

A large, solid green curved shape that starts from the left edge and curves upwards and to the right, partially framing the title.

Fair and transparent pricing for NHS services

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

Contents

Contents..... 2

Personal Details 4

Questions 5

How to Respond..... 9

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 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 website¹.

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

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

Fair and transparent pricing for NHS services

Personal Details

Organisation(s) represented: Independent Mental Health Services Alliance

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?

X 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?

In order to build a full picture of provider feedback, if unlicensed providers operate under the national tariff, then they should be considered under the principles of the Fair Playing Field.

For example, IMHSA understands that under the draft licence conditions, smaller enterprises may be exempt from having to hold a licence. These smaller enterprises may provide a significant number of tariff services in certain sectors and therefore should be considered in the objections procedure.

Care should be taken to ensure this model is consistent and set against a clear specification to ensure non-licensed providers can object in an equal and transparent way.

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.

Monitor states that the tariff weightings used to decide the objection thresholds will come from a provider's previous year's financial accounts. This will be straightforward for both Foundation and NHS Trust as they incorporate this data into their accounts as a matter of course.

However, Monitor also states that this will be an additional task for both independent and voluntary sector organisations, which will have to collect the information and report it to Monitor. Procedures should be developed to ensure that this process is as streamlined as possible, with minimal additional costs for independent providers, consistent with the principles of the Fair Playing Field. The time taken in collecting this information could also be better focussed on providing care for patients and service users.

Any information collected from NHS and independent providers should be comparable, in order to achieve the stable and accurate base on which to develop objection thresholds.

Fair and transparent pricing for NHS services

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

X Yes

☐ No

If yes, please give details and reasons.

The setting of the tariff is critical for the operation of providers of NHS services. As such, all those functioning under the existing tariff should have the opportunity to comment on, and potentially object to, the forthcoming draft.

However, at present, the tariff is underdeveloped across the range of mental health services, potentially meaning the mental health sector will not have a strong say in the first objections process.

While we appreciate the difficulty of consulting providers not covered by the current tariff, care must be taken to ensure that as part of the development process, independent and third sector mental health providers are fully consulted to ensure all NHS sectors are able to feed in, given the importance of the future tariff to their on-going operations. Monitor should consider the opportunity for providers not covered by the existing tariff to be able to informally object, giving a full picture of provider opinion.

If the system is move towards integrated health and social care services, the total package of services a provider delivers should be considered – modifications for the tariff may have implications for the entire care pathway, including non-NHS services such as social care and supported living providers.

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

X Yes

☐ No

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

Given the great importance of the tariff to the operations of the NHS and its providers, IMHSA believes that a significant number of commissioners should have to object before the review procedure is triggered.

We trust that the consultation procedures preceding the tariff will be thorough enough to ensure all views are taken into account and therefore there should be few major objections to the final publication.

Requiring a majority of commissioners to object before the review process is triggered strikes a balance between ensuring major concerns are heard and not causing any undue delay to the development of a key piece of the NHS's operational framework.

Fair and transparent pricing for NHS services

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?

As with commissioners, given the importance of the speedy implementation of the new tariff for the effective and efficient running of the NHS, and stability for providers, majority for objections should also apply to providers, assuming the development process allows for organisations to fully engage with its development.

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?

IMHSA recognises the need for those providers most involved with tariff services to have a proportionate say in any objections. However, we would again highlight that the tariff is as of yet underdeveloped in mental health services.

If objections are weighted by existing tariff income, there is a risk that in certain sectors, providers that may provide a significant number of NHS services, may initially be shut out of the objections process, due to their services being 'off tariff'.

Again, the potential effects of tariff modifications on the wider care pathway need to be considered. Non-health services who would not qualify for the objection procedure may also be affected. These include social care services, particularly if the health and care systems are progressively integrated.

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**

Fair and transparent pricing for NHS services

If not, on what basis should they be weighted?

After the first objection procedure, and assuming the tariff is rolled out across all sectors, IMHSA agrees that it is fair for those providers who provide most services to the NHS under tariff should have a proportionate say in objecting in future years.

However, we again emphasise that the tariff in mental health is currently underdeveloped, compared to other areas of care. There is therefore a high risk in the first instance that mental health providers would be shut out of the first objection procedure.

We therefore recognise the benefits of weighting objections by sector, as suggested in the consultation, particularly in the first instance to avoid the risk of mental health providers being shut out of the objection procedure.

While acknowledging the significant administrative burdens highlighted by Monitor are best avoided, care must be taken to ensure those providers currently off-tariff and smaller providers are not shut out of the objections procedure. This would not be consistent with the development of the Fair Playing Field for all providers.

Again, the impact of tariff modifications on non-NHS providers should be considered, as highlighted previously in the consultation.

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?

N/a

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

☐ **Yes**

☒ **No**

Fair and transparent pricing for NHS services

How to Respond

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

e-mail 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 website².

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

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.

² <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>

You may re-use the text of this document (not including logos) free of charge in any format or medium, under the terms of the Open Government Licence. To view this licence, visit www.nationalarchives.gov.uk/doc/open-government-licence/

© Crown copyright 2011

First published October 2012

Published to DH website, in electronic PDF format only.

www.dh.gov.uk/publications