

A fair playing field for the benefit of NHS patients

March 2013

Glossary



Glossary

Term / Acronym	Description
Accounting Officer	A person appointed by HM Treasury or designated by a department to be accountable for the operations of an organisation and the preparation of its accounts. The appointee is, by convention, usually the head of a department or organisation or the Chief Executive of a non-departmental public body.
Acute care	Short-term medical treatment (including mental health treatment), usually delivered in a hospital, for patients having an acute illness or injury or recovering from surgery.
Acute provider	A legal entity/organisation formed to provide health and mental health services in a secondary care setting, usually a hospital.
Agenda for Change (AfC)	The NHS national pay and grading system since 2004.
Any Qualified Provider (AQP)	A way of commissioning NHS services where patients can choose who provides their care from a list of providers that meet the necessary quality standards and are willing to deliver the service for a locally or nationally set tariff.
Capital Gains Tax	A tax on the profit made when all or part of a business asset is disposed of (either by selling it, giving it away or exchanging it).
Care Quality Commission	The independent regulator of health quality for all health and social care services in England.
Casemix	Characteristics of clinical cases faced by a provider or clinician, often referring to the relative complexity of a set of similar conditions seen by a particular provider or clinician.
Charity	A voluntary organisation which benefits the public in a way the law says is charitable. Charity status is obtained upon registration with the Charity Commission.
Co-operation and Competition Panel (CCP)	The CCP advises on the application of the Department of Health's Principles and Rules of Co-operation and Competition, and makes independent recommendations to the Department of Health, strategic health authorities and Monitor, the independent regulator of NHS foundation trusts, on how cases should be resolved. From April 2013 the CCP will be part of Monitor.
Cherry picking	Term used in healthcare to refer to selecting patients for treatment on the basis of their condition and the associated remuneration.
Clinical commissioning groups (CCGs)	The name for the new health commissioning organisation which will replace primary care trusts in April 2013. Commissioning organisations are responsible for planning and buying of health care to meet the needs of their local population.
Clinical Negligence Scheme for Trusts (CNST)	A risk-pooling, pay-as-you-go scheme that covers clinical negligence liabilities of the NHS.
Commissioner Requested Services (CRS)	Services at a particular provider that commissioners believe are likely to require protection in the event that the provider fails financially because of the importance of ensuring no disruption to patient care in that service at that provider.
Commissioners	Commissioners include all organisations which participate in the procurement of services for NHS patients.
Commissioning Support Units (CSUs)	NHS-supplied commissioning support services. There are currently 23 CSUs, which are "in transition" prior to operation in 2013. They provide business intelligence services, such as data management validation.
Community care	Locally-based health or social care services provided to patients in and around their home.
Contracted-Out Services (COS) rules	A law that allows public sector providers to reclaim VAT on a variety of services that they contract out. The eligibility criteria for COS rules are set out in Section 41 of the VAT Act 1994.
Corporation Tax	A tax on profit which a range of organisations must pay by law.

GLOSSARY

Term / Acronym	Description
Deaneries	Deaneries are responsible for the management and delivery of postgraduate medical education in addition to supporting the continuing professional development of all doctors and dentists.
Department of Health	The government department that is responsible for public health issues, including the NHS.
Direction employers	Voluntary sector/not-for-profit providers that have received approval from the Secretary of State to offer the NHS Pension Scheme to their employees.
Distortion	A matter that has a differential impact on different types of providers and is beyond their control.
Elective care	Planned specialist medical care or surgery, usually following referral from a primary or community health professional such as a GP.
“Fair Deal”	A non-statutory policy around pension provision for public sector staff when they are compulsorily transferred to a non-public sector employer.
Foundation Trust Financing Facility (FTFF)	A loan facility for NHS foundation trusts, provided by the Department of Health.
Foundation Trusts (FTs)	NHS foundation trusts are NHS trusts that have achieved independent legal status. They have unique governance arrangements, including greater freedom over the management of their finances, and are accountable to local people, who can become members and governors. They are authorised and overseen by Monitor.
Health and Social Care Act 2012	Legislation passed in 2012 intended to make the NHS more responsive, efficient and accountable. Key provisions include clinically-led commissioning, provider regulation to support innovative services, greater voice for patients, new focus for public health, greater accountability locally and nationally, and streamlined arm’s-length bodies.
Health and Wellbeing Boards (HWBs)	The principal aim for HWBs is to improve the strategic coordination of commissioning across NHS, social care and related children’s and public health services. There is an expectation (although not a statutory requirement) that the HWBs also focus on the wider determinants of health such as housing, education and criminal justice with the aim of reducing health inequalities.
Health Education England (HEE)	A special health authority which provides leadership for the education and training system for the health and public health workforce.
High Cost Area supplements (HCAs)	Wage premia agreed within Agenda for Change, which cover Inner London, Outer London, and London Fringe areas.
HM Revenue & Customs (HMRC)	The UK’s tax authority.
Information Management and Technology (IM&T) Compliance	The requirement that providers’ systems are fully integrated with the NHS IT system.
Incumbent providers	Providers which have an existing contract (or contracts) to deliver NHS-funded clinical services in a particular area.
Indemnity	Security or protection (often insurance) against a loss or other financial burden
Independent Sector Treatment Centres (ISTCs)	Free-standing surgical units which deliver, for the most part, elective surgical procedures which require only a very limited stay in hospital (e.g. cataracts, hip replacements).
Integrated Care	Integrated or coordinated care refers to a system where the patient’s journey through the system of care is made as smooth as possible.
Joint Health and Wellbeing Strategies (JHWSs)	A strategy for a locality to address the health and wellbeing needs of the community through cross sector working that places due emphasis on wider determinants of health such as housing.

GLOSSARY

Term / Acronym	Description
Joint Strategic Needs Assessments (JSNAs)	JSNAs are conducted by a health and wellbeing board. The assessment should identify the major health and wellbeing issues of a locality and the actions organisations need to perform in order to address them.
Key Performance Indicators (KPIs)	A tool used to measure or control the performance of a given process.
Local Medical Committee	Statutory local representative committees of NHS GPs. They represent their interests in their localities to the NHS health authorities. They interact and work with – and through – the General Practitioners Committee as well as other branch of practice committees and local specialist medical committees.
London Inter Bank Offer Rate (LIBOR)	LIBOR is the interest rate at which banks can borrow on the London interbank market.
Margin	The difference between the price received for the delivery of a health care service and the cost of its delivery.
Modern Equivalent Asset (MEA) value	The capital cost of replacing an existing asset with a technically up-to-date new asset with the same service capability.
Multi-Professional Education and Training	A budget allocated by the Department of Health to strategic health authorities through three funding streams for education and training: the Service Increment for Teaching (SIFT), the Medical and Dental Education Levy (MADEL), and the Non-Medical Education and Training (NMET).
Mutual	An organisation owned by, and run for, the benefit of its members, who are actively and directly involved in the business – whether its employees, suppliers, or the community or consumers it serves, rather than being owned and controlled by outside investors.
N3	The NHS national broadband network linking hospitals, medical centres and GPs, which is required for providers to integrate with the NHS IT system.
National Institute for Health Research (NIHR)	A centrally funded organisation with the aim of improving the health and wealth of the nation through research.
New entrant providers	Providers which are seeking to deliver an NHS-funded clinical service that they have not provided previously.
NHS Commissioning Board (NHS CB)	An executive non-departmental public whose duties are set out in the Health and Social Care Act 2012. The NHS CB is responsible for the authorisation, support and oversight of clinical commissioning groups, including their annual funding settlements. The NHS CB and Monitor each have a role in the pricing of health care services. The NHS CB is also directly responsible for commissioning some specialised services from April 2013.
NHS Constitution	Establishes, in law, the principles and values of the NHS in England. It sets out rights to which patients, public and staff are entitled, and pledges which the NHS is committed to achieve, together with responsibilities which the public, patients and staff owe to one another.
NHS Litigation Authority (NHS LA)	A not-for-profit part of the NHS responsible for managing negligence claims against the NHS in England on behalf of its members. The NHS LA operates the Clinical Negligence Scheme for Trusts (CNST).
NHS Specialised Services	The national organisation responsible for the commissioning of specialised services. These are services that usually affect fewer than 500 people across England or involve services where fewer than 500 highly specialised procedures are undertaken each year (e.g. heart transplantation and secure forensic mental health services for young people). From April 2013, the commissioning of specialised services will be a responsibility of the NHS Commissioning Board.
Office of Fair Trading (OFT)	The UK's consumer and competition authority.
Operating costs	Expenses associated with the day-to-day running of a provider's activities.
Patient choice	Patients have a right, within the NHS Constitution, to make choices about their NHS-funded care. Currently this includes the choice of a GP practice and of the organisation where the patient is referred for first outpatient appointments.

GLOSSARY

Term / Acronym	Description
Primary care	Services provided by family doctors, dentists, pharmacists, optometrists and ophthalmic medical practitioners, together with district nurses and health visitors.
Primary care trusts (PCTs)	PCTs commission primary, community and secondary care from providers on behalf of patients. PCTs are being replaced by CCGs from 1 April 2013.
Private Finance Initiative (PFI)	PFI is a long-term contractual arrangement whereby a private investor finances (and often maintains) a health care facility and receives unitary payments from the public provider operating from these facilities over the life of the contract. The initial private capital investment is backed by government guarantee.
Private provider	Acute, mental health, community and primary care providers that are privately owned, owned by shareholders or partnerships
Procurement	Procurement processes are designed and run by commissioners in order to select appropriate providers to deliver services.
Providers	An entity, duly registered and licensed, that provides clinical services
Public Dividend Capital (PDC)	A source of funding for capital expenditure and working capital provided by the Department of Health to public providers. PDC attracts a 3.5% charge on asset value of the investment.
Public provider	Publicly owned and run providers, including NHS trusts and foundation trusts in acute, mental health, ambulatory and community settings
Secondary care	Hospital or specialist care to which a patient is referred by their GP or is accessed urgently (e.g. mental health, community services, maternity care, A&E).
Section 75 regulations	Section 75 of the Health and Social Care Act 2012, which sets out requirements as to procurement, patient choice and competition in the NHS.
Social enterprise	A social enterprise is a business whose objectives are primarily social, and whose profits are reinvested back into its services or the community. Social enterprises are distinctive from traditional charities or voluntary organisations in that they generate the majority, if not all, of their income through the trading of goods or services rather than through donations.
Stamp Duty Land Tax (SDLT)	A tax paid on the purchase or transfer of property or land.
Supply2Health	Online location through which all English NHS clinical services should be tendered – see https://www.supply2health.nhs.uk/default.aspx
Tariff	The nationally mandated price(s), under Payment by Results, for a unit of health care activity. Tariffs are published by Monitor (previously the Department of Health) each year.
Transfer of Undertakings Protection of Employment regulations (TUPE)	A regulation that employees' terms and conditions of employment (including pension benefits) remain the same when a business is transferred from one owner to another.
Transforming Community Services (TCS)	The Transforming Community Services (TCS) programme was run by the Department of Health in 2009-11 to implement the separation of the commissioning and provider functions previously held by primary care trusts.
Value Added Tax (VAT)	A tax paid on the sale of most goods and services in the UK.
Voluntary and Community Sector (VCS)	Providers, including charities and other forms of local voluntary and community organisations, who have specific (regulated) social objectives, such as Community Interest Companies.
Whole-Time Equivalent Staff (WTE)	A measure of workforce calculated with reference to the standard whole-time working hours for a grade.
Working capital	The liquidity (comprising cash and current assets) available to an organisation at a given point in time.
World Class Commissioning (WCC)	An initiative launched by the Department of Health in 2007 aimed at delivering outstanding performance in the way the NHS commissions health care services.

GLOSSARY

Term / Acronym	Description
Zero-rated inputs	A tax allowance whereby some public sector providers and charities can reclaim the VAT on eligible purchases of equipment for medical use (NHS and non-NHS). The eligibility rules for zero-rated inputs are set out in the HM Revenue and Customs Notice 701/6.