



Payment Systems and Specialised Services Group

Minutes

Tuesday 16 January, 11.00 – 13.30

Microsoft Teams Meeting

Members Present

Lee Rowlands (chair)	Manchester University NHS Foundation Trust
Alastair Hill (AH)	NHS England (Standard Contract)
Azim Fazil (AF)	NHS Birmingham and Solihull Integrated Care Board
Andrew Johnson (AJ)	Addenbrookes NHS Trust
Carmel Harrington (CH)	NHS North East London Integrated Care Board
Dan Gilks (DG)	University Hospitals Coventry and Warwickshire NHS Trust
Dave Boehmer (DB)	NHS England (Midlands)
Gareth Worsley (GW)	North of England Specialised Commissioning Group
Janette Joshi (JaJ)	Mid and South Essex Integrated Care System
Jim Jowett (JiJ)	NHS South, Central and West Commissioning Support Unit
Jonas Akuffo (JA)	NHS England (Pricing)
Juliet Wearing (JW)	University Hospitals of Morecambe Bay NHS Foundation Trust
Justine Stalker-Booth (JSB)	NHS England (Specialised Commissioning)
Liesl Hacker (LH)	The Christie NHS Foundation Trust
Nikki Harris (NH)	United Lincolnshire NHS Trust
Peter Farnall (PF)	University Hospitals Sussex NHS Foundation Trust
Helen Maguire (HM)	Guy's and St Thomas' NHS Foundation Trust
Edward Gold (EG)	East Suffolk and North Essex NHS Foundation Trust
Linzi Ward (LW)	University Hospitals Birmingham NHS Foundation Trust
Madi Parmer (MP)	NHS Coventry and Warwickshire Integrated Care Board
Paula Monteith (PM)	NHS England (Casemix)

HFMA/Guests Present

Lauren Payne (LP)	HFMA
Fiona Boyle (FB)	HFMA
Steve Brown (SB)	HFMA
Edward Jones (EJ)	NHS Confederation
Jonathan Barron (JB)	NHS Confederation

1 Welcome and apologies

LR welcomed everyone to the meeting and introductions were made. Gareth Worsley attended in place of Kim Hubbard. Apologies were received from Carmel Harrington and Nicola Malyon. LR introduced Steve Brown (HFMA healthcare finance editor), who was attending for general interest and to report on the payment system consultation – with appropriate permissions from the group.

2 Declarations of interest

There was nothing to note.

3 Membership matters

LR & FB will be reviewing membership after this meeting to ensure that there is a mixture of representatives and geographical areas covered. New permanent members Linzi Ward and Janette Joshi were welcomed to this meeting.

4 Minutes of the last meeting

The group confirmed that the minutes from the previous meeting on 12 September 2023 were an accurate record. One amendment was noted that Peter Farnall was noted against the wrong organisation: this will be changed to University Hospitals Sussex NHS Foundation Trust.

The group reviewed the action log, and this was updated during the meeting.

5 Terms of Reference update

FB reported that the terms of reference (TOR) were due for review and were circulated within the papers for the meeting. Proposed changes relate to:

- the removal of NHS Improvement and NHS Digital as these bodies are now part of NHS England.
- the date of this review and the date for the next review.

These changes were accepted by those present.

Action: All to send comments by the end of the week. FB/LP to include the final TOR in the papers for the next meeting and record the update with the HFMA board of trustees.

6 Consultations

6.1 Payment Scheme (LR/JA)

JA gave a high level summary (with slides) of the proposed changes for 2024/25, which is the second year amendment of the two-year 2023/25 NHSPS.

JSB contributed detail about the specialised commissioning proposals. The specialist service adjustment proposal is a payment mechanism. It was confirmed that no organisation should be impacted by the changes within the delegation: it is anticipated that specialised providers will increase their cost base, when the lower end of the casemix becomes part of the care closer to home (less specialised centres).

Points of discussion:

- The price schedules are not part of the consultation, but new prices will be released for 2024/25 to include changes such as cost uplifts for inflation, efficiency, changes to CNST etc. The baseline year remains 2018/19.
- Radiotherapy prices are still to be tested with providers via the radiotherapy operating delivery network. Members volunteered to participate in this testing, as it is difficult for providers to understand the impact on funding. Feedback on this testing should be sent directly to JA & JSB.

- Further details were requested for the calculation of radiotherapy currencies from the data. JSB recognised that the coding is not complete, so this currency amendment is only for one year so the variable elements can be recognised.
- Some members are reporting their specialised service top ups falling considerably. There was discussion whether this related to all the top ups or just the elective top ups.
- Members reported the lack of change to the ERF creates an issue with cross ICB analysis, and that this will create a bigger step change to manage for 2025/26.
- It was asked that the low volume activity contracts have identifiable values for core, dental and specialised services. JA and JSB agreed this information will be included.
- The change to cataract prices raised discussion about whether adjusting one price area without a full price review conformed to existing principles of HRG pricing. Where has the funding gone to if it has been taken out of cataracts?
- Evidence based interventions guidance was requested as an area where the guidance could be clarified, including the difference between prior approvals and individual funding request (IFR).
- For the CQUIN pause, the next steps were queried, as it may be difficult to switch the incentives back on once they've been paused. It was commented that best practice tariffs are a better incentive than CQUIN, as there is more detail.
- Discussion about the elective recovery fund baseline, which is not included in the consultation. Same day emergency care new data guidance will not be within the baseline.

Action: JA/LP to circulate the slides after the meeting.

Action: JA/LP to share the new and existing radiotherapy prices for testing, with email addresses for JA and JSB.

Action: FB will prepare a draft response for LR's comments. The HFMA will submit the response by the 26 January 2024.

6.2 Standard Contract (LR/AH)

AH gave a high-level summary of the proposed changes. Further detail has been provided via webinar, and this has been made available as a recording. The proposal confirms the points shared with the group at the November meeting.

AH noted that as the NHS planning guidance is not yet published, there will be further changes to include in the final version of the standard contract. It is appreciated that this leaves uncertainty, and is recognised that this situation is not ideal.

The provider selection regime was discussed. Further information is available here: [NHSE, NHS Provider Selection Regime](#)

A discussion was held around the meaning of inclusion within the standard contract - was reporting achievement of each contract element a given? AH confirmed that the expectation was that reporting achievement was a requirement. It was asked that the contract guidance gives instructions on how this reporting should be done.

Detail on the contract schedules and the consultation are on FutureNHS workspace: [NHSE, NHS Standard Contract - FutureNHS Collaboration Platform](#)

There was general support for the changes to the standard contract.

Action: FB will prepare a draft response based on group discussion for LR's comments. The HFMA will submit the response by the 26 January 2024.

7 NHSE updates

7.1 NHSE payment team (JA)

JA gave an update on plans for the 2025/27 payment scheme. A full updated scheme is planned, for which there will be engagement events in the Summer. Points being considered are:

- whether to use 2021/22 or 2022/23 costing data
- moves of guide prices to unit prices
- differential prices for day/outpatient procedure/elective
- outlier policy
- some service specific areas, including mental health and community service API fixed element.

Action: JA to present progress on the payment system 2025/27 model at the next meeting

The order of agenda items was amended by the chair to accommodate EJ's availability and hence item 8 is noted ahead of 7.2 on these meeting notes.

8 Edward Jones – NHS Confederation

EJ shared the work in progress by the NHS Confederation looking at options for future payment systems. If group members would like to contribute, please email EJ on edward.jones@nhsconfed.org.

The Hewitt Review recommended that government and ICSs consider alternative payment mechanisms, *“drawing upon international examples as well as local best practice, to identify most effective payment models to incentivise and enable better outcomes and significantly improve productivity.”* The NHS Confederation is working with a number of leaders and experts from across the health system to develop a report, setting out examples of best practice, what payment mechanisms may hope to achieve and several proposals for models which may be adopted. The Confed team would welcome views and feedback of the HFMA Payments Group on emerging proposals to support this work, ahead of publication in late February.

Specific areas of interest included work on payment systems in community services, outcomes based payments, capitated risk-based payments and the opportunity to energise ICBs. JA/JSB offered to work with EJ to share why models have been chosen in the past and why some have not continued. It was noted that even PbR evolved during its life, and although the complexity was not always welcomed, it was necessary for many organisations.

The chair noted the need for further discussions around both the policy and technical areas. LR thanked EJ and JB for sharing this work with the group and invited them back to a future meeting to look at practical steps for the options.

Action: FB/LP to liaise with EJ/JB on a future meeting attendance.

7.2 NHSE Standard contract (AH)

AH reported no further plans yet for 2025/27.

AH raised a question to members about whether an unsigned contract was due to a specific issue in the contract negotiations or just because it had not been rubber-stamped. Members reported a specific issue was more likely to prevent signed contracts.

Members also commented that some commissioners have moved away from the discipline of the contract process, which may be due to staff/capacity issues in ICBs. It was reinforced that the information supporting the contract is still needed, and that post-pandemic the contract negotiations need to be robust.

7.3 Specialised Commissioning (JSB)

JSB gave an update on the delegation plans and noted that the prescribed specialised service (PSS) tool is now available in draft format. Feedback was requested.

Action: LR to share flowchart with members.

Comment from members on specialised services included:

- delegation should not be a win/lose situation
- overcapacity becomes a problem if commissioners don't know what was in the baseline
- trusts and ICBs are not using the same figures for planning growth, which is causing problems, e.g. in neonatal.

7.4 Casemix (PM)

PM reported that this year's updates to the HRG structure and groupers are the biggest done for some time, including items to support the specialised service delegation to ICB. The groupers will be released in March 2024 to reflect this.

PM noted that for changes to the April 2026 HRG and groupers, the clinical coding requests must be submitted by December 2024.

ICD11 will not be included in the casemix structure until at least 2026. The casemix team are looking at the next phase of changes to HRG design. PM reminded the group that for any changes to HRGs, it is essential that something is put in place before something else is removed, to enable stability of data flows.

UZ codes (uncoded and therefore unviable HRGs) currently stand at 4%, which is the highest ever. The group commented that this may include some of the impact of the changes to SDEC, and a disinvestment in clinical coders (in part due to the agency cap). Also, a factor is the general need to highlight the importance of data quality, as it has a wider impact than just payment.

9 HFMA updates (FB)

9.1 and 9.2 Publications and committee summaries

FB asked members to note the summary list of HFMA publications, national and special interest committees within the papers.

9.3 Work programme

FB reported the 'back to basics' overview of payment systems for non-contracting/commissioning/income financial colleagues and non-finance colleagues is due for publication shortly.

Members were asked to consider what other outputs the policy team should be considering, relating to the material discussed by this group. Suggestions included clarification of the HFMA support available for all staff, including what information is available for new and / or existing staff of all bands.

10 Any other business

There was no other business.

11 2024 meeting dates

- 21 May 2024 (virtual)
- 12 September 2024 (committees' day, 110 Rochester Row)
- 26 November 2024 (virtual)

HFMA Payment Systems and Specialised Services Group

Actions: 16 January 2024

Meeting	Agenda item	Action	Lead	Status
12 September	5.0	HR FB and LP to set up follow up presentation from Teena Choudhury in 2024.	FB/LP	Outstanding
22 November	5.1	AH to provide details to support members with changes to the provider selection regime. (see also item 6.2 above)	AH	Complete
22 November	5.2	JA asked for members of the group to respond to the consultation when available, and to share it widely with colleagues.	All	Complete
16 January	5.1	Terms of Reference: All to send comments by the end of the week.	All	Complete
16 January	5.1	FB/LP to include the final TOR in the papers for the next meeting and record the update with the HFMA board of trustees.	FB/LP	Complete
16 January	6.1	JA/LP to circulate the slides after the meeting.	JA/LP	Complete
16 January	6.1	JA/LP to share the new and existing radiotherapy prices for testing, with email addresses for JA and JSB.	JA/LP	Complete
16 January	6.1	FB will prepare a draft response to the payment systems consultation for LR's comments. The HFMA will submit the response by the 26 January 2024.	FB/LR	Complete
16 January	6.2	FB will prepare a draft response to the standard contract consultation, based on group discussion for LR's comments. The HFMA will submit the response by the 26 January 2024.	FB/LR	Complete
16 January	7.1	JA/RU to present the PS model 2025-27 progress at the next meeting. FB/LP to add to agenda.	JA/RU FB/LP	Complete
16 January	7.3	Action: LR to share prescribed specialised service flowchart with members.	LR	Complete
16 January	8	Action: FB/LP to liaise with EJ/JP on a future meeting attendance.	FB/LP	Complete