

A large, solid green wave graphic that starts wide on the left and tapers to the right, positioned behind the main text.

Payment by Results

2010/11 National Tariff

Introduction to Best Practice Tariffs

Gateway Reference: 13591

Content

“Best practice” tariffs are novel and the detail cannot be overlooked. This pack is designed to introduce the tariffs and signpost the comprehensive guidance contained in section 6 of the 2010/11 PbR Guidance.

- The need for change and preparing for the future
- Introducing Best Practice Tariffs
- The benefits of adopting best practice tariffs
- Payment models and service areas: *what, why and how*
- Guidance

The need for change

- The NHS faces a period of uncertainty
 - *increasingly tight financial situation*
 - *different economic context*
- £15-20bn efficiency savings need to be generated by the NHS during the period from 2011-14
- Deliver quality and efficiency together
- Action required at every level of the system (commissioners, providers, nationally)

Preparing for the future

- Making quality the organising principle of the NHS
(High Quality Care for All)

- Focus on policies which improve quality whilst delivering productivity improvements simultaneously
 - Transforming pathways, supporting commissioners to commission for quality and efficiency, supporting providers to become more efficient

- Best practice tariffs have a central role to play as a system lever / enabler to support this

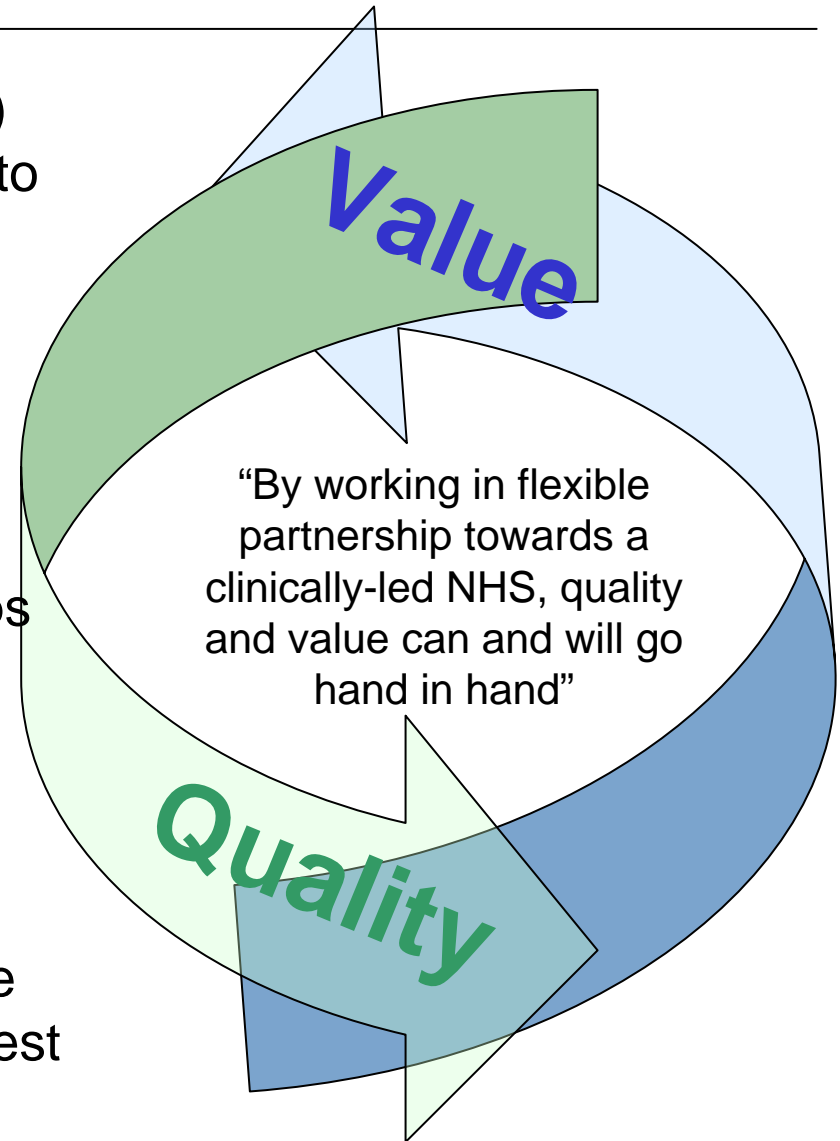
High Quality Care for All commitment

‘we will recognise that the average price does not provide direct incentives to improve quality’

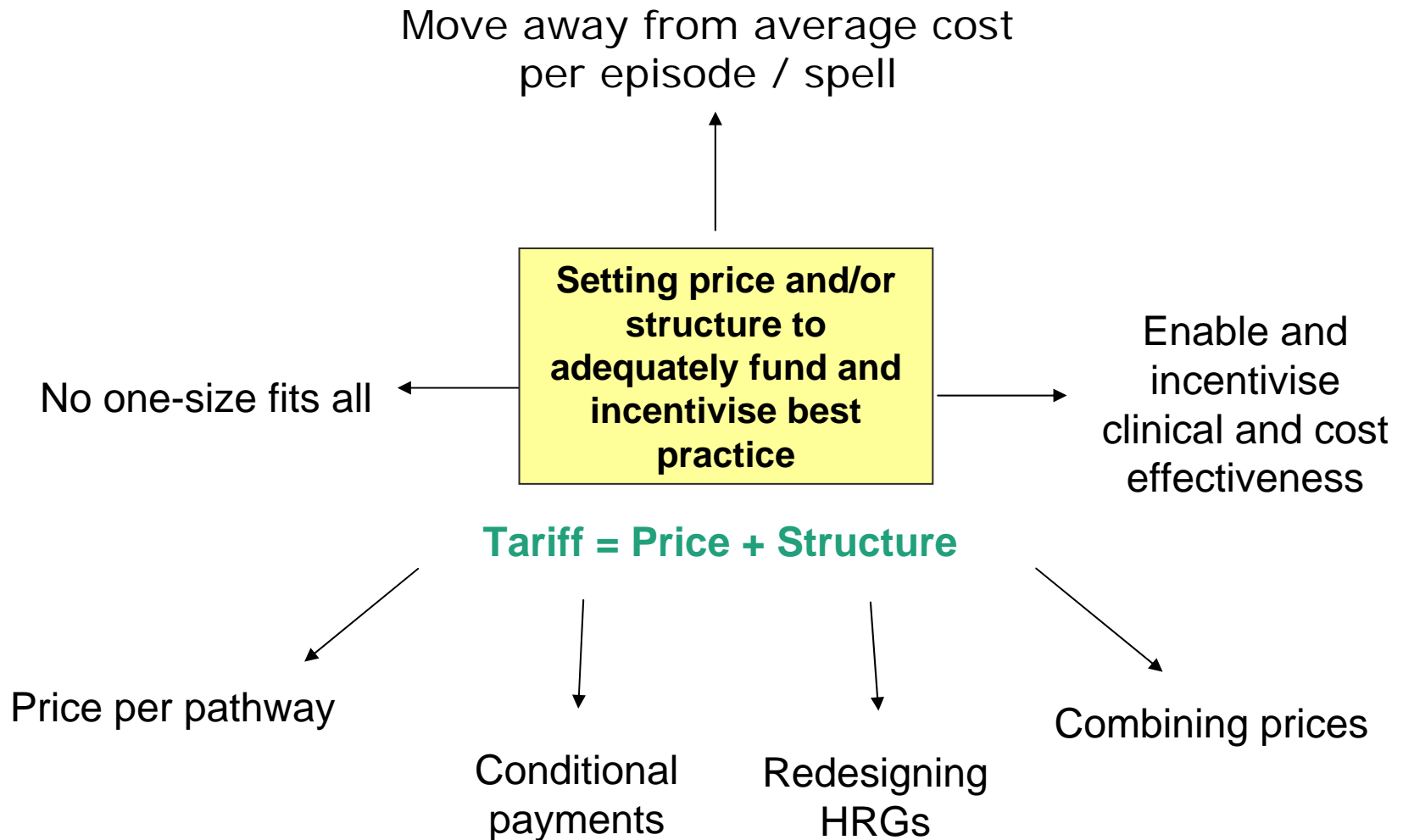
‘best practice prices offer opportunities for discussions around quality, giving more control to commissioners and more incentives to providers’

What are Best Practice Tariffs?

- National Tariffs (System Enabler) priced and/or structured in order to improve 'Quality' and 'Value for Money' for chosen service areas
- Developed with clinical experts, providers, commissioners and other key PbR governance groups
- Focused on service areas characterised by significant unexplained variation in current practice, where an evidence base and clear consensus of clinical best practice constitutes available



What are Best Practice Tariffs?



Why should I adopt Best Practice?

NHS Commissioners

- **Improved health service** for the local population
- Evidence of “**World Class Commissioning**” competencies
- Increased **Value for Money**
- Align with NHS Quality, Intervention, Productivity and Prevention (**QIPP**)
- Care Quality Commission (CQC) ‘Commissioning’ rating
- Reduced tariff prices over time as uptake increases

Why should I adopt Best Practice?

NHS Providers

- **Achievable** i.e. “Best Practice”, tariffs are built on widely accepted clinical evidence
- Improved **quality of service** and **patient experience**
- Quality **recognised** and **rewarded** i.e. financial incentives (in short-term)
- **Clinical** and **Financial engagement**
- Increased ability to **meet longer-term efficiency and quality challenges**
- Care Quality Commission (CQC) ‘Quality of Services’ rating

What, When and How?

- Mandatory Best Practice Tariffs in four service areas in 2010/11:
 - Cholecystectomy (gall bladder removal)
 - Cataract treatment
 - Fragility hip fracture care
 - Acute Stroke care

- Introduced in 2010/11 national tariff

- Three distinct payment models

Three distinct payment models

- Model one – “incentivise day case activity”
 - applied to gall bladder removal (cholecystectomy)
 - recognises current wide variation in practice
 - prices set to incentivise “best practice” i.e. higher day case price

- Model two – “streamlined pathway”
 - applied to cataract treatment
 - encourages increased streamlined pathway
 - reduces payment for “non-best practice” i.e. pathway payment

- Model three – “paying for best practice”
 - applied to stroke and fragility hip fracture care
 - recognises current variation in meeting “best practice”
 - prices set to incentivise “best practice” i.e. additional payments

Best Practice Tariff - *Cholecystectomy*

- **What** - Developed for elective cholecystectomy, to incentivise surgery on a day case laparoscopic basis, where clinically appropriate
- **Why** – To provide a service that is not only more efficient but also provides a better experience for patients
- **How** - The price of laparoscopic daycase procedure is greater than the price of laparoscopic elective procedure within a reduced envelope of funding to reflect higher national daycase rate

Best Practice Tariff - *Cataract treatment*

- **What** - Developed to encourage a streamlined elective cataract pathway where patients are treated in a joined-up and efficient manner
- **Why** - To achieve a patient-centred and efficient pathway
- **How** - A single price to cover the entire pathway so that commissioners only pay for events in the best practice pathway

Best Practice Tariff - *Fragility hip fracture*

- **What** - Developed to encourage prompt surgery and appropriate involvement of geriatric medicine.
- **Why** – Can lead to improved patient outcomes: increased number of independent individuals and reduced mortality; shorter length of stay; and more cost-effective care. Overall, best practice care is cheaper.
- **How** - An additional payment is available if key clinical characteristics of best practice care are met. Lower payment for non-compliance. In future years tariff will reduce to reflect cost of best practice.

Best Practice Tariff - *Acute stroke*

- **What** - Developed to support National Stroke Strategy and NICE Clinical Guideline on best practice assessment and treatment for acute stroke: rapid CT scan and direct admission to and majority of treatment on an acute stroke unit
- **Why** - To confirm diagnosis so that suitable patients can receive the NICE recommended treatment of Alteplase and that all patients can go directly to an acute stroke unit, known to reduce mortality and increase the number of independent and non-institutionalised individuals
- **How** - An additional payment is available if two key clinical characteristics of best practice care are met. Lower payment for non-compliance.

The challenge ahead....

“Not all Best Practice Tariffs are necessarily a cheaper option than the tariff based on average costs. Nor will they be as simple to apply as ordinary tariffs...

...They have all been designed however to ensure that funding, over time, is aligned with patients benefiting from the best quality care, delivered at the right time and in the right place.”

David Flory

Director General, NHS Finance, Performance & Operation

December 2009

Guidance

- Extensive guidance on the new best practice tariffs is contained in section 6 of the *2010/11 PbR Guidance*
- Given that best practice tariffs are a new concept introduced for the first time in 2010/11, we have intentionally provided more detailed guidance than other sections.
- Guidance covers: rationale of the policy, pricing principles, service-specific detail on tariff and implementation and a sign-post to further reading on clinical evidence and useful documents to help organisations change pathways.
- We recommend the guidance as the first port of call for any queries.