

NHS Providers response to the proposed amendments to the 2023/25 NHS Payment Scheme consultation

On 22 December 2023, NHS England (NHSE) launched a statutory consultation notice for proposed amendments to the 2023/25 NHS Payment Scheme. The full consultation and all supporting material can be found [here](#).

Please find below NHS Providers' response to the consultation notice.

Proposed amendments to support delegated services

- 1 To what extent do you support the proposal to guarantee each specialist provider a minimum level of elective top-up payment? *Tend to support***

Trusts are broadly supportive of ensuring that payments are reflective of the actual costs of providing services. By setting out a guaranteed level of income for specialist providers for the elective services they provide, this will reduce the financial risk for relevant providers and ensure they are not penalised for carrying out more costly treatments or procedures which are not reflected within NHSPS prices. However, some trusts have raised concerns about how the calculations of such "top-ups" will be made. We would support NHS England providing further detail on how a provider's top-up has been calculated.

- 2 To what extent do you support the proposal to create new unit process for radiotherapy services? *Don't know***

We neither support nor oppose this proposal. Given the nature of the proposed amendment we do not have sufficient evidence or expertise to express a view on behalf of our membership.

- 3 To what extent do you support the proposal to convert renal transplant guide prices to unit prices? *Don't know***

We neither support nor oppose this proposal. Given the nature of the proposed amendment we do not have sufficient evidence or expertise to express a view on behalf of our membership.

- 4 To what extent do you support the proposal to introduce guide prices for haematopoietic stem cell transplantation (HSCT)? *Don't know***

We neither support nor oppose this proposal. Given the nature of the proposed amendment we do not have sufficient evidence or expertise to express a view on behalf of our membership.

5 Do you have any other comments on the proposed amendments that support delegation of specialised services?

We welcome the continued approach from NHS England that there should be differentiated payment arrangements for specialised services. As integrated care boards (ICBs) take on full commissioning responsibility for suitable specialised services, it is vital that providers of specialised services are appropriately reimbursed for the services they deliver. Providers of specialised services often work across traditional ICB boundaries, and as such, carry significant financial risk from having contractual relationships with multiple commissioners. NHS England must continue to ensure that providers and commissioners of specialised services are supported through the transition process and are able to escalate risks and concerns as needed.

Other proposed amendments

6 To what extent do you support the proposed reduction to two unit prices for cataract HRGs?

Don't know

We neither support nor oppose this proposal. Given the nature of the proposed amendment we do not have sufficient evidence or expertise to express a view on behalf of our membership.

7 To what extent do you support the proposal to pause the nationally mandated CQUIN incentive scheme? *Tend to support*

Trusts will welcome a pause to the CQUIN incentive scheme for 2024/25. While there is merit to ensuring that quality of care remains a crucial part of performance monitoring, the CQUIN incentive scheme created a significant administrative burden for trusts. Trusts would be keen to engage with NHS England on pursuing alternative quality incentive schemes for use in future payment systems.

8 To what extent do you support the proposal to ensure payment for some activity covered by the Evidence-Based Interventions programme requires an approved IFR? *Don't know*

We neither support nor oppose this proposal. Given the nature of the proposed amendment we do not have sufficient evidence or expertise to express a view on behalf of our membership.

9 To what extent do you support the proposal to update the high cost drugs and devices exclusion lists? *Tend to support*

We support updating the list of excluded items, in line with advice provided by relevant steering groups, to ensure the list is kept as up to date as possible. We do not have sufficient expertise to comment on the specific items added or removed from the list.

10 To what extent do you support the proposal to set MFF values to reflect merger of NHS trusts? *Neither support or oppose*

There continue to be mixed views across the provider sector on the methodology used to calculate the market forces factor. It is important NHS England ensures that the methodology accurately captures the cost bases of providers and any specific requirements related to mergers.

11 To what extent do you support the proposal to update LVA values to include delegated services? *Tend to support*

We support the proposal to update LVA values to include delegated services, while also ensuring that LVA eligibility will be based on pre-delegation values. This ensures that LVA relationships will not be deemed ineligible as a result of the delegation of specialised services. Overall, the LVA has had a positive impact in reducing the administrative costs associated with dealing with low-value contracts.

However, some trusts have reported that they have lost out on significant levels of income as a result of critical care not being available via SUS data.

12 To what extent do you support the proposal to change the weighting of the pay element of the cost uplift factor? *Tend to support*

We support synchronising the methodology behind the weighting of the pay element of the cost uplift factor which is used for education and training tariffs.

However, non-acute providers have continually flagged that the current methodology used does not account for differences in cost profiles between acute and non-acute providers. For example, non-acute providers have a much higher proportion of their total costs from pay costs when compared to acute providers. We appreciate that a lack of data relating to non-acute trusts may make designing an average cost spread representative of all provider organisations quite difficult. We would welcome NHS England's commitment to continue working on this issue with trust leaders to ensure the cost uplift factor accurately reflects the cost increases felt across all provider organisations.

13 To what extent do you support the proposal to update the payment principles to support the GIRFT Right Procedure Right Place programme? *Tend to support*

Trusts will support the removal of financial barriers to incentivise activity to be delivered in less clinically intensive settings when in the best interests of patients. However, the success of this amendment depends on how it will operate in practice and whether commissioners will commit to neutralising the financial implications of providers implementing RPRP recommendations.

14 To what extent do you support the proposal to update the criteria for the fragility hip and femur fracture BPT? *Don't know*

We neither support nor oppose this proposal. Given the nature of the proposed amendment we do not have sufficient evidence or expertise to express a view on behalf of our membership

Health inequalities and any other comments

15 If they were implemented, what impact do you feel the proposed amendments are likely to have on equality and addressing health inequalities? *Don't know*

We welcome NHS England's focus on addressing health inequalities through the payment system. However, there is little detail within the payment scheme guidance or within the proposed changes regarding the impact of the proposals on equality and addressing health inequalities. Providers would welcome further guidance and qualitative or quantitative assessments to address this specific point.

16 Do you have any other comments on our proposed amendments to the 2023/35 NHS Payment Scheme?

Over the past twelve months, trusts have been grappling with a number of operational and financial pressures, including persistently high levels of inflation, the legacy of the pandemic, a lack of capacity in adult social care and the disruption caused by sustained periods of industrial action. Given the current financial context, we would ask NHS England to keep the payment scheme under continuous review in order that it retains the flexibility to respond to any further challenges accordingly.

17 How could we improve how we engage with you?

We welcomed the numerous meetings, webinars and engagement workshops held throughout the year as a forum where providers could provide real-time feedback to NHS England on how the payment system was working and comment on future payment system development. We look forward to continuing to work closely with NHS England on behalf of trust leaders.