



The HFMA's response to the 2020/21 payment reform engagement

Engagement by NHS England and NHS Improvement

NHS England and NHS Improvement recently set out the main proposed changes to the national payment system in 2020/21 and the Healthcare Financial Management Association (HFMA) has provided feedback on behalf of its members.

The responses were formed based on discussions at the HFMA Payment Systems and Specialised Services Committee meeting on 23 September 2019. The group had an open and wide-ranging discussion about the key elements covered in NHS England and NHS Improvement's tariff engagement materials and events held throughout August and September 2019.

The following feedback summarises those discussions and has been provided to NHS England and NHS Improvement.

Blended payments - outpatients

The group generally recognised the spirit in which these proposals had been developed, namely to provide an incentive (or remove disincentives) to progress alternatives to traditional outpatient service delivery. The group did have some concerns regarding:

- how the value of the blended payment would be re-set or re-calculated at the end of the period, particularly where it was either difficult to capture/record some of the alternative service delivery methods and/or to put a value to them
- the impact of the new service delivery models might not result in absolute cost saving to local health systems but in other impacts such as improved access, lower waiting times or better patient experience or patient outcomes.

Blended payments – maternity

Again, the group welcomed the proposal to remove provider to provider recharges. However they expressed some concern that suitable models (or at least worked examples) needed to be shared about how removing these recharges would be accommodated in a blended payment system, particularly when the introduction of pathway payments was designed to remove previous disputes over counting and coding in maternity service delivery (particularly for ante-natal admissions).

There were also concerns that, without an injection of additional funding, there was no obvious impact from adjusting the payment model in further delivering the Better Births agenda and in particular extending continuity of carer.

The group also commented that local maternity systems were not necessarily set up or yet skilled to broker and help resolve the agreement on payment values and it was an ambitious target for this to be expected to work through in time for the 2020/21 contracting round.

Blended payments – adult critical care

The group was less clear on the problem(s) or issue(s) that this payment model was designed to address. Concerns were expressed, particularly from providers, that the baseline would be difficult to set and agree, given the plurality of commissioners involved. Similarly, there were doubts about how effective this would be should beds need to be stepped up in year, for example to support ongoing delivery of high-risk surgery.

It was suggested that local health system risk shares, between commissioners, might achieve a similar effect.

Overall the group felt that 2020/21 should be used as a shadowing year to review how the model would work and what the impact would be, ahead of any actual implementation.

Other national tariff and payment system issues

During the remainder of the discussion the summary points that emerged were:

- There was no support for further top-slicing to support additional funding required to support the running costs of Supply Chain Co-ordination Ltd.
- The group understood the glide path would continue on the market forces factor as signalled previously and that there were no fundamental changes resulting from any data reviews.
- The rationale for pausing the transition to previously calculated specialist top up rates was helpfully outlined in more detail and the group would welcome the opportunity to remain updated on, and ideally contribute to, discussions on how costs of complexity and specialised care (not just defined by specialist commissioning identification rules) are identified and managed in the payment system, along with any re-calculation of top up rates using more up to date information.

As a group we welcome the time that colleagues from NHS England and NHS Improvement continue to take to attend the meetings and engage in discussion with HFMA members. In return we hope that comments and feedback, such as outlined in this response, assist the overall consultation and feedback process.