orthopaedics outpatients				£42,972	£85,944	£128,915	£128,915	£128,915	£128,915	£128,915	£128,915	£128,915
Demographic growth at 1% pa					£78,876	£82,015	£80,301	£83,758	£157,753	£164,030	£160,603	£167,516
Actual activity/ forecast demand (per quarter)	£8,078,288	£8,319,978	£8,123,770	£7,770,795	£7,392,313	£7,042,476	£7,040,763	£7,044,219	£7,066,329	£7,072,607	£7,069,180	£7,076,093

Supply

	2011/12				2012/13				2013/14			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Baseline	£7,338,447	£8,154,351	£8,009,756	£8,185,770	£7,788,297	£8,153,809	£8,207,401	£8,078,435	£7,887,629	£8,201,495	£8,030,146	£8,375,810
Care UK contract	£1,396,881	£1,700,377	£1,641,670	£1,562,074	£1,426,237	£1,384,967	£1,662,926	£1,750,557	£1,436,761	£1,587,458	£1,603,282	£1,563,235
1st outpatient (T&O and ophthalmology)	£72,288	£76,396	£73,013	£66,730	£70,837	£76,883	£88,123	£75,049	£83,584	£96,598	£97,853	£95,109
FU outpatient (T&O and ophthalmology)	£78,076	£83,551	£74,309	£76,156	£84,832	£86,304	£88,247	£98,839	£85,530	£94,919	£110,412	£103,677
Inpatient (HB, CZ and other selected HRGs)	£791,738	£1,074,297	£1,047,797	£1,027,601	£906,489	£799,338	£990,074	£1,038,850	£761,838	£832,311	£667,662	£697,580
Daycase (HB, CZ and other selected HRGs)	£454,779	£466,133	£446,551	£391,586	£364,078	£422,442	£496,481	£537,819	£505,810	£563,630	£727,355	£666,869
End of care UK contract	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Capacity growth other providers	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Market shift (PHNT - limited to historical activity)												
Market shift (other providers - limited to historical activity)												
Patient choice to go other providers (outside WL)												
Forecast supply if Care UK demobilise (per quarter)	£7,338,447	£8,154,351	£8,009,756	£8,185,770	£7,788,297	£8,153,809	£8,207,401	£8,078,435	£7,887,629	£8,201,495	£8,030,146	£8,375,810
Forecast supply if Care UK do not demobilise (per quarter)	£7,338,447	£8,154,351	£8,009,756	£8,185,770	£7,788,297	£8,153,809	£8,207,401	£8,078,435	£7,887,629	£8,201,495	£8,030,146	£8,375,810

	2014/15				2015/16				2016/17			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Baseline	£8,078,288	£8,319,978	£8,123,770	£8,123,770	£8,123,770	£8,123,770	£8,123,770	£8,123,770	£8,123,770	£8,123,770	£8,123,770	£8,123,770
Care UK contract	£1,915,953	£2,019,384	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
1st outpatient (T&O and ophthalmology)	£88,342	£97,713										
FU outpatient (T&O and ophthalmology)	£97,201	£113,302										
Inpatient (HB, CZ and other selected HRGs)	£979,390	£943,809										
Daycase (HB, CZ and other selected HRGs)	£751,020	£864,560										
End of care UK contract	£0	£0	£0	£773,842	£1,547,684	£1,547,684	£1,547,684	£1,547,684	£1,547,684	£1,547,684	£1,547,684	£1,547,684
Capacity growth other providers	£0	£0	£0	£0	£64,250	£128,500	£203,750	£235,000	£285,000	£335,000	£385,000	£435,000
Market shift (PHNT - limited to historical activity)					£26,250	£52,500	£78,750	£105,000	£150,000	£195,000	£240,000	£285,000
Market shift (other providers - limited to historical activity)					£5,000	£10,000	£15,000	£20,000	£25,000	£30,000	£35,000	£40,000
Patient choice to go other providers (outside WL)					£33,000	£66,000	£110,000	£110,000	£110,000	£110,000	£110,000	£110,000
Forecast supply if Care UK demobilise (per quarter)	£8,078,288	£8,319,978	£8,123,770	£7,349,928	£6,640,336	£6,704,586	£6,779,836	£6,811,086	£6,861,086	£6,911,086	£6,961,086	£7,011,086
Forecast supply if Care UK do not demobilise (per quarter)	£8,078,288	£8,319,978	£8,123,770	£8,123,770	£8,123,770	£8,123,770	£8,123,770	£8,123,770	£8,123,770	£8,123,770	£8,123,770	£8,123,770



	2014/15	2015/16	2016/17
Actual activity/ forecast demand (per quarter)	£32,292,831	£28,519,771	£28,284,209
Forecast supply if Care UK demobilise (per quarter)	£31,871,964	£26,935,843	£27,744,343
Potential gap	-£420,867	-£1,583,928	-£539,866
Gap as a % of total activity	-1.3%	-5.6%	-1.9%

Assumptions

Full QIPP impact achieved from Q2 15/16. Equivalent to top quartile levels of activity across Southern Region based upon Standardised Admission Rates (Dr Foster). SARs are both age and deprivation standardised. Phased impact from Q4 14/15

Additional QIPP impact based upon urgent and necessary measures

Orthopaedic outpatient activity has been reduced in proportion to the reduction in inpatient/ daycase QIPP

Ophthalmology activity in Care UK is backlog clearance so is not recurrent activity

Additional QIPP activity included in 16/17 around foot and ankle even though detailed plans not fully developed

A natural market shift would occur if supply is reduced. It has been assumed that existing providers will return to 13/14 levels of orthopaedic activity in 15/16 and to 11/12 levels in 16/17.

Patient choice to go to other providers in the health community will naturally change in response to changes in supply. Assumption 33% of patients in South Hams and West Devon will choose a provider outside of Plymouth ie SDHFT, RDE etc

Summary

The potential gap in activity in 14/15 could be delivered as a result of the over performance in RTT in the treatment centre ie waiting times are around 5 weeks

The potential gap between supply and demand reduces from £1.58m in 15/16 (5.6% of activity) to £540k from 16/17 (1.9% of activity) and is expected to continue at this level going forward without additional supply being created.

This would give an estimated gap of £2.7m over the next 3 years

Worst case scenario would give a gap of £3.6m (11.8% of activity) in 2015/16 reducing to £2.9m (9.5%) in 2016/17. This would give a total gap of £9.3m over the next 3 years

Worst case is equivalent to current level of QIPP improvement being maintained going forward and is unlikely to be realistic if level of supply is reduced (ie Care UK demobilise from the Peninsula Treatment Centre)

Kernow CCG supply and demand model - East Cornwall Locality (base case)

(ophthalmology, orthopaedics non-trauma, and other activity undertaken by Care UK)

Notes: Excludes Probus Treatment Centre

Demand

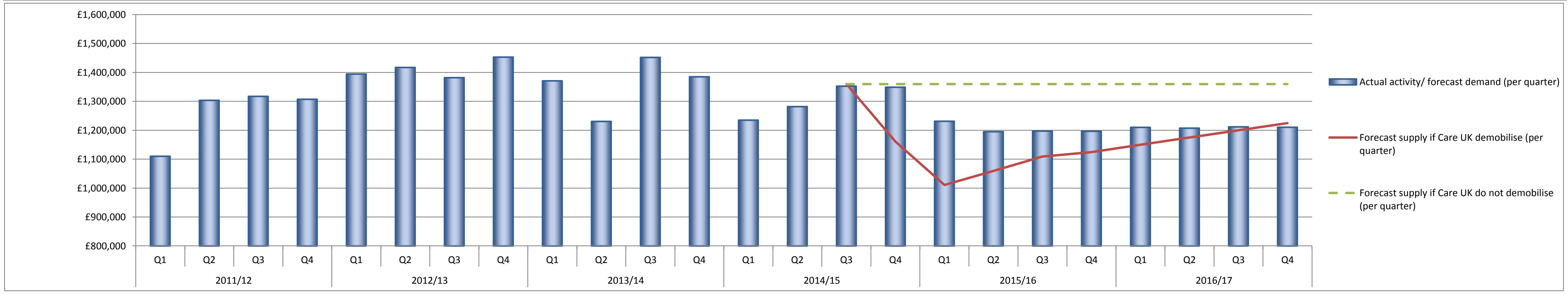
	2011/12				2012/13				2013/14			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Baseline	£1,110,136	£1,303,516	£1,317,245	£1,307,221	£1,394,458	£1,417,202	£1,381,903	£1,452,971	£1,370,961	£1,230,614	£1,451,980	£1,384,900
1st outpatient (T&O and ophthalmology)	£152,303	£168,286	£175,967	£181,197	£191,013	£173,153	£173,198	£157,925	£165,741	£163,708	£154,224	£142,918
FU outpatient (T&O and ophthalmology)	£213,205	£228,872	£229,465	£275,970	£246,997	£248,772	£258,646	£232,514	£215,124	£218,137	£264,596	£255,734
Elective Inpatient (HB, BZ and other selected HRGs)	£344,773	£432,137	£453,877	£347,284	£415,559	£452,147	£443,702	£515,209	£435,875	£339,918	£475,682	£490,977
Non Elective Inpatient (HB, BZ and other selected HRGs)	£65,292	£102,705	£69,785	£61,832	£71,928	£83,945	£62,399	£83,897	£109,192	£77,040	£77,933	£71,582
Daycase (HB, BZ and other selected HRGs)	£334,563	£371,516	£388,151	£440,938	£468,961	£459,185	£443,958	£463,426	£445,029	£431,811	£479,545	£423,689
Projected activity from 13/14 baseline												
Expected QIPP impact	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Redesign of MSK Interface, including:												
- Expansion of MSK Interface (feet & ankles) - 1st OPs												
- Expansion of MSK Interface (feet & ankles) - Inpats												
- Develop MSK/primary care integrated model - 1st OPs												
- Develop MSK/primary care integrated model - FU OPs												
- Develop MSK/primary care integrated model - Inpats												
Procedures of Low Clinical Benefit, including:												
- Arthroscopy												
- Carpal tunnel												
- Cataracts												
Ophthalmology PHNT backlog clearance												
Demographic growth at 1% pa												
Actual activity/ forecast demand (per quarter)	£1,110,136	£1,303,516	£1,317,245	£1,307,221	£1,394,458	£1,417,202	£1,381,903	£1,452,971	£1,370,961	£1,230,614	£1,451,980	£1,384,900

	2014/15				2015/16				2016/17			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Baseline	£1,235,059	£1,281,827										
1st outpatient (T&O and ophthalmology)	£144,189	£155,042		£156,648	£156,648	£156,648	£156,648	£156,648	£156,648	£156,648	£156,648	£156,648
FU outpatient (T&O and ophthalmology)	£229,765	£213,252		£238,398	£238,398	£238,398	£238,398	£238,398	£238,398	£238,398	£238,398	£238,398
Elective Inpatient (HB, BZ and other selected HRGs)	£371,722	£411,939		£435,613	£435,613	£435,613	£435,613	£435,613	£435,613	£435,613	£435,613	£435,613
Non Elective Inpatient (HB, BZ and other selected HRGs)	£63,231	£79,828		£83,937	£83,937	£83,937	£83,937	£83,937	£83,937	£83,937	£83,937	£83,937
Daycase (HB, BZ and other selected HRGs)	£426,152	£421,766		£445,019	£445,019	£445,019	£445,019	£445,019	£445,019	£445,019	£445,019	£445,019
Projected activity from 13/14 baseline			£1,359,614	£1,359,614	£1,359,614	£1,359,614	£1,359,614	£1,359,614	£1,359,614	£1,359,614	£1,359,614	£1,359,614
Expected QIPP impact	£0	£0	£7,128	£10,692	£142,082	£176,877	£176,877	£176,877	£176,877	£176,877	£176,877	£176,877
Redesign of MSK Interface, including:												
- Expansion of MSK Interface (feet & ankles) - 1st OPs					£1,428	£1,428	£1,428	£1,428	£1,428	£1,428	£1,428	£1,428
- Expansion of MSK Interface (feet & ankles) - Inpats					£3,848	£3,848	£3,848	£3,848	£3,848	£3,848	£3,848	£3,848
- Develop MSK/primary care integrated model - 1st OPs					£5,950	£5,950	£5,950	£5,950	£5,950	£5,950	£5,950	£5,950
- Develop MSK/primary care integrated model - FU OPs					£2,450	£2,450	£2,450	£2,450	£2,450	£2,450	£2,450	£2,450
- Develop MSK/primary care integrated model - Inpats					£105,000	£105,000	£105,000	£105,000	£105,000	£105,000	£105,000	£105,000
Procedures of Low Clinical Benefit, including:												
- Arthroscopy			£7,128	£10,692	£14,256	£14,256	£14,256	£14,256	£14,256	£14,256	£14,256	£14,256
- Carpal tunnel					£2,160	£2,160	£2,160	£2,160	£2,160	£2,160	£2,160	£2,160
- Cataracts					£6,990	£6,990	£6,990	£6,990	£6,990	£6,990	£6,990	£6,990
Ophthalmology PHNT backlog clearance						£34,795	£34,795	£34,795	£34,795	£34,795	£34,795	£34,795
Demographic growth at 1% pa					£13,710	£12,306	£14,520	£13,849	£27,419	£24,612	£29,040	£27,698
Actual activity/ forecast demand (per quarter)	£1,235,059	£1,281,827	£1,352,486	£1,348,922	£1,231,241	£1,195,043	£1,197,257	£1,196,586	£1,210,156	£1,207,349	£1,211,776	£1,210,435

Supply

	2011/12				2012/13				2013/14			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Baseline	£1,110,136	£1,303,516	£1,317,245	£1,307,221	£1,394,458	£1,417,202	£1,381,903	£1,452,971	£1,370,961	£1,230,614	£1,451,980	£1,384,900
Care UK contract	£262,837	£440,180	£514,204	£487,225	£485,427	£410,361	£513,823	£424,517	£393,422	£323,260	£421,611	£451,710
1st outpatient (T&O and ophthalmology)	£25,454	£19,448	£25,454	£20,020	£22,194	£22,879	£25,893	£20,961	£18,952	£21,358	£22,387	£19,122
FU outpatient (T&O and ophthalmology)	£14,706	£18,318	£23,478	£22,446	£27,307	£24,070	£22,825	£26,560	£21,087	£17,618	£21,774	£20,539
Elective Inpatient (HB, BZ and other selected HRGs)	£138,042	£278,220	£348,492	£315,558	£334,999	£258,552	£312,659	£277,809	£225,865	£173,649	£235,563	£249,678
Non Elective Inpatient (HB, BZ and other selected HRGs)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Daycase (HB, BZ and other selected HRGs)	£84,635	£124,194	£116,780	£129,201	£100,927	£104,860	£152,446	£99,187	£127,518	£110,635	£141,887	£162,371
End of care UK contract	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
Capacity growth other providers	£84,635	£124,194	£116,780	£129,201	£100,927	£104,860	£152,446	£99,187	£127,518	£110,635	£141,887	£162,371
Market shift (PHNT - limited to historical activity)												
Market shift (other providers - limited to historical activity)												
Patient choice to go other providers (outside PHNT catchment)												
Forecast supply if Care UK demobilise (per quarter)	£1,110,136	£1,303,516	£1,317,245	£1,307,221	£1,394,458	£1,417,202	£1,381,903	£1,452,971	£1,370,961	£1,230,614	£1,451,980	£1,384,900
Forecast supply if Care UK do not demobilise (per quarter)	£1,110,136	£1,303,516	£1,317,245	£1,307,221	£1,394,458	£1,417,202	£1,381,903	£1,452,971	£1,370,961	£1,230,614	£1,451,980	£1,384,900

	2014/15				2015/16				2016/17			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Baseline	£1,235,059	£1,281,827	£1,359,614	£1,359,614	£1,359,614	£1,359,614	£1,359,614	£1,359,614	£1,359,614	£1,359,614	£1,359,614	£1,359,614
Care UK contract	£434,144	£335,589	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
1st outpatient (T&O and ophthalmology)	£18,516	£19,720										
FU outpatient (T&O and ophthalmology)	£19,805	£23,204										
Elective Inpatient (HB, BZ and other selected HRGs)	£254,542	£106,831										
Non Elective Inpatient (HB, BZ and other selected HRGs)	£0	£0										
Daycase (HB, BZ and other selected HRGs)	£141,281	£185,834										
End of care UK contract	£0	£0	£0	£198,750	£397,501	£397,501	£397,501	£397,501	£397,501	£397,501	£397,501	£397,501
Capacity growth other providers	£141,281	£185,834	£0	£198,750	£397,501	£397,501	£397,501	£397,501	£397,501	£397,501	£397,501	£397,501
Market shift (PHNT - limited to historical activity)					£13,125	£26,250	£39,375	£52,500	£75,000	£97,500	£120,000	£142,500
Market shift (other providers - limited to historical activity)					£2,500	£5,000	£7,500	£10,000	£12,500	£15,000	£17,500	£20,000
Patient choice to go other providers (outside PHNT catchment)					£33,000	£66,000	£100,000	£100,000	£100,000	£100,000	£100,000	£100,000
Forecast supply if Care UK demobilise (per quarter)	£1,235,059	£1,281,827	£1,359,614	£1,160,863	£1,010,738	£1,059,363	£1,108,988	£1,124,613	£1,149,613	£1,174,613	£1,199,613	£1,224,613
Forecast supply if Care UK do not demobilise (per quarter)	£1,235,059	£1,281,827	£1,359,614	£1,359,614	£1,359,614	£1,359,614	£1,359,614	£1,359,614	£1,359,614	£1,359,614	£1,359,614	£1,359,614



	2014/15	2015/16	2016/17
Actual activity/ forecast demand (per quarter)	£5,218,294	£4,820,127	£4,839,716
Forecast supply if Care UK demobilise (per quarter)	£5,037,363	£4,303,702	£4,748,452
Potential gap	-£180,930	-£516,425	-£91,264
Gap as a % of total activity	-3.5%	-10.7%	-1.9%

Assumptions

Baseline activity is based upon all activity for the East practices that is linked to orthopaedic non-trauma (HB), ophthalmology (cataracts), mouth head neck & ears (CZ) plus other selected HRG actitivty undertaken by Care UK
Baseline activity includes non-elective inpatients, elective inpatient & daycase, 1st outpatients and follow-up outpatients
A natural market shift would occur if supply is reduced. It has been assumed that existing providers will return to 13/14 levels of orthopaedic activity in 15/16 and to 11/12 levels in 16/17.
Patient choice to go to other providers in the health community will naturally change in response to changes in supply.

Summary

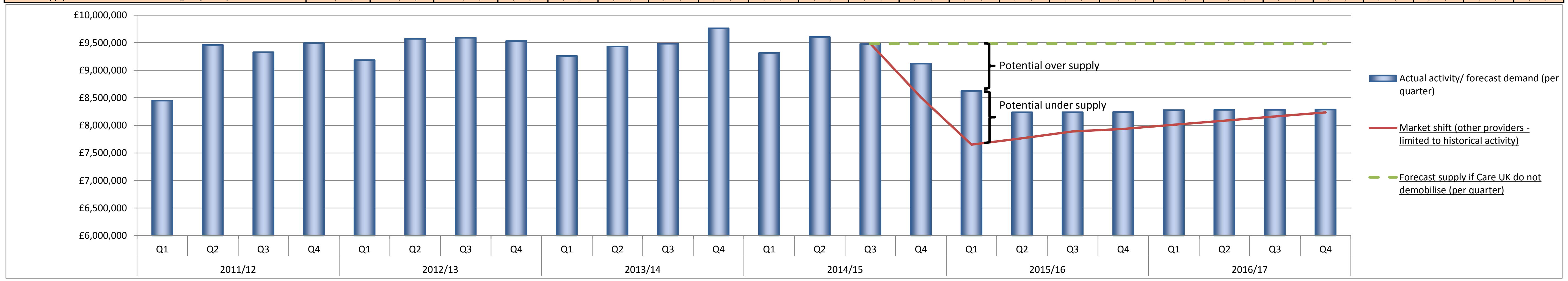
The potential gap in activity in 14/15 could be delivered as a result of the over performance in RTT in the treatment centre ie waiting times are around 5 weeks
The potential gap between supply and demand reduces from £516k in 15/16 to £91k from 16/17 and is expected to continue at this level going forward without additional supply being created.
This would give an estimated gap of £699k over the next 3 years

Combined Western Locality & Kernow supply and demand model (base case)

(ophthalmology, orthopaedics non-trauma, and other activity undertaken by Care UK)

		2011/12				2012/13				2013/14				2014/15				2015/16				2016/17			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Demand	Baseline	£8,448,583	£9,457,867	£9,327,001	£9,492,991	£9,182,755	£9,571,011	£9,589,304	£9,531,406	£9,258,590	£9,432,109	£9,482,126	£9,760,710	£9,313,347	£9,601,805	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	1st outpatient (T&O and ophthalmology)	£1,024,814	£1,044,647	£1,111,567	£1,124,535	£1,204,756	£1,153,885	£1,110,004	£989,178	£1,191,423	£1,088,603	£1,044,201	£1,070,663	£1,200,334	£1,112,002	£1,098,722	£1,098,722	£1,098,722	£1,098,722	£1,098,722	£1,098,722	£1,098,722	£1,098,722	£1,098,722	£1,098,722
	FU outpatient (T&O and ophthalmology)	£1,194,858	£1,295,056	£1,307,968	£1,519,894	£1,403,857	£1,459,167	£1,486,341	£1,392,854	£1,445,238	£1,433,904	£1,602,609	£1,559,278	£1,435,285	£1,373,548	£1,510,257	£1,510,257	£1,510,257	£1,510,257	£1,510,257	£1,510,257	£1,510,257	£1,510,257	£1,510,257	£1,510,257
	Inpatient (HB, CZ and other selected HRGs)	£3,281,857	£4,061,749	£3,872,634	£3,624,479	£3,586,443	£3,701,098	£3,781,004	£3,762,044	£3,280,999	£3,599,387	£3,307,970	£3,541,189	£3,263,963	£3,381,043	£3,432,386	£3,432,386	£3,432,386	£3,432,386	£3,432,386	£3,432,386	£3,432,386	£3,432,386	£3,432,386	£3,432,386
	Non Elective Inpatient (HB, BZ and other selected HRGs)	£65,292	£102,705	£69,785	£61,832	£71,928	£83,945	£62,399	£83,897	£109,192	£77,040	£77,933	£71,582	£63,231	£79,828	£83,937	£83,937	£83,937	£83,937	£83,937	£83,937	£83,937	£83,937	£83,937	£83,937
	Daycase (HB, CZ and other selected HRGs)	£2,547,200	£2,582,194	£2,576,895	£2,721,313	£2,446,809	£2,713,732	£2,705,598	£2,840,007	£2,786,710	£2,801,364	£2,969,868	£3,094,309	£2,924,381	£3,233,618	£2,913,063	£2,913,063	£2,913,063	£2,913,063	£2,913,063	£2,913,063	£2,913,063	£2,913,063	£2,913,063	£2,913,063
	Projected activity from 13/14 baseline															£9,483,384	£9,483,384	£9,483,384	£9,483,384	£9,483,384	£9,483,384	£9,483,384	£9,483,384	£9,483,384	£9,483,384
	Expected QIPP impact	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£7,128	£363,667	£952,416	£1,340,186	£1,340,186	£1,340,186	£1,392,070	£1,392,070	£1,392,070	£1,392,070
	Demographic growth at 1% pa																	£92,586	£94,321	£94,821	£97,607	£185,172	£188,642	£189,643	£195,214
	Actual activity/ forecast demand (per quarter)	£8,448,583	£9,457,867	£9,327,001	£9,492,991	£9,182,755	£9,571,011	£9,589,304	£9,531,406	£9,258,590	£9,432,109	£9,482,126	£9,760,710	£9,313,347	£9,601,805	£9,476,256	£9,119,717	£8,623,554	£8,237,519	£8,238,019	£8,240,805	£8,276,485	£8,279,956	£8,280,956	£8,286,528

		2011/12				2012/13				2013/14				2014/15				2015/16				2016/17			
		Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Supply	Baseline	£8,448,583	£9,457,867	£9,327,001	£9,492,991	£9,182,755	£9,571,011	£9,589,304	£9,531,406	£9,258,590	£9,432,109	£9,482,126	£9,760,710	£9,313,347	£9,601,805	£9,483,384	£9,483,384	£9,483,384	£9,483,384	£9,483,384	£9,483,384	£9,483,384	£9,483,384	£9,483,384	£9,483,384
	Care UK contract	£1,659,718	£2,140,557	£2,155,874	£2,049,299	£1,911,664	£1,795,328	£2,176,749	£2,175,074	£1,830,183	£1,910,718	£2,024,893	£2,014,945	£2,350,097	£2,354,973	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	1st outpatient (T&O and ophthalmology)	£97,742	£95,844	£98,467	£86,750	£93,031	£99,762	£114,016	£96,010	£102,536	£117,956	£120,240	£114,231	£106,858	£117,433	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	FU outpatient (T&O and ophthalmology)	£92,782	£101,869	£97,787	£98,602	£112,139	£110,374	£111,072	£125,399	£106,617	£112,537	£132,186	£124,216	£117,006	£136,506	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Inpatient (HB, CZ and other selected HRGs)	£929,780	£1,352,517	£1,396,289	£1,343,159	£1,241,488	£1,057,890	£1,302,733	£1,316,659	£987,703	£1,005,960	£903,225	£947,258	£1,233,932	£1,050,640	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Non Elective Inpatient (HB, BZ and other selected HRGs)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Daycase (HB, CZ and other selected HRGs)	£539,414	£590,327	£563,331	£520,787	£465,005	£527,302	£648,927	£637,006	£633,328	£674,265	£869,242	£829,240	£892,301	£1,050,394	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	End of care UK contract	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£972,592	£1,945,185	£1,945,185	£1,945,185	£1,945,185	£1,945,185	£1,945,185	£1,945,185	£1,945,185
	Capacity growth other providers	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£112,875	£225,750	£350,625	£397,500	£472,500	£547,500	£622,500	£697,500
	Market shift (PHNT - limited to historical activity)																	£39,375	£78,750	£118,125	£157,500	£225,000	£292,500	£360,000	£427,500
	Market shift (other providers - limited to historical activity)																	£7,500	£15,000	£22,500	£30,000	£37,500	£45,000	£52,500	£60,000
	Patient choice to go other providers (outside WL)																	£66,000	£132,000	£210,000	£210,000	£210,000	£210,000	£210,000	£210,000
	Forecast supply if Care UK demobilise (per quarter)	£8,448,583	£9,457,867	£9,327,001	£9,492,991	£9,182,755	£9,571,011	£9,589,304	£9,531,406	£9,258,590	£9,432,109	£9,482,126	£9,760,710	£9,313,347	£9,601,805	£9,483,384	£8,510,791	£7,651,074	£7,763,949	£7,888,824	£7,935,699	£8,010,699	£8,085,699	£8,160,699	£8,235,699
	Forecast supply if Care UK do not demobilise (per quarter)	£8,448,583	£9,457,867	£9,327,001	£9,492,991	£9,182,755	£9,571,011	£9,589,304	£9,531,406	£9,258,590	£9,432,109	£9,482,126	£9,760,710	£9,313,347	£9,601,805	£9,483,384	£9,483,384	£9,483,384	£9,483,384	£9,483,384	£9,483,384	£9,483,384	£9,483,384	£9,483,384	£9,483,384



	2014/15	2015/16	2016/17
Demand	£37,511,124	£33,339,898	£33,123,925
Supply	£36,909,327	£31,239,545	£32,492,795
Potential gap	-£601,797	-£2,100,352	-£631,130
Gap as a % of total activity	-1.6%	-6.3%	-1.9%

Assumptions

Combined model is based upon the total of the likely case scenarios for NEW Devon CCG and Kernow CCG

Summary

The potential gap between supply and demand reduces from £2.1m in 15/16 (6.3% of activity) to £631k from 16/17 (1.9% of activity) and is expected to continue at this level going forward without additional supply being created.

This would give an estimated gap of £3.36m over the next 3 years

More work will be undertaken which is as yet unquantified and as yet not included in this model. Expansion of Beacon pilot and redesigning models of followup care to focus on patient initated follow-up etc.

Model does not take into account of the short term mitigating actions which are in the process of being developed across the health community. This will address any potential under-supply during transition.