

06/12/2016

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██████████  
██████████  
**By email**

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Dear ██████████

**Request under the Freedom of Information Act 2000 (the “FOI Act”)**

I refer to your email of 08 November 2016 which set a number of enquiries in relation to the development of the proposed national price for photodynamic therapy (items 1-4) and a made a further request for copies of various documents (item 5). We have treated requests 1-4 as enquiries and endeavoured to address the issues raised in this response. We have treated item 5 as a formal request under the FOI Act.

Please note that since 1 April 2016, Monitor and the NHS Trust Development Authority are operating as an integrated organisation known as NHS Improvement. For the purposes of this decision, NHS Improvement means Monitor.

**Enquiries (items 1-4)**

In your letter you raised the following issues:

1. How did NHS Improvement arrive at the new national price for photodynamic therapy (JC46Z) in the 2017/19 tariff proposal?
2. What is the reason for the difference in price between the 2014/15 reference cost for photodynamic therapy (£183.90) and the proposed price for photodynamic therapy 2017/19 quoted in the ‘currencies and prices for the 2017/18 and 2018/19 national tariff’ (£112)?
3. If ‘manual adjustment’ accounts for the discrepancy in price between the 2014/15 reference cost for photodynamic therapy (JC46Z) and the proposed national tariff price, how was this adjustment calculated?
4. Who was involved in deciding the new national price for photodynamic therapy (JC46Z) in the 2017/19 national tariff proposal?

**Response**

Our response is as follows:

- (1) NHS Improvement calculates national prices using reference costs provided by NHS providers. Reference costs are subject to a number of modelling steps: for example

we carry out some data cleaning and remove the market forces factor (MFF). Further information can be found in our metrics engine tool (see the hyperlink below).

NHS Improvement consults with the NHS Digital Expert Working Group to obtain general clinical feedback. In this case (HRG JC46Z) we received two general observations but no manual adjustments were made.

The proposed price for JC46Z is the same for day case, elective and non-elective.

- (2) The reference cost for photodynamic therapy (£183.90) is the average unit cost for all activity. The average unit cost when this is filtered for Outpatient Procedure activity is £138.37. This price includes the MFF, which is removed as part of the model process. When MFF is removed the average unit cost for Outpatient Procedure activity is £124.45. This is then processed through our model leading to a proposed price for photodynamic therapy in the Outpatient Procedure setting of £112.

As part of the modelling process, no manual adjustments are applied to the Outpatient Procedure price. The majority of the modelling that takes place to get to £112 can be seen in the APC OPROC model in the sheet "Step by Step OP-DC-EL-NE".

The Admitted Patient Care cost is higher as the reference costs are higher (for Day case/Elective the reference cost is £355 and non-elective is £345). The entire modelling process for the Admitted Patient Care prices can be seen in the metrics engine.

For further information see:

**Link to metrics engine** (Note: the metrics engine only contains APC data):

Tool - <https://tableau.monitor.gov.uk/#/site/Public/views/MetricsEngine/Overview>

Documentation - <https://improvement.nhs.uk/resources/metrics-engine/>

The metrics engine displays TED, planning prices and S118 prices.

**Model Publication** (including manual adjustments):

TED

models: [https://improvement.nhs.uk/uploads/documents/Price\\_models\\_and\\_ha\\_nbook.zip](https://improvement.nhs.uk/uploads/documents/Price_models_and_ha_nbook.zip) (manual adjustments are detailed in the model "Calculation model APC OPROC.xlsx" sheet 'MA\_Input')

S.118 Models - [https://improvement.nhs.uk/uploads/documents/Annex\\_B2\\_-\\_price\\_models.zip](https://improvement.nhs.uk/uploads/documents/Annex_B2_-_price_models.zip) (manual adjustments are detailed in the model "Calculation model APC OPROC.xlsx" sheet 'MA\_Input')

- (3) For the reasons set out above the "discrepancy" to which you refer is not a result of a manual adjustment, nor do we consider it to be a discrepancy.

- (4) Under s.116 of the Health and Social Care Act 2016 Monitor is responsible for publishing the national tariff. Under s.118 of that Act Monitor is responsible for specifying both the proposed method and the national prices. Under s.118(7) and (8) Monitor must agree both the proposed method and the proposed prices with NHS England (The Board). In performing these functions Monitor seek views from the NHS Digital Expert Working Group.

### **Your request (item 5)**

You also made the following request for information:

5. Please could you provide me with a copy of all working documents and meeting papers specifically relating to the development of the new national price for photodynamic therapy?

### **Decision**

NHS Improvement holds the information that you have requested. However I have decided that NHS Improvement is not obliged to comply with your request owing to the broad nature of it and the consequential cost of compliance.

### **Reasons**

Under s12(1) of the FOI Act, NHS Improvement is not required to comply with any request that exceeds the relevant cost limit. This is currently set at £450.00. At the standard hourly rate of £25.00, this equates to a period of 18 hours in which to locate, retrieve and extract the information that you have requested.

In our view, compliance is likely to exceed this limit. You have asked for “all working documents and meeting papers” relating to the development of the national price for photodynamic therapy. There are 24 steps in this propose involving numerous members of staff over a period of several months. We would have to review a significant amount of documentation in order to locate and extract this information and in our view this would take us beyond the cost limit.

We have however endeavoured to explain the approach which has been adopted (see above) in order to address the substance of your enquiry and provide you with assistance.

### **Review rights**

If you consider that your request for information has not been properly handled or if you are otherwise dissatisfied with the outcome of your request, you can try to resolve this informally with the person who dealt with your request. If you remain dissatisfied, you may seek an internal review within NHS Improvement of the issue or the decision. A senior member of NHS Improvement’s staff, who has not previously been involved with your request, will undertake that review.

If you are dissatisfied with the outcome of any internal review, you may complain to the Information Commissioner for a decision on whether your request for information has been dealt with in accordance with the FOI Act.

A request for an internal review should be submitted in writing to FOI Request Reviews, NHS Improvement, Wellington House, 133-155 Waterloo Road, London SE1 8UG or by email to [nhsi.foi@nhs.net](mailto:nhsi.foi@nhs.net).

### **Publication**

Please note that this letter will shortly be published on our website. This is because information disclosed in accordance with the FOI Act is disclosed to the public at large. We will, of course, remove your personal information (e.g. your name and contact details) from the version of the letter published on our website to protect your personal information from general disclosure.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Igor Popovic', with a stylized flourish extending to the right.

**Igor Popovic**  
**Pricing Regulation Director**