

Department of Health: Fair and transparent pricing for NHS services –

A consultation on proposals for objecting to proposed pricing methodology

Response from The Royal College of Radiologists (RCR)

The RCR is pleased to have an opportunity to respond to the above consultation and wishes to make some specific points relating to particular paragraphs before addressing the consultation questions.

Section A: Background on Pricing

Para 3 – It would be helpful to have an indication as to when Monitor will publish the final draft of the National Tariff. The RCR considers that allowing “...28 days for commissioners and providers to object to the proposed methodology for calculating tariff prices” may be inadequate unless commissioners and providers are alerted in advance to the publication date.

With regard to “If sufficient of them object...”, the RCR considers that “sufficient” should be defined in terms of numbers of objectors. An indication of the extent of the objection(s) that would provide the trigger for Monitor to reconsider the methodology would also be relevant.

Para 24 - the term “sufficient of them” is used again in the second sentence of paragraph 24; it would be helpful if the meaning of this was made apparent.

This second sentence may also be clearer if constructed as follows: “If sufficient of them object, Monitor will not be able to go ahead with the proposals in the final draft of the National Tariff unless the Competition Commission determines that the methodology proposed in the final draft is appropriate.”

Fig 2 – the second box refers to “a threshold”. How is this to be defined?

Section B: The Consultation

Paras 27 and 28 – It is difficult to comment on the overall appropriateness of the process without knowing the percentages referred to in paragraph 27, whereas it seems these are to be set by the Government at a later date.

Paras 30 - 32 - The RCR considers that the concept of objectors paying the cost for the Competition Commission’s investigations into the methodology would seem to disadvantage the objectors and may have the effect of discouraging objections to the methodology.

The Consultation 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?

The RCR agrees.

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

The RCR agrees.

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? If no, please suggest an alternative source.

The RCR has no comment on this.

Question 4: Are there any other providers who should count towards the threshold? If yes, please give details and reasons.

The RCR is not aware of any others.

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 RCR considers that a threshold of 51% for commissioners is too high and that the trigger for an enquiry should be in the region of 30%.

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?

With reference to our response to question 5 above, the RCR considers that a threshold of 30% should likewise be set for providers.

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?

The RCR agrees.

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 RCR agrees.

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 RCR agrees.

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

The RCR has no evidence of this.

The Royal College of Radiologists

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