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# Fair and transparent pricing for NHS services

*A consultation on proposals to formally object to  
the pricing methodology*

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## Background

The Department seeks stakeholder views and comments on the proposals as outlined in *Fair and transparent pricing for NHS services: A consultation on proposals to formally object to the pricing methodology*, with the view to lay final pricing regulations before Parliament. Depending on the outcome of this consultation, the current intention is to lay regulations in April 2013.

## How to Respond

Please return your responses, no later than **21 December 2012**.

e-mail      [pricing.consultation@dh.gsi.gov.uk](mailto:pricing.consultation@dh.gsi.gov.uk) with the subject 'Pricing Consultation'

post          Pricing Consultation  
Department of Health  
Room 229  
Richmond House  
79 Whitehall  
London  
SW1A 2NS

online        An online response form is available on the DH website<sup>1</sup>.

Many thanks for your response to this consultation. Please note that responses may be made public unless you state otherwise.

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<sup>1</sup> <http://www.dh.gov.uk/health/category/publications/consultations/>

Fair and transparent pricing for NHS services

## Personal Details

Organisation(s) represented: Cambridge University Hospitals

## Questions

Question 1: Do you agree that providers of services in the tariff in operation at the time at which Monitor consults on the next tariff should count towards the thresholds?

☒ **Yes** , proceed to Question 2 ☐ **No**

Question 2: If yes, do you agree that this should include any such providers who are exempt from the requirement to hold a licence?

Yes it should include all providers of the service

Questions 3: Do you agree that the data used to calculate an objection threshold should be based on total tariff income, as reported in financial accounts?

☒ **Yes** ☐ **No**

If no, please suggest an alternative source.

Question 4: Are there any other providers who should count towards the threshold?

☐ **Yes** ☒ **No**

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If yes, please give details and reasons.

Question 5: Do you agree that the objection percentage threshold should be set at 51% for commissioners?

☐ Yes

☒ No

If not, what figure would you propose, and why?

This is too high a threshold for objections to be heard as groups of commissioners will have differing incentives for changes in particular service lines. Also in the new commissioning structure administrative resource to review proposed pricing changes has been removed and only those changes that significantly affect certain commissioners will warrant a full review and for an objection to be prepared. Without the final number of CCGs being available to us it is difficult to suggest a percentage that would be appropriate to use but it would be higher than the percentage used for providers.

Question 6: Do you agree that the objection percentage threshold should be set at 51% for providers?

☐ Yes

☒ No

If not, what figure would you propose, and why?

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This is too high a threshold for objections to be heard as groups of providers will have differing incentives for changes in particular service lines. For example inner London teaching hospitals will have a different set of priorities and risks to an outer London DGH. We would, therefore, propose that the percentage is set at a far lower threshold of 5%. This would mean that 13 NHS providers from the current list of 249 would have to raise an objection for it to be considered. This still represents a high number of Trusts who would all need to identify the same issue and go through the process of preparing and submitting a formal objection relating to it.

If the threshold is set too high a very large number of providers could be dissatisfied with the tariff structure. This could potentially destabilise their organisations and lead to protracted contract negotiations as local systems attempt to address the problems identified through other areas of the contract.

Question 7: Do you agree that a provider's share of supply should be calculated across all tariff?

☒ **Yes**

☐ **No**

If not, how should their share of supply be calculated?

Question 8: Do you agree that providers should be weighted based on income from tariff services delivered, as stated in the previous year's financial accounts and minus any local area adjustments?

☒ **Yes**

☐ **No**

If not, on what basis should they be weighted?

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Question 9: Do you agree that the share of supply percentage threshold should be set at the same figure as for the objection percentage thresholds, ie 51% of the total supply?

☐ Yes

☒ No

If not, what percentage should be set, and why?

For the same reasons as cited above the threshold should be at a much lower rate and we recommend 5%.

Question 10: Do you have any evidence that the proposals in this document will impact adversely or unfairly on any protected groups?

☐ Yes

☒ No

If so, please provide details of the evidence.

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## How to Respond

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                Room 229  
                Richmond House  
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                London  
                SW1A 2NS

online        An online response form is available on the DH website<sup>2</sup>.

Many thanks for your response to this consultation. Please note that responses may be made public unless you state otherwise.

### Comments on the consultation process itself

If you have concerns or comments which you would like to make relating specifically to the consultation process itself please

contact       Consultations Coordinator  
                Department of Health  
                3E48, Quarry House  
                Leeds  
                LS2 7UE

e-mail        [consultations.co-ordinator@dh.gsi.gov.uk](mailto:consultations.co-ordinator@dh.gsi.gov.uk)

**Please do not send consultation responses to this address.**

### Confidentiality of information

We manage the information you provide in response to this consultation in accordance with the Department of Health's Information Charter.

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<sup>2</sup> <http://www.dh.gov.uk/health/category/publications/consultations/>

## Fair and transparent pricing for NHS services

Information we receive, including personal information, may be published or disclosed in accordance with the access to information regimes (primarily the Freedom of Information Act 2000 (FOIA), the Data Protection Act 1998 (DPA) and the Environmental Information Regulations 2004).

If you want the information that you provide to be treated as confidential, please be aware that, under the FOIA, there is a statutory Code of Practice with which public authorities must comply and which deals, amongst other things, with obligations of confidence. In view of this, it would be helpful if you could explain to us why you regard the information you have provided as confidential. If we receive a request for disclosure of the information we will take full account of your explanation, but we cannot give an assurance that confidentiality can be maintained in all circumstances. An automatic confidentiality disclaimer generated by your IT system will not, of itself, be regarded as binding on the Department.

The Department will process your personal data in accordance with the DPA and, in most circumstances, this will mean that your personal data will not be disclosed to third parties.

### Summary of the consultation

A summary of the response to this consultation will be made available before or alongside any further action, such as laying legislation before Parliament, and will be placed on the consultations website at

<http://www.dh.gov.uk/en/Consultations/Responsestoconsultations/index.htm>

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