

Fair and transparent pricing for NHS services
Response to the consultation on proposals for objecting to proposed pricing methodology

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? If not, can you suggest an alternative method to base this on?

Yes we agree that providers of services within the tariff in operation at the time at which Monitor consults on the next tariff should count towards the thresholds.

Question 2

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

There should be an equitable process and those providers already offering services based on tariff should have the right to challenge the tariff even if they are not yet licensed. This will apply to the majority of non-NHS providers as the Licence will only be offered to NHS Trusts in 2013.

Question 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? If no, please suggest an alternative source.

The data should be calculated based on activity numbers rather than tariff income, otherwise the objection threshold will be heavily weighted in the instance of higher tariff areas and lower tariff areas, such as outpatients and day case units, will be disadvantaged. Whilst the Tariff itself should be proportionate, and it is understood that there will be focus on the largest areas of spend, there should not be seen to be any disadvantage based on case mix.

Question 4

Are there any other providers who should count towards the threshold? If yes, please give details and reasons.

No we do not believe there are other providers who should count towards the threshold.

Question 5

Do you agree that the objection percentage threshold should be set at 51% for commissioners? If not, what figure would you propose, and why?

The objection threshold should be set closer to 30%. 30% represents a significant proportion of objections, but also allows for a balanced view where the largest commissioners and providers are not able to effectively veto any objections.

Question 6

Do you agree that the objection percentage threshold should be set at 51% for providers? If not, what figure would you propose, and why?

The objection threshold should be set closer to 30%. 30% represents a significant proportion of objections, but also allows for a balanced view where the largest commissioners and providers are not able to effectively veto any objections.

Question 7

Do you agree that a provider's share of supply should be calculated across all tariff services covered by the tariff in force at the time at which the consultation takes place? If not, how should their share of supply be calculated?

This seems reasonable however in paragraph 42 any weighting given for share of supply could simply mean that the larger providers who can price based on large volumes will be able to price over time the smaller providers out of the market. This may create unintended barriers to entry and reduce new innovative approaches and ultimately impacting the potential of choice.

Question 8

Do you agree that providers should be weighted based on income received from tariff services, as stated in the previous year's financial accounts, minus local area adjustments? If not, on what basis should they be weighted?

The proposal to calculate share of supply (activity) for specific tariff based services should be used instead. This would not cause unnecessary administration as the data to calculate these is available already. The different Tariffs in use at present would need to be collated and analysed in order to determine the share of supply for each organisation, however a focus on activity rather than revenue would weight based on patient interaction and minimise the impact of any onerous changes in the financial remuneration of any one service.

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

The objection threshold should be set closer to 30%. 30% represents a significant proportion of objections, but also allows for a balanced view where the largest commissioners and providers are not able to effectively veto any objections.

Question 10

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

No we do not have any evidence that the proposals in this document will impact adversely or unfairly on any protected groups.