

14 August 2020

To:
Regional Directors/Regional Leadership Teams
STP and ICS Leadership Teams
CCGs
Acute and Community Trusts

COVID-19: Update on partnership working with the Independent Sector Providers and the Independent Healthcare Providers Network (IHPN)

Dear Colleague,

We would like to take this opportunity to update you on adjustments to the national arrangements with independent sector (IS) healthcare providers that originally came into effect on [23 March 2020](#).

NHS England and NHS Improvement (NHSE/I), in collaboration with the Independent Healthcare Providers Network (IHPN) and IS providers, have now agreed modifications to the contract terms to ensure access to independent hospital capacity until the longer-term arrangements for the additional capacity the NHS needs, outlined in the [phase 3 letter](#), are procured by October/November. These changes better accommodate the operational requirements of recovering and restoration of elective and cancer care for patients. The longer-term arrangements will be commissioned by call-off contracts at a local level under a national framework agreement. More information about the procurement process will be issued in the week commencing 17th August

The focus of the interim renegotiation was to secure better value for money for taxpayers, migrate most contracts to a mechanism more closely aligned to delivery of activity at volume and to resolve barriers to mobilisation of the use of capacity in the short-term. Changes to arrangements are outlined below:

- Notice was served on several providers to terminate their contracts either as a whole or in respect of specific sites with effect from 7 September. Although the sites affected will no longer be part of the national arrangements, the independent hospitals can still be used via local contracts for NHS activity as needed. NHSE/I regional teams are supporting systems to migrate local contracting arrangements where sites are no longer on the national contract to ensure there is no gap in service provision. Local NHS organisations will be funded for the cost of the local contracts that are needed to replace the national arrangements.
- The expectation of the revised contract is for the NHS to use a designated proportion of capacity in every IS site. For clarity, patients referred directly to the IS providers via the e-Referrals Service, transferred from waiting lists to be treated by the IS and those treated by NHS teams deployed into IS sites are all defined as NHS patients within this capacity allocation. This will release a defined amount of capacity for private patient activity and enable private patients who have been



waiting to receive care and IS providers to offer the NHS a guaranteed minimum private patient cost offset.

- The new position for fees payable to consultants, which has already been implemented with effect from 13 July, is that the rates (per session / procedure or otherwise, as appropriate) are not to exceed the average rates which were paid for the same activity / specialities during 2019/20. This will be verified on an open book basis. Guidance will be circulated on shortly.
- Clauses and guidance regarding expectations of the accommodation of training of NHS clinical trainees in IS facilities have been reinforced within the contracts. This will be followed by additional guidance, drafted by NHS England and NHS Improvement in collaboration with Health Education England (HEE), the Care Quality Commission (CQC), IS partners and other key parties.
- NHS England and NHS Improvement may trigger a return to 'peak surge', securing access to 100% of available IS capacity, staff and facilities to facilitate an expansion of the NHS Covid-19 capacity if required.

Support from central teams

The support offer from central teams remains in place by:

- Making connections to national response COVID-19 cells to ensure that supply and support for IS provider sites feature in their work and that they support your local implementation
- Providing central 'Mobilisation Support Teams' who can deliver good practice advice, specific practical services such as analytics and communications support, and tools used successfully in other locations.

If you have immediate questions about the approach, or would like to specifically engage support for mobilisation, please contact england.IScoordination@nhs.net.

Many thanks for your continued support of the programme.

Yours sincerely,



Neil Permain

Director of NHS Operations and Delivery
NHS England and Improvement