28th September 2016

By email
Subject to Contract and Board/Shareholder Approvals

Oxfordshire Clinical Commissioning Group
Jubilee House, John Smith Drive,
Oxford Business Park South,
Oxford OX4 2LH

Re: Towards an Accountable Care Organisation for Oxfordshire

Further to our discussions on 20th September 2016 we are delighted to summarise our jointly agreed initial proposal.

Vision

Collectively we are committed to the development of a new way of managing the health system for the Oxfordshire population.

Our proposal is ultimately to create an Accountable Care Organisation involving all primary, community and acute care currently commissioned by Oxfordshire CCG, and with the CCG devolving all but its statutory accountabilities to the new organisation. The organisation will then deliver the agreed Oxfordshire Transformation Plan.

Whilst more work needs to be done around the organisational and regulatory structures, we envisage a phased approach beginning with a temporary, three way (primary/community/acute) collaborative joint venture for 2017/18. In order to realise the venture it is essential that all parties commit to evaluating and reaching agreement upon the options available for the contractual and organisational model for 2017/18 by 30 November 2016 in order to progress the partnership. In addition, all parties commit to reaching an agreement on the longer term proposition to create an Accountable Care Organisation by 31 March 2017.
We have listed below those services expected to be in scope for 2017/18.

- Oxford University Hospitals: all services commissioned by OCCG;
- Oxford Health: all physical health services within the Older People’s Directorate;
- GP Federations and participating practices: early visiting, some local improvement schemes/enhanced services, elements of QOF and prescribing incentive schemes, all subject to discussion and agreement with member practices.
- Other: management of the OCCG contribution to Oxfordshire County Council ‘pooled budget’ and release of CCG/CSU resources to support the management of the joint venture.

**Principles**

Again, more work needs to be done on the specifics of the final joint venture arrangements. There are however a number of key principles upon which we are agreed. These include:

- Not-for-profit organisational status
- Clinically led decision making with primary care at the heart and meaningful patient participation
- Equity of representation for primary, community and acute care
- Appropriate governance arrangements (quality and corporate)
- The ability to manage the system’s financial and clinical risk
- Alignment of incentives and funding stability across the system

**Project Team**

The partners commit to building a project team consisting of:

- **Steering Group** with operational and clinical pairings
  - OUH: Operational:
  - OH: Operational:
  - OxFed: Operational:
  - PML, SEOX and Abingdon federations to be invited to participate
- **Project Director** – a dedicated project director to be appointed as soon as possible
- **Working Groups** – TBC to include subject matter experts for both functional areas and clinical specialisms

A key deliverable for the project team will be the development of a business plan, ready for consultation with each partner’s decision making body, in December 2016. As stated above, this is subject to system wide agreement to the contractual and organisational model by 30 November 2016, so it can then be adopted as the joint venture’s year one business plan. Suitable arrangements will also need to be agreed in advance for disbursement of funds to the different parties during 2017-18 so as both to minimise the risk of service disruption and ensure provider sustainability.
Organisational Positions

Oxford Health and Oxford University Hospitals are committed to the plan as outlined in this letter, subject to Trust Board Approval of the business plan and organisational and contractual model.

OxFed are committed to the plan as outlined in this letter, subject to Shareholder Approval of the business plan.

We trust this assures you of our joint intention to pursue a new approach to delivering healthcare in Oxfordshire.

Yours sincerely,

[Signatures and positions mentioned, presumably redacted]