

# NHS Standard Contract 2014/15

Alastair Hill  
David Savage  
Michelle Coleman

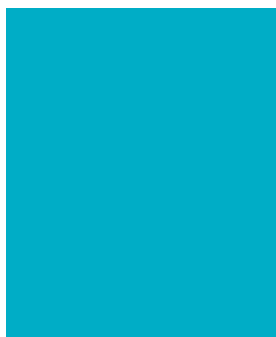
NHS England



Workshops for  
commissioners and  
providers

January 2014

Gateway ref 01057



**THE NHS**  
CONSTITUTION  
the NHS belongs to us all

# Programme for today

Who	What
Alastair	Overview Francis recommendations Quality requirements and sanctions Other key changes
David	Contract duration and extension Payment and audit Contracting models and sub-contracting TUPE and pensions
Michelle	eContract Advice and support
All	Questions

## How did we get here?

- Engagement process (summer 2013)
- Workshops and discussion papers:
  - review of incentives, rewards and sanctions
  - review of NHS Standard Contract
- Draft Contract shared for comment (November 2013)

## What we hope we've achieved

- The right balance between continuity and development
- Changes which respond to what our stakeholders have said they want
- A Contract which is
  - more robust
  - more practical
  - more flexible

## What we hope we've achieved

- A set of business rules which starts to enable innovative, longer-term, outcomes-based commissioning and contracting:
  - flexible contract duration
  - new tariff flexibilities
  - opportunities to flex approach to sanctions and CQUIN
  - innovative contracting models



# What's where?

## Contract

- Three-part structure as before
- Some new schedules and sections

## Draft Technical Guidance

- Executive summary
- General guidance on contracting
- Key topics in the Contract
- Appendices

## The basics

- When do I use the NHS Standard Contract?
  - Primary care / enhanced services / out of hours
  - Grants, funded nursing care, personal health budgets
- Co-ordinated commissioning / Collaborative Agreements
- Signature of contracts and variations

# Francis Report

- NHS Constitution (SC1)
- Lessons Learned (SC3)
- Staffing (GC5)
- Sub-contracting (GC12)
- Suspension (GC16)



# Quality Requirements and sanctions

Feedback from review:

- Some current sanctions are very hard to work (% of Service Line Revenue)
- Some are disproportionate (C diff)
- More flexibility is needed about when sanctions are applied



## A different way of calculating sanctions

Fixed sanction per breach beyond threshold:

- easier to calculate
- more proportionate
- now applies to those Quality Requirements where Service Line Revenue was previously used

## A worked example – 18 weeks admitted

<b>Number of Service Users who started treatment on an admitted RTT pathway in the specialty in the month (under this Contract)</b>	<b>=</b>	<b>1,500</b>
<b>Operating Standard for the proportion treated within 18 weeks (threshold)</b>	<b>=</b>	<b>90%</b>
<b>Permitted number of breaches of the standard in the specialty in the month (under this Contract)</b>	<b>=</b>	<b>150</b>
<b>Actual performance against the Operating Standard in the specialty in the month</b>	<b>=</b>	<b>86%</b>
<b>Actual number of breaches of the standard in the specialty in the month (under this Contract)</b>	<b>=</b>	<b>210</b>
<b>Excess number of breaches in the specialty beyond the tolerance permitted by the threshold (under this Contract)</b>	<b>=</b>	<b>60</b>
<b>Financial sanction per breach</b>	<b>=</b>	<b>£400</b>
<b>Total value of financial sanctions in the specialty in the month (under this Contract)</b>	<b>=</b>	<b>£24,000</b>

## Sanctions – other points

- New Quality Requirements with sanctions (NHS Number, MHMDS, IAPT, VTE)
- C diff
- Never Events
- Cap on the value of sanctions (overall and A&E)
- Apportioning the value of sanctions across contracts and commissioners
- Varying the application of sanctions

# Commissioner Requested Services

- From 1 April 2014, the CRS regime applies to all providers apart from NHS trusts
- Definition of CRS
- Individual commissioners decide
- Default position:
  - FTs – all services are CRS until commissioners decide otherwise
  - Other providers – services are not CRS unless the commissioner decides to designate them

## Commissioner Requested Services

- CRS designation is not a contractual issue, and CRS don't have to be listed in contracts
- Officially, commissioners have until March 2016 to complete the process of review and designation of CRS
- But:
  - It's a good idea to address CRS alongside contract negotiations
  - It's particularly worth being clear about CRS status for non-FT providers by March 2014

# Essential Services

- For NHS trusts, the Essential Services regime continues to apply
- We have now defined Essential Services to mirror Monitor's definition of CRS
- The designation of Essential Services is done once per contract, not by each individual commissioner
- Essential Services are listed in the contract (Schedule 2D)

## Other important issues

- Service Development and Improvement Plan
  - 7 day services
  - high-impact innovations (formerly CQUIN)
- Reporting Requirements
- Sharing data on violent assaults
- Information governance



# Contract duration

- A more flexible approach
- Advantages of longer term contracts
- Advantages of shorter term contracts
- Competitive procurement?
- No fault termination; use of exit arrangements
- Mandatory National Variations: annual policy updates
- Other Variations: annual review of service specs, pricing etc

## Option to extend contract

- May be incorporated in new contracts
- But:
  - only where competitively tendered
  - only as advised in tender documents
- Extension period < 2 years
- Exercisable once only
- By notice > 6 months before Expiry Date
- By all Commissioners, for all Services

## Prices – new National Tariff arrangements

- SC 36, Schedule 3 – revised to reflect new National Tariff and the new flexibilities it allows
- **National Prices:** where NT specifies a price and currency
- May be departed from by:
  - **Local Variation**
    - an agreed adjustment to National Price or currency
    - to support innovation and incentivisation, reflect local factors etc

## Prices – new National Tariff arrangements

### ➤ **Local Modification**

- modification to National Price where delivery is uneconomic at that price
  - agreement subject to Monitor's approval
  - where no agreement, Provider may ask Monitor to determine a LM
- **Local Prices:** where no National Price, or where there is an agreed departure from a national currency

## Prices – new National Tariff arrangements

- Contract reflects NT requirements in relation to the agreement, determination, recording and publication of Local Variations, Local Modifications and Local Prices
- Further information: refer to *2014/15 National Tariff Payment System*, available via Monitor's website

## Payment - reconciliation

- Onus now on Provider to procure reconciliation accounts (see also CQUIN)
- Otherwise no material changes to invoicing and payment

# Audit

- GC 15.6 – 15.12 revised: audits of quality and payment
- Provider: ongoing audit of clinical quality, recording and coding of activity
- Co-ordinating Commissioner: may require independent audit of quality, outcomes, reconciliation, pricing
- Provider to address deficiencies identified
- Sets out consequences in re overcharging, under-charging, mis-recording, mis-coding etc

## Accommodating innovative models

- Continuing commitment to support and enable innovative commissioning
- Flexibilities in pricing, incentives and sanctions
- Ongoing stakeholder engagement



## Accommodating innovative models

- Prime contractor/lead provider
- Integrated pathway hub
- Alliance contracting
  
- Talk to us!
- The right model will be the one best suited to achieve the outcomes you seek, in the context of local circumstances

# Sub-contracting

- Provider remains entirely responsible for delivery
- Right to require removal or replacement of Sub-contractor
- Material Sub-contractors
- Mandatory Material Sub-contractors
- Permitted Material Sub-contractors
- Form of Sub-contracts

## TUPE and New Fair Deal for Staff Pensions

- Transfer of staff from NHS employer to independent sector employer as a result of new contract
- New Treasury guidance: requirement to ensure continuing eligibility for NHS Pensions
- Department of Health guidance to follow
- Some generic provisions included in Contract
- New (optional) Schedule 7 to follow (but subject to further development)
- Tricky area: take legal advice!

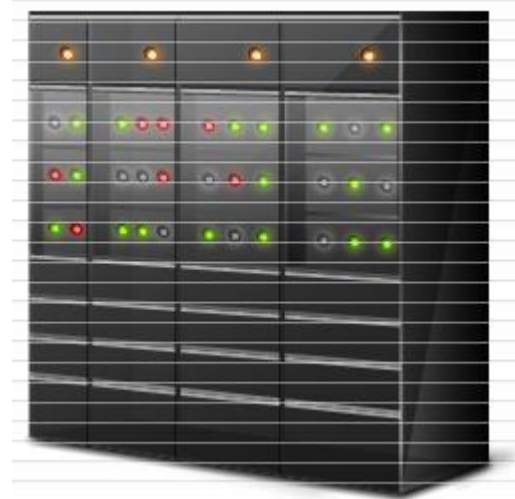
## eContract system

- Secure, auditable, efficient method of creating, issuing and storing contracts
- Shorter, tailored contracts
- Recommended contracting route



## Improvements made

- Improved speed, storage, navigation, commissioner dashboard
- Populating contract is easier
- Site Owners able to manage own permissions
- Templating functionality
- Increased tailoring for eContracts - new service categories, small provider, relevant payment options



# Changed Service Categories

Step 1 - Service Categories

Service Categories (Tick all that apply).

- Accident and Emergency (A+E)
- Acute (A)
- Ambulance (AM)
- Cancer Services (CR)
- Care Home (CH)
- Community Pharmaceutical Service (Ph)
- Community Service (CS)
- Diagnostic, Screening and/or Pathology Services (D)
- Hospice Services (H)
- Mental Health and Learning Disability Services (MH)
- Mental Health Secure Services (MHSS)
- Patient Transport (PT)
- Radiotherapy (R)
- Substance Misuse Services (SM)
- Surgical Services in a Community Setting (S)
- Urgent Care/Walk-in Centre Services/Minor Injuries Unit (U)

Mark this Section as completed.

[Save and move next](#)



Small Provider:

Provider has ODS code?

Select Provider:

Provider Name:

Provider ODS Code:

Address 1:

Address 2:

Address 3:

Address 4:

# Attachments made easy

+ Attach an External Document.

Document URL	Description	Reference
<b>Details for External Document.</b>		
Document URL:	<input type="text"/>	<input type="button" value="Browse..."/>
Document Description:	<input type="text"/>	
Document Reference:	00C-RO-14-00174-SCH7A-001	
<input type="button" value="Insert External Document Details."/>		<input type="button" value="Cancel"/>

All Documents ▾

Name
Section A Particulars - v11 12 12 13 - Section A Particulars - Final 17 12 13.doc
Section B - Service Conditions - v12 12 12 13 - Section B - Service Conditions - Final 17 12 13.doc

# Homepage – [www.econtract.england.nhs.uk](http://www.econtract.england.nhs.uk)

[Home](#) [Guidance](#) [Training](#) [FAQ](#)

## NHS Standard eContract Portal 2014/15



The NHS Standard eContract aims to make contracting and contract management simple and easy.

With pick and mix options, the eContract allows NHS Commissioners to tailor their contracts, enabling the more efficient generation and management of proportionate, appropriate and flexible contracts.

Find everything you need to successfully implement the eContract in my eContracts, [Guidance](#), [Training](#) and [FAQ](#) sections.

### [My eContracts](#)

NHS Commissioners can use this secure My eContracts area to generate, store and manage their contracts

You can create an eContract tailored according to type of eContract, and the service you are commissioning

From your tailored contracts you will be able to issue PDF contracts to Providers, for access in their own secure space

Once a contract is agreed, signed Provider and Commissioner execution pages can be scanned and added to the contract within the system, creating a permanent and easily accessible record of your contract

[NHS Standard Contract eContract update - December 2013](#)



# Timetable for Functionality

## **17th January**

- Create 14/15 eContracts, document libraries

## **31st January**

- 13/14 eContract data migrated to the 2014/15 eContract system
- Templating functionality, commissioner dashboard

## **14th February**

- Issue eContracts
- One login for providers
- Auto populate functionality
- Manage own site permissions

## Access to use the eContract

- Already a user?
  - Your username and password will not change
  - You will be able to access both 13/14 and 14/15 systems with the same details
- New User?

<https://commissioning.supply2health.nhs.uk/econtracts/Pages/default.aspx>

- Click register
- Once your registration has been verified by the Site Owner, you will receive your login details

# Training and Support

- eContract portal - FAQs, training materials
- Webinar training
  - Tuesdays and Thursdays from wc 13 Jan to end Feb
  - Each training session 45 minutes and subject specific
  - Session size small to allow time for questions
  - Ask that all attendees cascade training / training materials to colleagues within your organisation



## Support available

NHS Standard Contract website and helpline:

<http://www.england.nhs.uk/nhs-standard-contract/nhscb.contractshelp@nhs.net>

E-contract website and helpline:

<http://www.econtract.england.nhs.uk>  
[england.econtracthelp@nhs.net](mailto:england.econtracthelp@nhs.net)

## Look out on our websites for

- Programme of eContract training webinars
- Revised Collaborative Commissioning Agreement
- National Variation templates for contracts not expiring
- Schedule 7 (Pensions)
- Final version of the Technical Guidance
- Updated CQUIN Guidance and templates
- Delta View comparison documents
- HSCIC - monthly SUS timetable

## Where next?

What do we need to do for 2015/16 onwards?

We welcome your thoughts

Tell us how you get on in practice

[england.contractsengagement@nhs.net](mailto:england.contractsengagement@nhs.net)



Over to you – any questions?