



Draft guidance on NHS commissioning and contracting of adult and neonatal critical care services in 2011-12

How to implement a “national currency : local price” NHS contract for critical care

Use HRGs for contracting and activity measurement...

- 1 From 2011-12, the Department of Health is mandating the currencies that all providers and commissioners must use for contracting adult and neonatal critical care services.
- 2 Paediatric critical care is still under consideration.
- 3 Commissioners and providers will contract for adult and neonatal critical care services using the Healthcare Resource Group (HRG) currencies. These are based on the adult and neonatal critical care minimum datasets.

Changes you may need to bring in for measuring activity...

- 4 Commissioners and providers may need to change the measures they use for activity in their contracts.
- 5 Examples of the changes to contracts include, but are not limited to:
 - Move from midnight to calendar-day bed-count;
 - Move from block contracts to activity-based contracts, incorporating outcome-based quality measures;
 - Change from setting-specific bed-day contracts (eg, SCU bed-days) to HRG-defined bed-days.

Agree your own prices...

- 6 But the Department will not be providing a national tariff. HRG prices will be left to local agreement, based on local priorities and intentions.

Follow the NHS Standard Contract...

- 7 Commissioners and providers should use the NHS Standard Acute Services Contract, which sets out the processes and regulations for NHS contracting.
- 8 Commissioners and providers should agree activity plans and thresholds based on HRG4 currencies using Schedule

- 3 Part 1, and apply local prices (non-tariff prices) setting the details out in Schedule 2 Part 5.
- Your local priorities will determine the structures for payment...**
- 9 Schedule 3 Part 1 of the NHS Standard Acute Services Contract sets out the agreed NHS regulations for monitoring and reporting activity. This section includes how to manage any material changes to plans of activity, and when to implement financial adjustments.
- 10 The contract agreement will explain the structure of the payment mechanism, to account for local health economy priorities.
- 11 Examples of these may include, but are not limited to:
- A capacity payment mechanism (eg 80% of contract paid up front to safeguard capacity);
 - A marginal payment mechanism for exceeding planned activity to take account that fixed costs have been paid through the initial plans;
 - A per-patient payment method, etc.
- You should plan for agreed changes to service configuration, focusing on quality and outcomes...**
- 12 Contracts should take account of planned reconfigurations to service patterns and NHS and Department of Health policy directives such as major trauma or the Toolkit for High Quality Neonatal Services, available at http://www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_107845.
- 13 Critical care networks should be fully involved when considering future service patterns and levels of activity.
- 14 Commissioners and providers need to agree the transitional arrangements for achieving these changes, using the baseline of the local service and strategic vision of where the service needs to be, and by when.
- 15 In particular, the commissioning process must focus on outcomes and quality, and take into account the interdependences with other services, such as maternity and paediatrics.
- What about transfers / transport costs?**
- 16 The costs associated with transferring patients between hospitals are not included in this process. You will need to contract for this activity separately, working in close cooperation with your networks.
- What about anomalies because of HRG design?**
- 17 The Department recognises that some types of activity are not recorded by the NCCMDS, and is working to correct this. Examples include therapeutic hypothermia, electronic cerebral function monitoring, management of an abdominal

'silo', maintenance of repleg tubes. Consequently, these babies are wrongly assigned to a lower-level HRG.

Where can I find the NHS Standard Contract?

- 18 Providers and commissioners should agree how to resolve these situations, preferably at the contract planning stage, but if necessary, in-year. Parallel audits using other clinical datasets, such as SEND (the Standardised Electronic Neonatal Database) could be carried out.
- 19 The Department of Health publishes the NHS Standard Acute Services Contract on its website each year. You can access the 2010/11 version at:

http://www.dh.gov.uk/en/publicationsandstatistics/publications/PublicationsPolicyAndGuidance/DH_111203

- 20 The Standard Contract includes all templates and full guidance on the contracting process and rules.
- 21 You will also need to use the NHS Operating Framework and the Payment by Results Guidance, both of which the Department of Health publishes on its website.

How do we link quality with activity in contracts?

- 22 Commissioners and Providers will need to agree service specifications with outcome-based quality measures, which will be included in the NHS Standard Contract for Acute Services contract at Schedule 2 Part 1.
- 23 The commissioner and provider will need to agree indicative activity for critical care services and include the activity in Schedule 3 Part 1 Annex A and B.
- 24 The agreed quality requirement with the relevant metrics must be included in the table at Schedule 3 Part 4A and, if relevant, any CQUIN Incentive stretch goal in Schedule 18 Part 2.

Where can I get help about NHS Standard contracts?

- 25 The DH Standard Contract Team run an email help line at the following address contractshelp@dh.gsi.gov.uk
- 26 Please put "Acute Contract" in the title of your email as this assists the automatic sorting.

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Date: 30 September 2010

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