NHS Improvement

Health and Social Care Information Centre
1 Trevelyan Square
Boar Lane
Leeds
West Yorkshire
LS1 6AE

11 April 2017

Dear Rob Shaw

NHSI's Mandatory Request to NHS Digital

I am writing to the Health and Social Care Information Centre (now known as and referred to in this letter as "NHS Digital") on behalf of Monitor (referred to in the rest of this letter as "NHS Improvement"). Further to the initial pilot collection of Patient Level Costing Information Systems data ('PLICS') carried out by NHS Digital pursuant to NHS Improvement's mandatory request dated 6 July 2016 ("Pilot System Request"), we are writing to make a further mandatory request under section 255 of the Health and Social Care Act 2012 ("HSCA") that NHS Digital continue to establish and operate a system for the collection and analysis of PLICS. I've set out below full details of the relevant functions of NHS Improvement and the data collection required.

NHS Improvement's functions

Under Chapter 4, Part 3 of the HSCA, NHS Improvement, working with NHS England, is responsible for developing, publicising and enforcing the national tariff, which sets out the price payable by commissioners for NHS services.

NHS Improvement is also responsible for licensing providers of NHS services under Chapter 3, Part 3 of the HSCA. The licence includes a set of standard licence conditions, including:

- conditions applicable to foundation trusts relating to governance arrangements (e.g. there is a requirement for licensees to establish and implement systems and/or processes to ensure compliance with licensee's duty to operate efficiently, economically and effectively); and

- conditions that enable us to fulfil our duties in partnership with NHS England to set prices for NHS care by requiring providers to collect costing information.

Three licence conditions relate to costing:

Pricing condition 1: Recording of information. Under this licence condition, we can require licence holders to record information, including cost information, in line with our published guidance. Such information must be recorded using our 'approved reporting currencies' and in accordance with our *Approved costing guidance*.

Pricing condition 2: Provision of information. Having recorded the information in line with pricing condition 1, licence holders can be required to submit this information to us, as well as other information and reports we may require for our pricing functions.

Pricing condition 3: Assurance report on submissions to NHS Improvement. It is important for price setting that the information submitted is accurate. This condition allows us to require licence holders to submit an assurance report confirming that the information they have provided is accurate.

Although NHS trusts do not have to hold a provider licence, they too must comply with the requirements of these licence conditions under the NHS Trust Development Authority's regime for NHS trusts.

NHS Improvement has a general power under paragraph 15 of Schedule 8 to the HSCA to do anything which appears to it to be necessary or expedient for the purposes of, or in connection with, the exercise of our function.

Costing Transformation Programme

Understanding how providers spend money is essential in tackling short-term deficits; supporting the development of new models of care and reducing the variation in resource utilisation.

Benchmarking using current Reference Cost data cannot identify precisely where there is potential for efficiency gains. Such data is limited in its ability to reflect the complexity of patient care and identifying cost variation between individual patients. By introducing a standardised method of reporting cost information at patient level this can be rectified. This is known as Patient Level Costing Information Systems (PLICS).

NHS Improvement's Costing Transformation Programme (CTP), was established to implement PLICS across Acute, Mental Health, Ambulance and Community providers. The programme entails:

- Introducing and implementing new standards for patient level costing;

- Developing and implementing one single national cost collection to replace current multiple collections;

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- Establishing the minimum required standards for costing software and promoting its adoption; and

- Driving and encouraging sector support to adopt Patient Level Costing methodology and technology.

The information gathered from this programme will be used to enable NHS Improvement to perform its pricing and licensing functions under the HSCA more effectively. It will:

- inform new methods of pricing NHS services;
- inform new approaches and other changes to the design of the currencies used to price NHS services;
- inform the relationship between provider characteristics and cost;
- help trusts to maximise use of their resources and improve efficiencies, as required by the provider licence;
- identify the relationship between patient characteristics and cost; and
- support an approach to benchmarking for regulatory purposes.

Mandatory request

Under section 255 of the HSCA, we hereby request that NHS Digital continues to establish and operate a system for the collection and analysis of PLICS data. This system will build on the Pilot System Request undertaken by NHS Digital from June 2016 that concluded in October 2016.

The system to be further established and operated under this request will need to have the following functionality:

- Data collection - ability for providers to submit PLICS data direct to NHS Digital;

- Potential to link PLICS data with Hospital Episode Statics (HES) data (NIC- 15814 - C6W9R);

- Data Quality and validation; and

- Data Supply – the functionality to provide pseudonymised PLICS data to NHS Improvement for onward processing and analysis.

There are four 'levels' of data requiring collection by NHS Digital as part of the Costing Transformation programme, collectively these will form the data extract requested by NHS Improvement.

The four levels referred to above are:

- Reconciliation tables[1]
- Message Header Information
- Activity Records; and
- Activity Costs Records

Detailed data levels can be found at Annex A.

To build on the system established by the Pilot System Request, NHS Improvement would like to increase the number of trusts from which data are to be collected and analysed. Volunteer provider trusts who have agreed to participate in this second data collection exercise expected to take place over the period of May to December 2017 (inclusive) are listed at Annex B ("Volunteer Provider Trusts"). In the event any of the Volunteer Provider Trusts are not able to participate in this data collection, then NHS Improvement shall provide an updated Annex B to NHS Digital.

The Costing Transformation Programme: 2016/17 PLICS cost collection guidance (Acute) sets out the collection period.

The collection year begins on 1 April 2016 and ends on 31 March 2017. All episodes and attendances completed within the collection year or episodes still open at the end of the collection year are in scope of this collection.

Only resources used and activities undertaken within the collection year should be included, regardless of when the episode started or ended.

Unless it is deemed by the NHSI Costing Director that the system for the collection and analysis of PLICS data established and operated pursuant to this request is deemed ineffective at any point during this programme of works, NHS Improvement shall continue to request NHS Digital to collect and analyse PLICS data from any of those Volunteer Provider Trusts in accordance with this request.

We have set out above how the collection of PLICS data is relevant to our pricing functions. We consider that the information which could be obtained by complying with the request is information which it is necessary or expedient for NHS Improvement to have in relation to its discharge of its duties:

(a) in relation to the pricing of health care services provided for the purposes of the NHS; in particular, its duty to prepare and publish the national tariff (section 116 and 118 of the HSCA);
(b) in relation to the licensing of providers of NHS services; in particular, its duty to oversee and enforce the licence (see Part 3 of Chapter 3 of the HSCA); and

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[1] These tables are not final and are subject to change. Any changes shall be notified to NHS Digital and updated tables provided to NHS Digital as soon as practicable.

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(c) generally in relation to the exercise of its functions, in particular its duty under section 62(1) of HSCA in exercising its functions to protect and promote the interests of people who use health care services by promoting provision of health care services which is economic, efficient and effective, and maintains or improves the quality of the services.

"Monitor" is listed as a "principal body" under section 255(9) of the HSCA. This request therefore meets the requirements for a mandatory request under section 255(4) of the HSCA and is a confidential collection request in accordance with section 256(2)(a) of the HSCA. Prior to making this request, NHS Improvement has liaised and worked with NHS Digital as required by 257(4) of the HSCA and recognises this request must go through an established system of approvals within NHS Digital.

In making this mandatory request, NHS Improvement also requests that, pursuant to section 262(4) and (5) of the HSCA:

1. NHS Digital exercises in its sole discretion the powers it has to disseminate the information which it obtains by complying with this request, so as to provide information to a Volunteer Provider Trust to enable it to re-identify the individuals who were the subject of the PLICS data which that Volunteer Provider Trust had submitted.

2. NHS Digital does not exercise the power conferred by section 261(4) of the HSCA in relation to the information which it obtains by complying with this request, other than to disseminate information to such persons, for such purposes and at such times as may be agreed between NHS Digital and NHS Improvement including but not limited to the circumstances for dissemination described at point 1 above.

NHS Improvement hereby recognises that in submitting this request under section 255 of the HSCA, NHS Digital is entitled to charge a reasonable fee pursuant to section 257 (3) in respect of the cost of complying with this request from NHS Improvement.

Yours sincerely

Richard Ford
Costing Improvements Director

Annex A

Costing Transformation Programme Data Extract Requirements

NHS Digital is being asked to collect information on four levels, which collectively form the extract requested by NHS Improvement:

- Reconciliation tables
- The message header
- The activity records
- The activity cost records

Reconciliation tables

Final audited accounts table

Field Name	Description
Final audit accounts ID	Identifier which describes the financial transactions charged to the statement of comprehensive income
Cost or Income value	Financial transaction value

Cost group main table

Field Name	Description
Cost group ID	Identifier to report costed activities
Total Cost	The unit costs on a full absorption basis, which should equal the sum of patient facing and support costs (department and organisation) for each resource reported
Other operating income	Income from non-patient-care services

Cost group sub table

Field Name	Description
Cost group ID	Identifier to report costed activities
Service ID	Identifier to report services within a cost group
Total Cost	The unit costs on a full absorption basis, which should equal the sum of patient facing and support costs (department and organisation) for each resource reported
Other operating income	Income from non-patient-care services
Activity	The number of episodes or attendances undertaken in the financial year for a service

Message Header

Field Name	Description
Organisation Identifier (code of submitting organisation)	The organisation code of the health care provider, acting as the physical sender of the data extract
Reporting Period Start	The start of the reporting period the extract covers (i.e. the period the Finished Consultant Episodes end)
Reporting Period End	The end of the reporting period the extract covers. (i.e. the period the Finished Consultant Episodes end)
Extract Creation Date Time	The date and time the extract was created
Feed Type	The data set the extract covers
Number of Activity Records	The total number of activity records included in the extract
Total Costs	The total sum of the costs within the extract

Activity Information – Admitted patient care

Field Name	Description
Organisation Identifier (Code of Provider)	The organisation code of the health care provider, providing the service

CDS Unique Identifier	A Commissioning Data Set data element providing a unique identity for the life-time of an episode carried in a Commissioning Data Set message.
NHS Number	The primary identifier of a person within the NHS in England and Wales
NHS number status indicator	Codes in this field indicate whether the patients' NHS Number is present, and if it is verified. If the NHS Number is absent, the indicator gives the reason why.
Postcode	Post code of usual address
Date of Birth	Date of Birth is the date of birth of the patient
Person Stated Gender Code	The gender of a PERSON.
Patient Classification Code	Classification of patients who have been admitted. The field is derived from the Admission Method, Intended Management and the duration of stay within the provider.
Admission Method Code	The method of admission the hospital provider spell
Hospital Provider Spell Number	A number to provide a unique identifier for each Hospital Provider Spell for a Health Care Provider.
Episode Number	Field used to uniquely identify episodes, and is the sequence number for each consultant episode within a Hospital Provider Spell
Episode Type	A field to indicate whether the inpatient consultant episode completed within the financial year
Start Date (Episode)	The date and time the episode started. Use in CDS types: 120,130,140,170,180,190,200
End Date (Episode)	The date the episode ended. Use in CDS types: 120,130,140,170,180,190,200
FCE HRG	FCE HRG based on the 16/17 Reference Cost HRG grouper

Spell HRG	Spell HRG based on the 16/17 Reference Cost HRG grouper
Unbundled HRGs	Unbundled HRGs based on the 16/17 Reference Cost HRG grouper
Adjusted Length of Stay	Difference between the End Date (Episode) and Start Date (Episode) adjusted to remove critical care days, rehabilitation days and specialist palliative care days
Contracted out Indicator	Flag indicating whether patient activity was contracted out.
Consultant	The CONSULTANT CODE is derived from either the GENERAL MEDICAL COUNCIL REFERENCE NUMBER for GENERAL MEDICAL PRACTITIONERS, or the GENERAL DENTAL COUNCIL REGISTRATION NUMBER for GENERAL DENTAL PRACTITIONERS (where the dentist doesn't have a GENERAL MEDICAL COUNCIL REFERENCE NUMBER).
Local Patient Identifier (Mother)	A number used to identify a PATIENT uniquely within a Health Care Provider. It may be different from the PATIENT's case note number and may be assigned automatically by the computer system. LOCAL PATIENT IDENTIFIER (MOTHER) uniquely identifies the mother, where the baby's identity is recorded by use of LOCAL PATIENT IDENTIFIER.
Patient Pathway Identifier	The field together with the ORGANISATION CODE of the issuer uniquely identifies a PATIENT PATHWAY.
Activity Treatment Function Code	TREATMENT FUNCTION CODE is a unique identifier for a TREATMENT FUNCTION. TREATMENT FUNCTION CODE is recorded to report the specialised service within which the PATIENT is treated. Has the same attributes as Activity Treatment Function Code
Organisation Identifier (Patient Pathway Issuer)	The Organisation code of the organisation issuing the Patient Pathway identifier

Activity Information – Outpatients

Field Name	Description
Organisation Identifier (Code of Provider)	The organisation code of the health care provider, providing the service
CDS Unique Identifier	A Commissioning Data Set data element providing a unique identity for the life-time of an episode carried in a Commissioning Data Set message.
NHS Number	The primary identifier of a person within the NHS in England and Wales
NHS number status indicator	Codes in this field indicate whether the patients' NHS Number is present, and if it is verified. If the NHS Number is absent, the indicator gives the reason why.
Postcode	Post code of usual address
Date of Birth	Date of Birth is the date of birth of the patient
Person Stated Gender Code	The gender of a PERSON.
Attendance Identifier	A sequential number or time of day, assigned locally, that is unique to only one activity for a patient within an organisation. As this field is often locally generated, the data in this field are not currently unique within a dataset. However, as the NHS moves towards central systems this should change.
HRG	HRG based on the 16/17 Reference Cost HRG grouper
Unbundled HRGs	Unbundled HRGs based on the 16/17 Reference Cost HRG grouper
Appointment Start Date and Time	An Out-Patient Appointment is an APPOINTMENT for a PATIENT to see or have contact with a CARE PROFESSIONAL at an Out-Patient Clinic.

Consultant led or non consultant led	Is the lead care professional a consultant
Activity Treatment Function Code	TREATMENT FUNCTION CODE is a unique identifier for a TREATMENT FUNCTION. TREATMENT FUNCTION CODE is recorded to report the specialised service within which the PATIENT is treated. Has the same attributes as Activity Treatment Function Code
Consultant	The CONSULTANT CODE is derived from either the GENERAL MEDICAL COUNCIL REFERENCE NUMBER for GENERAL MEDICAL PRACTITIONERS, or the GENERAL DENTAL COUNCIL REGISTRATION NUMBER for GENERAL DENTAL PRACTITIONERS (where the dentist doesn't have a GENERAL MEDICAL COUNCIL REFERENCE NUMBER).
Contracted out Indicator	Flag indicating whether patient activity was contracted out.
HIV category code	Clinically designed clinical pathway for three groupings of adult patients that supports an annual year of care approach. Category 1: New (newly diagnosed or newly on ARV drugs) Category 2: Stable Category 3: Complex The currency only applies to HIV Adult outpatients and NOT inpatient or paediatric care. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/214924/HIV-Outpatients-A-Simple-Guide.pdf
Patient Pathway Identifier	The field together with the ORGANISATION CODE of the issuer uniquely identifies a PATIENT PATHWAY.
Organisation Identifier (Patient Pathway Issuer)	The Organisation code of the organisation issuing the Patient Pathway identifier

Activity Information – Accident and emergency

Field Name	Description
Organisation Identifier (Code of Provider)	The organisation code of the health care provider, providing the service

CDS Unique Identifier	A Commissioning Data Set data element providing a unique identity for the life-time of an episode carried in a Commissioning Data Set message.
NHS Number	The primary identifier of a person within the NHS in England and Wales
NHS number status indicator	Codes in this field indicate whether the patients' NHS Number is present, and if it is verified. If the NHS Number is absent, the indicator gives the reason why.
Postcode	Post code of usual address
Date of Birth	Date of Birth is the date of birth of the patient
Person Stated Gender Code	The gender of a PERSON.
Attendance ID	Identifier allocated by an A&E department to provide a unique identifier for each A&E attendance
HRG	HRG based on the 16/17 Reference Cost HRG grouper
Consultant	The CONSULTANT CODE is derived from either the GENERAL MEDICAL COUNCIL REFERENCE NUMBER for GENERAL MEDICAL PRACTITIONERS, or the GENERAL DENTAL COUNCIL REGISTRATION NUMBER for GENERAL DENTAL PRACTITIONERS (where the dentist doesn't have a GENERAL MEDICAL COUNCIL REFERENCE NUMBER).
Contracted out Indicator	Flag indicating whether patient activity was contracted out.
Arrival date and time at A&E	Arrival date and time of a patient in the A&E department
Departure date and time from A&E Department	The departure date and time of a patient from the A&E department. Only patients with a department date and time within the reporting period should be included.

Department type	A classification of A&E department type according to the activity carried out.

Costing information

Field Name	Description
Collection Activity ID	Unique identifier to report activities, which are measurable amount of work, performed using resources to deliver elements of patient care. Patient activity can be recorded and reported through various feeding systems.
Collection Resource ID	Unique identifier to report resources, which are components used to deliver activities, such as staffing, supplies, systems and facilities.
Collection Activity count	The number or duration of activities undertaken, eg number of tests or duration in theatre
Total cost	The unit costs on a full absorption basis, which should equal the sum of patient facing and support costs (department and organisation) for each resource reported

Annex B (updated June 2017)

Trust name
ALDER HEY CHILDREN'S NHS FOUNDATION TRUST
ASHFORD AND ST PETER'S HOSPITALS NHS FOUNDATION TRUST
BARTS HEALTH NHS TRUST
BASILDON AND THURROCK UNIVERSITY HOSPITALS NHS FOUNDATION TRUST
BIRMINGHAM WOMEN'S AND CHILDREN'S NHS FOUNDATION TRUST
BOLTON NHS FOUNDATION TRUST
BUCKINGHAMSHIRE HEALTHCARE NHS TRUST
BURTON HOSPITALS NHS FOUNDATION TRUST
CALDERDALE AND HUDDERSFIELD NHS FOUNDATION TRUST
CENTRAL MANCHESTER UNIVERSITY HOSPITALS NHS FOUNDATION TRUST
CHELSEA AND WESTMINSTER HOSPITAL NHS FOUNDATION TRUST
CITY HOSPITALS SUNDERLAND NHS FOUNDATION TRUST
CROYDON HEALTH SERVICES NHS TRUST
DARTFORD AND GRAVESHAM NHS TRUST
DONCASTER AND BASSETLAW HOSPITALS NHS FOUNDATION TRUST
DORSET COUNTY HOSPITAL NHS FOUNDATION TRUST
EAST AND NORTH HERTFORDSHIRE NHS TRUST
EAST CHESHIRE NHS TRUST
EAST KENT HOSPITALS UNIVERSITY NHS FOUNDATION TRUST
EAST SUSSEX HEALTHCARE NHS TRUST
GATESHEAD HEALTH NHS FOUNDATION TRUST
GREAT ORMOND STREET HOSPITAL FOR CHILDREN NHS FOUNDATION TRUST
GUY'S AND ST THOMAS' NHS FOUNDATION TRUST
HARROGATE AND DISTRICT NHS FOUNDATION TRUST
HEART OF ENGLAND NHS FOUNDATION TRUST
IMPERIAL COLLEGE HEALTHCARE NHS TRUST
IPSWICH HOSPITAL NHS TRUST
KING'S COLLEGE HOSPITAL NHS FOUNDATION TRUST
LANCASHIRE TEACHING HOSPITALS NHS FOUNDATION TRUST
LEEDS TEACHING HOSPITALS NHS TRUST
LEWISHAM AND GREENWICH NHS TRUST
LIVERPOOL HEART AND CHEST HOSPITAL NHS FOUNDATION TRUST
MAIDSTONE AND TUNBRIDGE WELLS NHS TRUST
MID CHESHIRE HOSPITALS NHS FOUNDATION TRUST
MID YORKSHIRE HOSPITALS NHS TRUST
NORTH CUMBRIA UNIVERSITY HOSPITALS NHS TRUST
NORTH MIDDLESEX UNIVERSITY HOSPITAL NHS TRUST
NORTHAMPTON GENERAL HOSPITAL NHS TRUST
NORTHERN DEVON HEALTHCARE NHS TRUST
NORTHERN LINCOLNSHIRE AND GOOLE NHS FOUNDATION TRUST
NOTTINGHAM UNIVERSITY HOSPITALS NHS TRUST
OXFORD UNIVERSITY HOSPITALS NHS FOUNDATION TRUST
Trust name

PAPWORTH HOSPITAL NHS FOUNDATION TRUST
POOLE HOSPITAL NHS FOUNDATION TRUST
ROYAL BROMPTON & HAREFIELD NHS FOUNDATION TRUST
ROYAL DEVON AND EXETER NHS FOUNDATION TRUST
ROYAL FREE LONDON NHS FOUNDATION TRUST
ROYAL LIVERPOOL AND BROADGREEN UNIVERSITY HOSPITALS NHS TRUST
ROYAL NATIONAL ORTHOPAEDIC HOSPITAL NHS TRUST
ROYAL UNITED HOSPITALS BATH NHS FOUNDATION TRUST
SALFORD ROYAL NHS FOUNDATION TRUST
SHEFFIELD CHILDREN'S NHS FOUNDATION TRUST
SHREWSBURY AND TELFORD HOSPITAL NHS TRUST
SOUTH TEES HOSPITALS NHS FOUNDATION TRUST
ST HELENS AND KNOWSLEY HOSPITAL SERVICES NHS TRUST
STOCKPORT NHS FOUNDATION TRUST
SURREY AND SUSSEX HEALTHCARE NHS TRUST
TAUNTON AND SOMERSET NHS FOUNDATION TRUST
THE CHRISTIE NHS FOUNDATION TRUST
THE DUDLEY GROUP NHS FOUNDATION TRUST
THE ROBERT JONES AND AGNES HUNT ORTHOPAEDIC HOSPITAL NHS FOUNDATION TRUST
THE ROYAL MARSDEN NHS FOUNDATION TRUST
THE ROYAL ORTHOPAEDIC HOSPITAL NHS FOUNDATION TRUST
THE ROYAL WOLVERHAMPTON NHS TRUST
THE WALTON CENTRE NHS FOUNDATION TRUST
TORBAY AND SOUTH DEVON NHS FOUNDATION TRUST
UNIVERSITY COLLEGE LONDON HOSPITALS NHS FOUNDATION TRUST
UNIVERSITY HOSPITAL OF SOUTH MANCHESTER NHS FOUNDATION TRUST
UNIVERSITY HOSPITALS BIRMINGHAM NHS FOUNDATION TRUST
UNIVERSITY HOSPITALS COVENTRY AND WARWICKSHIRE NHS TRUST
UNIVERSITY HOSPITALS OF LEICESTER NHS TRUST
UNIVERSITY HOSPITALS OF NORTH MIDLANDS NHS TRUST
WARRINGTON AND HALTON HOSPITALS NHS FOUNDATION TRUST
WEST SUFFOLK NHS FOUNDATION TRUST
WIRRAL UNIVERSITY TEACHING HOSPITAL NHS FOUNDATION TRUST
WORCESTERSHIRE ACUTE HOSPITALS NHS TRUST
WRIGHTINGTON, WIGAN AND LEIGH NHS FOUNDATION TRUST
YEOVIL DISTRICT HOSPITAL NHS FOUNDATION TRUST