

Agenda Item

2.6

Planning, Performance and Finance Sub-Committee
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Referral Management and Pathway Optimisation Phase 1 Findings and Next Steps

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Noddwr Gweithredol yr Adroddiad / Report Executive Sponsor	Stacey Taylor, Director of Finance & Value and Deputy Chief Commissioner

Pwrpas yr Adroddiad / Report Purpose	For Assurance Choose an item.
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Committee / Individuals	Group	Date	Outcome
Collaborative Leadership Group	Commissioning	21/04/2026	Endorsed

Strategic and Regulatory Assessment
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See Appendix 1

Acronyms / Glossary of Terms

1. SITUATION / BACKGROUND

A savings target of £9 million was identified for the 2025/26 financial year against NHS England contracts. This target primarily impacts Betsi Cadwaladr University Health Board (BCUHB) and Powys Teaching Health Board (PTHB), due to notable activity growth in cross-border service utilisation. The increase in referrals and treatments delivered by NHS England providers has placed financial pressure on the commissioning arrangements managed by NHS Wales.

While most English contracts held by the NWJCC are limited to specialised services, the NWJCC also holds full contractual responsibility for certain providers, encompassing both specialised and non-specialised elements. This dual responsibility introduces complexity in managing demand and expenditure, particularly where non-specialised activity, such as general cardiology or elective procedures, has grown beyond planned levels. This arrangement means that any growth in non-specialised activity, such as general Cardiology or Neurology, within these contracts directly affects NWJCC's financial position. The savings target therefore requires a strategic review of service utilisation, referral patterns, and potential opportunities for repatriation or pathway redesign to ensure sustainable commissioning and equitable access for Welsh patients; this may mean an alternative cross-border provider (NHS England/Wales).

As such, achieving the savings target will require a coordinated approach involving demand management, pathway redesign, and potentially the repatriation of services to Welsh providers where clinically appropriate. Engagement with Health Boards, clinicians, and provider trusts will be essential to ensure that quality of care is maintained while delivering financial sustainability.

1.1 Aims and Methodology

The aim of this work is to identify and implement where possible savings, value-based initiatives, streamline care pathways, improve patient care and outcomes. Additionally, this work aims to categorise the activity and spend into specialised versus non-specialised where appropriate.

The work has been underpinned by robust data analysis and benchmarking. Analysis so far has been carried out using variety of data sources including NWJCC contract monitoring and DHCW data in collaboration with the commissioning teams and health board representatives. Additional work included a high-level review of the current NWJCC approval and funding processes.

2. ASSESSMENT

The report findings are detailed in **Appendix 2**. It highlights that although demand for NHS England providers is increasing year on year, there is a number

of opportunities that can be exploited to ensure a more sustainable and patient centred commissioning of cross border patient care. The work proposed in this report will also increase efficiencies in the ways of working in the NWJCC and control and rigour in commissioning and contracting.

A reduction in new outpatient appointments will likely lead to some reduction of inappropriate elective activity and outpatient appointments, due to improved referral prioritisation and management. This reduction of unnecessary appointments will reduce care burden for patients and potentially realise cash release cost savings. A carefully considered reduction in outpatient follow ups is also likely to result in the same benefits. However, these two approaches also need to be considered for Welsh providers to ensure equity of access to care is not impacted between the two regions.

A reduction in inappropriate use of non-designated providers will improve economy of scale, ensure equitable care and that activity is aligned with NWJCC service specifications and policies. Furthermore, by working with health boards on the non-specialised specialties to identify any designated providers, the same benefits could be realised.

Potential cost savings opportunities that could be exploited in this work are highlighted in Table 1. However, more work is required to refine these opportunities further.

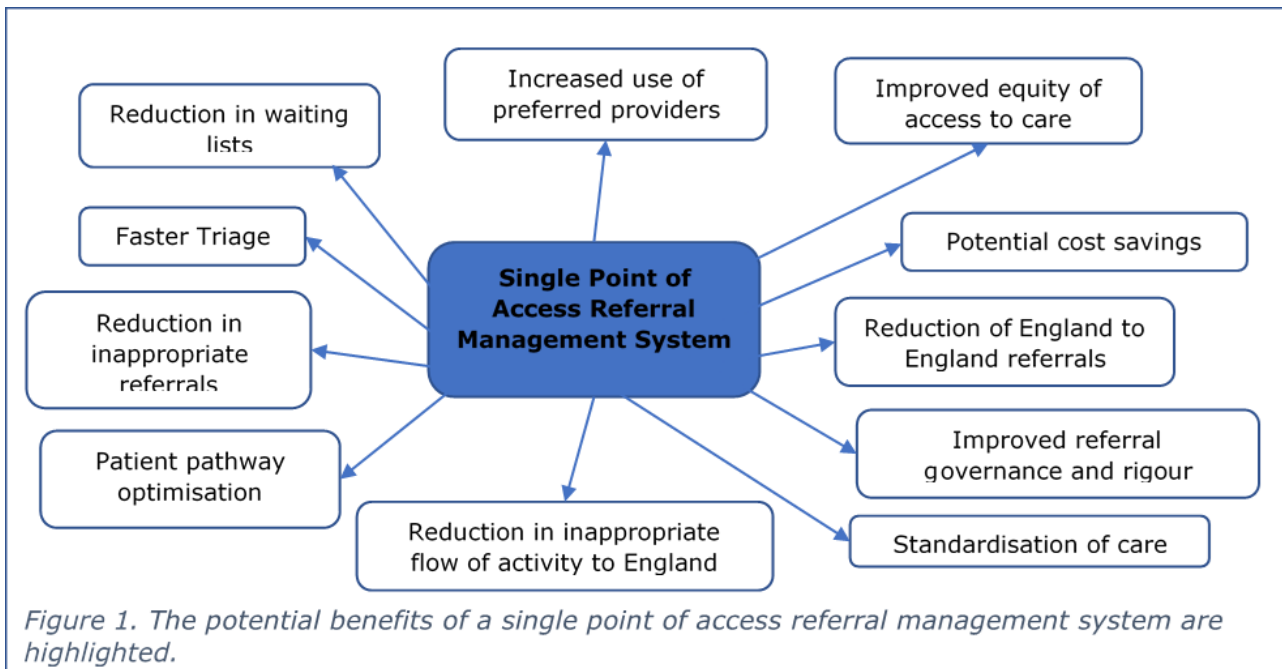
Table 1. The table shows different scenarios of cost savings that could be realised based on 24/25 activity data.

Opportunity Type	Estimated Opportunity Based on (£)		Comment
	Total NWJCC NHS England	Top 13 Specialties	
25 % Overall Reduction in New Outpatient Appointment	£1.3M <i>(Based on £5.18M New OP spend in 24/25)</i>	£710k <i>(Based on £2.84M spend in 24/25)</i>	Could also reduce some elective activity
25 % Overall Reduction in Follow-up Outpatient Appointments	£2.7M <i>(Based on £10.8M spend in 24/25)</i>	£1.5M <i>(Based on £6.0M spend in 24/25)</i>	Unlikely to affect elective activity
Actively monitor and realise any immediate cost release opportunities (especially for devices & drugs)	TBC	TBC	Would reduce spend but cannot currently be estimated
25% Overall Reduction in New outpatient appointments that do not go anywhere	TBC	£300k <i>(Based on an average spend of £225/appointment in 24/25)</i>	Could reduce spend on new outpatient appointments

Ensuring Appropriate Conversion Rates of Surgical Specialties	TBC	TBC	Work done by Powys indicated an 80% target rate for new Outpatient Appointments to procedure. This approach will lead to reduction in inappropriate new outpatient appointments
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Improving data & coding quality and completeness will lead to increased grip and control in commissioning and support the ambition of the NWJCC in becoming a centre of excellence for collaborative commissioning.

The long-term approach to referral management is a single point of access referral management system which will need to be considered closely as part Phase 3 of this work. Some of the benefits of such system are listed in **Figure 1**.



Finally, as part of the next stages of the work review and update of the current NWJCC Referral Management Framework will also be required.

Please see the accompanying report for further details – **Appendix 2**.

3. NEXT STEPS

Indicative Timelines	Milestones / Products
May 2025 - August 2025	<p>Initiation Phase (Complete)</p> <ul style="list-style-type: none"> • Ensure robust project management arrangements • Programme Initiation Document (PID) • Establish project team/structure
August 2025 - December 2025	<p>Phase 1 (Complete)</p> <ul style="list-style-type: none"> • Split the specialised vs non-specialised activity and spend for the various contracts • Identify and realise any recommissioning and cash release saving opportunities • Identify value-based initiatives • Analyse drivers for demand and change • Identify and tackle areas of improvement to data quality • Develop a value and intelligence dashboard
February 2026 - Oct 2026	<p>Phase 2 – Implementation of report findings and recommendations</p> <ul style="list-style-type: none"> • Contract commissioner dashboard development • Reduction of inappropriate non-designated provider activity • Review of risk share reporting • Commissioner sign off to prior approvals • IPFR / Prior Approval database transformation • Further development of value and intelligence dashboard • Development of a contract dashboard • Access to DHCW referral tables • Increase Commissioner oversight of referral activity • Agree the set of contract monitoring MDS specifications • Drive of PIFU and SOS for outpatient follow-ups • Carry out a GIRFT benchmarking exercise to determine appropriate follow-up rates for the various specialties • Determine and implement target reduction level of new outpatient appointments • Complete review of conversion rates for surgical specialties for commissioning team to tackle those with unwarranted variation • Benchmarking to ensure most value-based activity is funded • Review and automation of commitments • Begin work to determine best approach to the use of a single access referral management system

	<ul style="list-style-type: none"> Review and update the current NWJCC Referral Management Framework
Nov 2026 – Feb 2027	Phase 3 – Agree and propose an approach to a single access point of referral management system
TBC	Phase 4 <ul style="list-style-type: none"> Adopt any best practice findings or alternative patient pathways that lead to better patient outcomes through new service specifications, policies or commissioning/ recommissioning of services

4. RECOMMENDATIONS

The members of the PPF are asked to:

- Note the report and to take assurance** regarding the process, findings and next steps of this report.

Appendix 1 – Strategic and Regulatory Assessment

Objectives / Strategy	
Dolen i Amcan (au) Strategol CBC / Link to JCC Strategic Objectives(s)	Maximise Value
Dolen i Ddeddf Llesiant Cenedlaethau'r Dyfodol – Nodau Llesiant / Link to Wellbeing of Future Generations Act – Wellbeing Goals 150623-guide-to-the-fg-act-en.pdf (futuregenerations.wales)	A More Equal Wales
	If more than one applies please list below:
Dolen i Hwyluswyr Ansawdd <i>(Canllawiau Statudol Dyletswydd Ansawdd (llyw.cymru)) / Link to Enablers of Quality</i> (Duty of Quality Statutory Guidance (gov.wales))	Data to Knowledge
	If more than one applies please list below: Whole-Systems Perspective
Dolen i Feysydd Ansawdd <i>(Canllawiau Statudol Dyletswydd Ansawdd (llyw.cymru)) / Link to Domains of Quality</i> (Duty of Quality Statutory Guidance (gov.wales))	Efficient
	If more than one applies please list below: All domains
Effaith Amgylcheddol/ Cynaliadwyedd (5R) / Environmental /Sustainability Impact (5Rs)	Yes - Refine
	If more than one applies please list below:

Impact Assessment		
Ansawdd	Yes: <input type="checkbox"/>	No: <input checked="" type="checkbox"/>

<p><i>Ydych chi wedi ymgymryd â Sgrinio Asesiad o'r Effaith ar Ansawdd? /</i> Quality <i>Have you undertaken a Quality Impact Assessment Screening?</i></p>	<p>Outcome:</p>	<p>If no, please include rationale below: N/A</p>
<p>Cydraddoldeb <i>Ydych chi wedi ymgymryd â Sgrinio Asesiad o'r Effaith ar Gydraddoldeb? /</i> Equality <i>Have you undertaken an Equality Impact Assessment Screening?</i></p>	<p>Yes: <input type="checkbox"/></p>	<p>No: <input checked="" type="checkbox"/></p>
	<p>Outcome:</p>	<p>If no, please include rationale below: N/A</p>
<p>Cyfreithiol / Legal</p>	<p>There are no specific legal implications related to the activity outlined in this report.</p>	
<p>Enw da / Reputational</p>	<p>There is no direct impact on the reputation of the Joint Committee as a result of the activity outlined in this report.</p>	
<p>Effaith Adnoddau <i>(Pobl /Ariannol) /</i> Resource Impact <i>(People / Financial)</i></p>	<p>Yes (Include further detail below) This work could produce cost savings and efficiencies.</p>	