

NHSPN response to the Department of Health's consultation on Fair and Transparent pricing for NHS services

The NHS Partners Network (NHSPN) is the trade association representing the widest range of independent sector providers of NHS services ranging through acute, diagnostic, primary and community care. Our members are drawn from both the “for profit” and “not for profit” sectors and include large international hospital groups and small specialist providers, and all are committed to working in partnership with the NHS and to the values set out in the NHS Constitution. Our members deliver care ranging from primary to acute elective provision as well as out of hours and home-based services. NHSPN is one of the networks of the NHS Confederation – the independent membership body for the full range of organisations that make up the modern NHS.

General Comments

This consultation deals with complex and highly significant issues which require a considered response which, unfortunately, we have not had the time to develop. However, we would like to offer some high level comments on this paper. We look forward to continuing our engagement with the Department of Health, NHS Commissioning Board and Monitor to further these discussions in more detail in the future.

1. The NHSPN is broadly supportive of the rationale behind developing a methodology for commissioners and providers to object to the method for determining the national prices of services proposed in the final draft of the National Tariff. It is encouraging to see an appropriate engagement and accountability mechanism in place for commissioners and providers to raise fundamental concerns in the early stages of the process.
2. However, we have a number of queries we would like to raise on the proposed methodology. Firstly, it is unclear how the mechanics behind the methodology will impact on smaller providers. We would welcome further clarification on whether this methodology will allow sufficient recognition of the “tariff needs” of smaller providers and newer entrants with innovative delivery models and often very different cost bases.
3. In addition, we are concerned that the proposed methodology may in fact serve to strengthen the position of larger incumbents who may be change resistant, thus potentially increasing the rigidity of delivery models and increasing barriers to entry for others. We would welcome further information on how the objection methodology will address these issues.
4. Without further clarity related to the above issues, it is therefore potentially too difficult at this stage to comment on whether 51% is a relevant threshold for

lodging an objection to the methodology. We would, however, encourage the Department of Health to periodically review the threshold in light of emerging experience and adapt the threshold accordingly.

5. As referred to in 'point 36' of the consultation, independent sector providers do not report total tariff income. If the mechanics behind the methodology rely on the timely collection of this data, we would welcome information on how this will be administered without increased administrative burdens.
6. The consultation states that an alternative to the range of 'share of supply' calculations in the methodology would be if services were grouped together (e.g. acute services) and for there to be a different threshold for each group of services. We recognise that this option was rejected due to the complexity of administering this option. However, if the proposed methodology proves challenging or ineffective, we can see merit in this option as a more sophisticated and valid alternative. We would welcome further detail on how this would be consulted and what this might involve.
7. Our final point at this stage, relates to the definition of 'objection'. As this is a new process and system, it might be worth defining exactly what constitutes an objection. It is important for providers to know specifically what data or evidence is required, including whether such data can be retrospectively applied.