

15 October 2015

██████████

By email

██████████

Dear ██████████

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

I refer to your emails of 17, 23 and 25 September 2015 and 1 and 7 October 2015, in which you requested information under the FOI Act. We have decided to answer all 5 requests in this letter.

Your requests

You made the following requests:

Request 1 - 17 September 2015

What are the basic numerical official and non-official equations in quantitative financial performance indicators, key performance financial indicators or financial metrics or financial numerical measures, for example, are there equations such as:

(i) All financial hospital forecast costs 'divided by' Total hospital seen inpatient and outpatient patients forecast = Cost per patient

(ii) Dermatology department forecast costs 'divided by' Total dermatology department seen patients forecast = Cost per dermatology patient

(iii) Resus department forecast costs 'divided by' Total resus department seen patients forecast = Cost per resus patient

(iv) Acute ambulatory department forecast costs 'divided by' Total acute ambulatory department seen patients = Cost per acute ambulatory department patient

(v) Care of the elderly department forecast costs 'divided by' Total care of the elderly department seen patients = Cost per care of the elderly department patient

(vi) ITU department forecast costs 'divided by' Total ITU department seen patients = Cost per ITU department patient

Request 2 – 21 September 2015

If a secondary care hospital dermatology department who are not a Specialised Dermatology Services Centre (see <http://www.england.nhs.uk/commissioning/spec-services/npc-crg/group-a/a12/>), in other words not licensed by NHS England as Specialised Dermatology Services Centre, are not referring patients who need urgent Specialised Dermatology Services to the designated Specialised Dermatology Services Centres, for reasons of exploiting the Payment by Results (PbR) system, which quality control external organisation is there to prevent this exploitation of public funds by a NHS Trust?

Request 3 – 25 September 2015

Please tell me how much is paid to a NHS hospital based on PbR tariff for the treatment of pressure sores in inpatient hospital setting? If you have costs based on grades of pressure sore, for example, grade 1, 2 and 3 or sizes and areas and treatments then this will be useful.

Also when you devise a tariff for any condition in the NHS, do you / other partners also factor in nurses and doctors salaries or are the tariffs calculated based on administration charges, for example, medical supplies, medical equipment, energy costs, non-nursing and non-doctor staff salary, hospital building maintenance etc?

Is there a tariff calculator or any information available to public showing currencies / treatments and tariffs?

Request 4 – 1 October 2015

Please tell me the tariffs for the following treatments. If they are sub-treatment or micro tariffs under these then please tell me their tariffs:

- 1. Bronchoscopy*
- 2. Thoracentesis*
- 3. Chest Physiotherapt (CPT)*
- 4. MRI scan of the chest / lungs*
- 5. CT scans of the chest / lungs*
- 6. Ultrasound scan of the chest / lungs*
- 7. Chest x-ray*

Request 5 – 7 October 2015

Has PbR been introduced and implemented in primary care yet to some extent or is it only used in secondary care?

Decision

Monitor holds some of the information that you have requested and has decided to release that information. Our response to each request is set out below. . Please note that much of the relevant information we have in response to your requests is already set out in published documents – where this is the case we have explained where relevant information may be found.

(1) Request 1

The financial indicators / metrics that we use for regulating Foundation Trust's are outlined in our Risk Assessment Framework. This can be accessed at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/455893/RAF_revised_25_August.pdf .

'Average cost per patient' is not a measure we use for regulating trusts, but NHS reference cost data collated by the Department of Health is used to set the tariff. These reference costs show the national average unit costs derived from the average unit costs of NHS providers. The data provides retrospective information on the costs of services based on NHS contracting currencies, such as Healthcare Resource Groups (HRG's). You can find further information on reference costs at:

<https://www.gov.uk/government/collections/nhs-reference-costs>

Reference costs are used in the calculation of national prices for NHS services as set in the "national tariff" and are an input in the method for determining national prices. The national tariff, including the method for determining national prices, the currencies used for the setting of those prices and the detail of the prices themselves, is published by Monitor. The latest version (the 2014/15 National Tariff Payment System) can be found at:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/300547/2014-15_National_Tariff_Payment_System_-Revised_26_Feb_14.pdf .

(2) Request 2

Monitor is responsible for enforcing the national tariff and the pricing provisions of the Health and Social Care Act 2012 – see our guidance on enforcement at:

<https://www.gov.uk/government/publications/nhs-national-tariff-enforcement-guidance>

Monitor also enforces the Provider Licence (see: https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/285008/ToPublishLicenceDoc14February.pdf), which includes two potentially relevant conditions regarding choice and competition. Firstly, it protects patients rights to choose between providers by obliging providers to make information available and act in a fair way where patients have a choice of provider. Secondly, it prohibits licensees from engaging in conduct

which has the effect of preventing, restricting or distorting competition to the extent that it is against the interest of health care users.

If you would like to discuss whether the situation you are aware of is relevant to these licence conditions, please feel free to contact [REDACTED] on [REDACTED]

However, if a person or an organisation has concerns about clinical referrals for specialist dermatology services and believes that fraud is being committed they should contact [NHS Protect](#) whose role is to tackle fraud (including bribery, corruption or wider economic crime) anywhere it is found in the NHS in England.

If there was an issue of patient safety or quality, that may be a matter for Care Quality Commission. NHS England or the local CCG may also have an interest as a commissioner of the service.

(3) Request 3

There isn't a HRG that relates explicitly to the treatment of bed sores. This treatment will be one of the costs which are incurred by trusts when treating inpatients for other conditions, so will in effect be factored into various inpatient tariffs.

The applicable HRG would depend on how the treatment provided was coded. In order to determine the tariff price, you must first identify the HRG code. To do this, you need to look at the 'HRG4 2014/15 Payment Grouper Code to Group and User Manual' MS Excel workbook on the HSCIC website at: <http://www.hscic.gov.uk/article/3938/HRG4-201415-Payment-Grouper>

Click on 'Code to Group' tab and filter the data to view codes within the HRG Root Description column. If you require any assistance identifying the HRG code, please contact HSCIC who are responsible for coding. You can email them at: enquiries@hscic.gov.uk

Once you have identified the correct HRG, you can check Annex 5A of the National Tariff (see the answer to request 1 for a link to the current National Tariff) to determine whether the HRG has a national price.

If the HRG is not listed in Annex 5A, it does not have a national price. In such cases NHS commissioners and providers can negotiate a price locally in accordance with the rules set out in Section 7 of the National Tariff. However in some cases, there is a published non-mandatory price which is suggested for use by providers and commissioners. You should refer to the National Tariff information workbook to determine whether it has a "non-mandatory price". The workbook can be found at:

<https://www.gov.uk/government/publications/national-tariff-information-workbook-201415>

The national prices in the 2014/15 National Tariff are based on 2010/11 reference costs collected from NHS providers and which are published by the Department of Health. By implication, therefore, costs that are included in the reference cost dataset are the basis on which we set tariff prices. For information detailing what is included in the 2010/11 reference costs that have been collected please either see the reference cost guidance for 2010/11 at

<https://www.gov.uk/government/publications/2010-11-reference-costs-publication>

or contact the Department of Health reference cost team at:
(PbRDataCollection@dh.gsi.gov.uk).

As explained above, Monitor publishes details of national prices for NHS commissioned healthcare treatments in Annex 5A of the National Tariff. The method for determining national prices is also publically available in the National Tariff, as explained above – see Chapter 5 of the 2014/15 National Tariff.

(4) Request 4

As explained in the previous answer, the national prices for NHS services are set out in full in Annex 5A of the National Tariff (see above for relevant links to the documents).

(5) Request 5

The national prices and rules for local pricing apply mainly to secondary care, but may apply to primary care services in certain cases. Please refer to Sections 3.2 and 7.4.6 of the 2014/15 National Tariff (pages 40/41 and 165/166 respectively).

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 Monitor of the issue or the decision. A senior member of Monitor'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 conducted by Monitor, 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, Monitor, Wellington House, 133-155 Waterloo Road, London SE1 8UG or by email to foi@monitor.gov.uk.

Please note that this letter will shortly be published on our website. This is because information disclosed in accordance with the Freedom of Information Act 2000 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 Delivery Director