

## **Payment by Results (PbR)**

*A new funding system for care provided to NHS patients in England*  
- Reforming NHS Financial Flows (Department of Health, 2002)

### **Aims of PbR**

- Support patient choice
- Encourage efficiency of providers
- Reward hospitals for the work they undertake
- Support modernisation
- Reduce waiting times
- Increase transparency of hospital funding with fair and equitable reimbursement based tariffs set by DH – funding follow the patient choice
- 'right price' for services

### **Basic Elements of PbR**

- PbR will radically change the arrangements for funding providers of care.
- There will be a three-year transition path for most trusts.
- NHS Foundation Trusts and other pilot sites are operating PbR
- Elective care was the first area to benefit from payment by results
- This is a major reform for the NHS, and draws on international experience.

### **Other Elements**

- Market Force Factors (MFF) - Published tariff will be adjusted to the lowest MFF provider. All other providers will receive a top-up based on planned activity. This will be factored in on out turn activity for following year etc.
- Protection for providers who currently operate above the National tariff
- Formula for 'step-up' uplift for those currently below tariff
- Providers free to keep any surpluses for investment into service.

### **Implications for GUM**

- Service leads will need to be very 'financially aware' of their services
- Accuracy of data collection
  - IT systems will need programming
  - Output quality will only be as good as input quality
- Need to negotiate effectively with Trusts
- Beware of perverse incentives!!!

### **Code of Conduct and Assurance Framework**

- The purpose of the Code of Conduct (the Code):
  - establish core principles,
  - minimise, as well as guide, the resolution of disputes
- The Secretary of State requires compliance with this Code by all NHS Bodies operating PbR, including Strategic Health Authorities, NHS Trusts and Primary Care Trusts (PCTs).

### **Code of Conduct**

- Scope and objectives of PbR
- Tariff setting
- Commissioner responsibilities
- Provider responsibilities

- Information sharing
- Activity Specification, Demand Management and Capacity
- Patient choice, referrals and treatment thresholds
- Innovation to improve access
- Billing and Payment
- Enforcement

### **Assurance Framework**

- 2006/07, DEVELOPMENT OF assurance framework focussed on improving the quality of patient-level data
- This framework will be based on proposals developed by the Audit Commission with input from key stakeholders.
- The Audit Commission to manage the implementation of the Assurance Framework.
- The Framework will:
  - monitor anomalies within data quality from providers
  - strengthen local arrangements for data quality and monitoring payments
  - Random and targeted external audits of clinical coding and data quality
  - The audits are expected to inform payment reconciliation and data quality improvements locally, and policy refinement at the national level.

### **Secondary Uses Service**

- It is a national system, which will apply the tariff to providers' activity information, calculate the payment due and notify each commissioner.
- It collects patient level activity information from providers and makes it available to commissioners.
- For 2006/07, SUS outputs will be the definitive source of data for transactions under PBR, replacing any local systems that may have been operating in 2005/06.
- Information technology has a key part to play in making the Payment by Results system run smoothly and efficiently.
- For 2006/07, NHS Connecting for Health have put in place a national reporting system for Payment by Results

### **Key benefits of SUS**

Ensuring that Payment by Results rules are applied accurately, consistently and transparently.

- Reduce bureaucracy, as NHS organisations no longer need separate information flows.
- Empower commissioners.
  - Their analysts are free to concentrate on analysing trends in the information rather than simply trying to apply the Payment by Results rules or check that their providers have applied them correctly.
- Enabling the Department to monitor the local impacts of Payment by Results at national level.

## **PbR Definitions**

### **New**

- Never attended the service before
- First time referred to consultant
- Discharged last time the patient attended
- Attendance is not related to previous visit
- More than 26 weeks since last visit to the clinic!!!

### **Follow-up**

- Face-to-face – Payment
- Non-face-to-face consultation:– Counting Exercise no payment via tariff for 2006/07, DH will review in future

## **Current Resources Available to GUM services as of April 2006**

- PbR
- MFF
- Diagnostic testing Costs
- Therapeutic Costs
- Choosing Health Money
- Capital Money

## **Data Collection**

- Monthly stats need to be sent to the PCTs
- Aggregated information can be sent if this is acceptable to the PCT
- Complete information should be kept regarding attendances for audit purposes
- Attendances should ideally be mapped to GP or Home Residence if GP unknown or if neither of the following patients should use a map and point
- The majority of GUM software packages can already produce this data if the information has been entered.
- PCTs may ask for the quarterly KC60 because this will help them the information they require for the LDPs

## **Tariff Rates – Annex 1**

### **Working out Clinic Budgets or Trust revenue**

- This will need to be done for each PCT that patients come from (Trust Finance)
- New
  - $(£142.00 \times \text{MFF}) \times \text{total number of PCT attendances}$
- Follow-up
  - $(£79.00 \times \text{MFF}) \times \text{total number of PCT attendances}$

### **Example**

- New
  - MFF 1.1 = £156
  - PCT 1 = £156 x 1000 PCT attendances = £156,000
  - MFF 0.9 = £154
  - PCT 2 = £154 x 2000 PCT attendances = £308,000
- Follow-up
  - MFF 1.1 = £87.00
  - PCT1 - £87.00 x 1000 PCT attendances = £87,000.00
  - MFF 0.9 = £86.00
  - PCT2 - £86.00 x 2000 PCT attendances = £172,000.00
- Total revenue 464,000 + 259,000 = £723,000.00

## Annex1

## Summary of Tariff Rates in relation to Sexual Health

Outpatient specialty code	Outpatient specialty name	Adult First Attendance tariff (£)	Adult Follow-up Attendance tariff (£)	Child (U17) First Attendance tariff (£)	Child (U17) Follow-up Attendance tariff (£)
360	Genito-Urinary Medicine	142	79	142	79

Outpatient Code	Outpatient Procedure name	Adult tariff (£)
OPCOP1	Colposcopy	216
OPNBP1	Needle Biopsy of Prostate	284
OPSIS1	Subcutaneous Injection / Introduction of Substance into Skin	176

HRG Code	HRG Name	Elective Spell Tariff (£)	Elective long stay trim-point (days)	Non-elective spell tariff (£)	Non-elective long stay trim-point (days)	Per day long stay payment (for days exceeding trim-point)	Reduced short stay emergency tariff applicable	% applied in calculation of reduced short stay emergency tariff	Reduced short stay emergency tariff	Eligible for specialised tariff top-up (including children's specialised)	Eligible for children's non-specialised tariff top-up
S10	Manifestations of HIV/AIDS	885	1	4,403	32	258	YES	20	881	YES	YES