Commissioning for Quality and Innovation (CQUIN)

NHS England

Guidance for 2017-2019

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Contents

1.0 Introduction

This document updates the Commissioning for Quality and Innovation (CQUIN) scheme for 2017 – 2019.

The CQUIN scheme is being updated to clarify year 2 changes to thresholds where appropriate and to ensure that the scheme aligns with our commitment to support local areas on activities that will contribute to developing integrated care systems.

The focus of the CQUIN scheme remains the same as last year in that it is intended to deliver clinical quality improvements and drive transformational change. The scheme has been updated to reflect the ambitions of the Five Year Forward View Next Steps, the NHS Mandate and the Planning Guidance.

There are two parts to the scheme:

1. **Clinical quality and transformational indicators - 13 indicators have been defined which aim to improve quality and outcomes for patients including reducing health inequalities, encourage collaboration across different providers and improve the working lives of NHS staff.**

2. **Supporting local areas - a proportion of the CQUIN funding has been earmarked to support the development of Sustainability and Transformation Partnerships (STPs) and Integrated Care Systems (ICSs) – reinforcing the critical role local partners have to deliver system wide objectives.**

2.0 Clinical quality and transformational indicators

The national indicators are:

1. Improving Staff Health and Wellbeing	6. Offering Advice and Guidance	11. Personalised care and support planning
2. Reducing the impact of serious infections (Antimicrobial resistance and Sepsis)	7. e-Referrals [Only for 17/18]	12. Ambulance conveyance
3. Improving physical healthcare to reduce premature mortality in people with serious mental illness (PSMI)	8. Supporting proactive and safe discharge	13. NHS 111 referrals
4. Improving services for people with mental health needs who present to A&E	9. Preventing ill health by risky behaviours – alcohol and tobacco	
5. Transitions out of Children and Young People's Mental Health Services	10. Improving the assessment of wounds	

The CQUIN indicators focus on:

- **improving the health of our staff (1);**
- **reducing serious infections (2);**
- **improving the outcomes and experience of patients with mental health needs (3,4 and 5);**
- **enabling GPs to have better access to consultants to determine the best course of action for their patients and make it easier for GPs to access appointments for their patients (6 and 7);**
- **improving patient experience from hospital to care home (8);**
- **patients accessing advice and referral to services to prevent ill health related to tobacco and alcohol (9);**
- **community services placing a greater emphasis on wound care leading to better patient and system outcomes (10);**
- **empowering staff to help patients take more control of their own existing long term conditions (11); and**
- **supporting patients to move through the urgent care services in a way that meets their clinical needs (12 and 13).**

2.1 Clinical quality and transformational indicators Goals

This section gives an overview of each of the indicators. The indicator specifications can be found here.

1. Improving staff health and wellbeing	**Goal:** Improve the support available to NHS Staff to help promote their health and wellbeing in order for them to remain healthy and well.
2. Reducing the impact of serious infections	**Goal:** Timely identification and treatment for sepsis and a reduction of clinically inappropriate antibiotic prescription and consumption.
3. Improving physical healthcare to reduce premature mortality in people with serious mental illness (PSMI)	**Goal:** Assessment and early interventions offered on lifestyle factors for people admitted with serious mental illness (SMI).
4. Improving services for people with mental health needs who present to A&E	**Goal:** Ensuring that people presenting at A&E with mental health needs have these met more effectively through an improved, integrated service, reducing their future attendances at A&E.
5. Transitions out of Children and Young People's Mental Health Services	**Goal:** To improve the experience and outcomes for young people as they transition out of Children and Young People's Mental Health Services.
6. Offering Advice and Guidance	**Goal:** Improve GP access to consultant advice prior to referring patients in to secondary care.

2.1 Clinical quality and transformational indicators Goals

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7. e-Referrals	**Goal:** All providers publish all of their services and make all first outpatient appointment slots available on e-Referral service by 31 March 2018.
8. Supporting proactive and safe discharge	**Goal:** Improving experience of patients discharged from hospital to care home and facilitating use of technology.
9. Preventing ill health by risky behaviours – alcohol and tobacco	**Goal:** To support people to change their behaviour to reduce the risk to their health from alcohol and tobacco.
10. Improving the assessment of wounds	**Goal:** To increase the number of full wound assessments for wounds which have failed to heal after 4 weeks.
11. Personalised care and support planning	**Goal:** To identify the groups of patients who would benefit most from the delivery of personalised care and support planning and provide this support to them.
12. Ambulance conveyance	**Goal:** To support the ambulance service in becoming a community-based provider of mobile urgent and emergency healthcare.
13. NHS 111 referrals	**Goal:** To Increase the proportion of NHS 111 referrals to services other than to the ambulance service or A&E.

3.0 Supporting local areas

It should be noted that the following arrangements are not applicable to contracts where NHS England is the sole commissioner or to the element of other contracts attributable to services commissioned by NHS England.

The CQUIN scheme has shifted focus from local CQUIN indicators to prioritising the objectives of STPs and ICSs. It is anticipated that this approach will free up commissioner and provider time and resource to focus on delivering critical priorities locally.

In 17/18 0.5% of the scheme was made available to support engagement with STPs on the basis of the following criteria:

- **If the STP plan has been agreed through STP governance and agreed by the individual Board of every other organisation in the STP, the provider's board must have approved the plan. Where the STP has not been agreed through STP governance and individual boards, the provider (and all other organisations) must agree a plan to reach timely agreement on the STP.**

- **If in 17/18 the provider makes the required contribution to STP transformation initiatives and demonstrates to the STP governance arrangements how it is supporting and engaging in the local STP initiatives, the 0.5% for 2018/19 will be paid.**

3.0 Supporting local areas

In 18/19 for acute providers, the local element of the scheme is worth 1.25%. For all other providers it is 1%. This change has been made by removing the CQUIN risk reserve and including the quantum within the local element. For acute providers specifically, the local element will also include the weighting created by the suspension of the proactive and safe discharge indicator, raising it from 1% to 1.25%. The amount will be made available to a provider where it has:

- **Made the required contribution to STP/ ICS transformation initiatives and demonstrates to the STP / ICS governance arrangements how it is supporting and engaging in the local STP initiatives.**
- **Entered into discussions with the STP/ ICS on activities that will support the wider aim of integrated care. The principle here is that providers should *engage* in local integration activities, such as (but not restricted to) those set out in the recent planning guidance, including:**
    - **Developing a local incentive scheme to reinvest savings from acute excess bed day costs to expand community and intermediate care services;**
    - **Working to reduce the inappropriate hospitalisation of people with learning disabilities; or**
    - **Developing services that focus on integrated care management of patients' physical and mental healthcare needs.**

Local systems are also encouraged to:

- **consider local payment reform, in particular to complement the introduction of 'advice and guidance' services;**
- **introduce appropriate local tariffs for emergency ambulatory care where they have not already done so, to replace the current A&E and non-elective tariffs for appropriate conditions**

Providers are not expected to incur any incremental costs to implement this CQUIN requirement. The criteria above require participation in existing processes and should not be used to introduce new requirements or costs to providers.

4.0 Scheme Eligibility and Value

4.1 Eligibility

Any provider of healthcare services commissioned under an NHS Standard Contract (full-length or shorter-form version) is eligible for CQUIN. This is inclusive of the independent sector e.g. care homes and the third sector.

4.2 Scheme values

Depending on provider performance, the CQUIN scheme is worth a maximum of 2.5%, payable in addition to the Actual Annual Value (AAV). The AAV is the aggregate of all payments made to the provider for services delivered under the specific contract during the contract year, not including CQUIN and other incentive payments, and after any deductions or withholdings), subject to certain exclusions (see section 5.1 Rules).

The 2.5% payable depending on performance is split as follows:

- **Up to 1.5% of the scheme is assigned to the clinical and transformational indicators. Each national indicator has a minimum weighting of 0.25%, with the exception of:**
  - **community providers for whom the weighting is a minimum of 0.3%, unless they choose to include a local CQUIN indicator (with their CCG's agreement) in which case it remains a minimum of 0.25%.**
  - **providers who deliver more than one type of service e.g. acute and community services will be expected to use the overall contract value with the default being that each indicator is evenly weighted and that, by mutual agreement, the commissioner and provider can agree to vary the weightings locally (but coming back to 1.5% across the applicable national indicators). Where an indicator applies across different services e.g. staff health and well being this should be given a total minimum weighting of 0.25%.**
  - **providers (typically smaller, non-NHS) to whom some of the national indicators don't readily apply in those cases, CCGs should offer additional local CQUIN indicators (an appropriate number and complexity, proportionate to the scale of the contract).**
- **Up to 1.25% of the scheme is assigned to support local areas, the details of which are set out in section 3.0.**

It should be noted that for the independent and third sector organisations the full 2.5% will be available for local CQUINs or as per the guidance set out for small value contracts.

4.0 Scheme eligibility and value

4.3 Application of indicators by provider type

The indicators in this scheme have been designed to operate across specific provider types. Figure 1 below sets out the indicators that apply to the different provider types. Providers will be expected to deliver all the national indicators that apply but where local CQUIN indicators can be agreed, CCGs should offer an appropriate number and in proportion to the scale of the contract.

Figure 1: Application of indicators by provider type

Acute	Community	Mental Health	Ambulance	NHS 111	Integrated care	Care Homes	Non-NHS
NHS Staff Health and Wellbeing	NHS Staff Health and Wellbeing	NHS Staff Health and Wellbeing	NHS Staff Health and Wellbeing	NHS Staff Health and Wellbeing	NHS Staff Health and Wellbeing	Proactive and Safe Discharge **[updated]**	Locally devised indicators as required
Reducing the impact of serious infections	Wound Care	Child and Young Person MH Transition	Ambulance Conveyance	111 referrals to A&E and 999	+ relevant indicators from acute, community and mental health categories	+ locally devised indicators as required	
Improving services for people with mental health needs who present to A&E	Physical Health for people with Severe Mental Illness	Physical Health for people with Severe Mental Illness	+ locally devised indicators if required	+ locally devised indicators if required			
e-Referrals (Year 2017/18 only) Preventing ill health by risky behaviours (2018/19 only)	Preventing ill health by risky behaviours – alcohol and tobacco	Improving services for people with mental health needs who present to A&E					
Offering Advice and Guidance	Personalised Care / support planning	Preventing ill health by risky behaviours – alcohol and tobacco					
Proactive and safe discharge **[suspended for 18/19]**	Proactive and safe discharge – suspended for 18/19	+ locally devised indicators if required					

5.0 Rules and Guidance - Agreeing and Implementing a CQUIN Scheme

5.1 Rules

This guidance applies to commissioners and providers using the NHS Standard Contract in 2017 – 2019. The national indicators are not mandatory for inclusion in CQUIN schemes in contracts where NHS England is the sole commissioner. NHS England will separately publish specific indicators for use in its contracts for directly-commissioned services. Our intention is to make challenging but realistic CQUIN schemes available for providers; we expect that a high proportion of commissioner CQUIN funding will be earned. The following established rules (1-11) should govern the approach to establishing the CQUIN scheme locally:

Rule	Detail
1	A scheme must be offered to each provider which provides healthcare services under the NHS Standard Contract (but see notes on non-contract activity (section 5.8, pg. 14) and low-value contracts (section 5.6, pg. 14).
2	There should be one scheme per contract, offered by the co-ordinating commissioner to the provider. (See note on arrangements for agreeing schemes among the commissioners who are party to a contract (section 5.2, pg. 12).
3	The commissioner may offer a combined scheme to a number of related providers or may seek to align the content of separate schemes across different providers.
4	The maximum value of the scheme – the maximum amount which a provider can earn under it – will be 2.5% of the Actual Annual Value of the contract as defined in the NHS Standard Contract 2017/19, subject to certain exclusions, see rule 5.
5	The exclusions, on the value of which CQUIN is not payable, are: a) (For the avoidance of doubt) any payments made to providers from the Sustainability and Transformation fund; b) High cost drugs, devices and listed procedures (available at: https://www.improvement.nhs.uk/resources/national-tariff-1719-consultation/#respond) and all other items for which the commissioner make payment on a “pass-through” basis to the provider (that is, where the commissioner simply meets the actual cost to the provider of a specific drug or product, for example); and c) The value of all services delivered by the provider under the relevant contract to Chargeable Overseas Visitors (as defined in the NHS Standard Contract), regardless of any contribution on account paid by any commissioner in respect of those services. However, services delivered to any Chargeable Overseas Visitor is still contract activity under that contract, and so must be included in calculations in relation to national or local CQUIN indicators.

5.0 Rules and Guidance - Agreeing and Implementing a CQUIN Scheme

5.1 Rules continued…

Rule	Detail
6	Funding paid to providers under the scheme is non-recurrent.
7	Discussion between the commissioner and provider (or groups of providers) on the content of each scheme is encouraged, but in the end it is for the commissioner to determine, within the framework of this guidance, the priorities and focus for each scheme.
8	The scheme offered to each provider must be in accordance with this guidance and must give the provider a realistic expectation of earning a high proportion of the 2.5% available. Further detail on the process for proposal and agreement of schemes is set out in section 5.2 – 5.10.
9	Each scheme must be recorded in the Schedule 4D of the local contract (which will be in the form of the NHS Standard Contract). Contracts must set out clearly the proportion of payment associated with each scheme indicator and the basis upon which payment will be made. A spreadsheet to capture the agreed indicator set is available here.
10	Actual in-year payment to the provider must be based on the provider's achievement of the agreed objectives within the scheme, in line with the detailed arrangements set out in this guidance and in the NHS Standard Contract.
11	Any disputes about schemes which have been agreed and recorded within contracts should be resolved in accordance with the dispute resolution mechanism set out in the NHS Standard Contract. Our expectation is that the changes announced in the 18/19 CQUIN update will be accommodated through contract variations.

5.0 Rules and Guidance - Agreeing and Implementing a CQUIN Scheme

5.2 Agreement between commissioners

Where multiple commissioners are proposing to be party to the same contract with a provider, they must identify one of them to act as co-ordinating commissioner and put in place a Collaborative Commissioning Agreement (http://www.england.nhs.uk/nhs-standard-contract/). This Agreement can be used to describe the governance arrangements; how the co-ordinating commissioner will consult and engage with other commissioners to determine the proposed content of the CQUIN scheme to be offered to the provider.

5.3 Updating CQUIN schemes in multi-year contracts for 2018/19

In most cases, two-year contracts are now in place between commissioners and providers, covering 2017/18 and 2018/19. We anticipate that commissioners and providers will need to agree local Variations to these contracts to update certain aspects for the second contract year, 2018/19. The terms of the NHS Standard Contract are clear that any CQUIN scheme must be in accordance with national CQUIN guidance. On that basis, we expect that commissioners and providers will agree appropriate changes to the CQUIN schedules in their local contracts to reflect this updated National CQUIN guidance and will implement those changes, by 31 March 2018, as part of a wider Variation to their contracts. Updating of CQUIN schemes to reflect this national guidance should be straightforward and should not lead to disputes.

5.4 Offer and agreement between commissioners and providers (new contracts)

There will still be some instances where commissioners and providers are intending to agree a new contract to take effect on 1 April 2018. Where this is the case, then – in line with rule 7 – it is important to be clear about how they should engage on any content of the 2018/19 CQUIN scheme which is to be locally agreed – and what happens if they are unable to reach agreement:

- **Commissioners will wish to engage with providers, or groups of similar providers, at the earliest opportunity, in order to discuss proposals for CQUIN schemes.**

5.0 Rules and Guidance - Agreeing and Implementing a CQUIN Scheme

5.4 Offer and agreement between commissioners and providers (new contracts) cont…

- **Where multiple commissioners are party to the same contract with a provider, it is for the co-ordinating commissioner to lead the discussions with the provider on CQUIN.**
- **The commissioner must make a reasonable offer of a CQUIN scheme to the provider, in line with the requirements of this guidance, by 2 March 2018.**
- **Ultimately, where the commissioner has made such an offer and the provider has not accepted it as part of a signed contract by 23 March 2018, the commissioner will be entitled to withdraw the offer of local CQUIN indicators from the 1.5% available and need not make available local CQUIN indicators to that provider for the remainder of that contract year, even if a contract is subsequently signed. In this scenario, the commissioner should ensure that it reduces accordingly any CQUIN payments it makes on account to the provider.**
- **For the avoidance of doubt, the agreed scheme should be recorded in section 4D of the NHS Standard Contract.**

5.5 Independent and third sector providers

The CQUIN scheme has been designed to be offered to the full range of providers that deliver services under the NHS Standard Contract. Where national indicators apply e.g. proactive and safe discharge for Care Home providers, commissioners should aim to ensure scheme compliance by locally contracting for these. Commissioners must explicitly offer the CQUIN to all independent and third sector providers unless they have decided to apply the small value contracts exemption (5.6) The explicit offer of CQUIN also applies to providers commissioned under the NHS Standard Contract on the Any Qualified Provider framework.

5.0 Rules and Guidance - Agreeing and Implementing a CQUIN Scheme

5.6 Small-Value Contracts

Providers should have the opportunity to earn CQUIN payments, regardless of how small the value of their contract is. We recognise, however, that it may not always be a good use of time for commissioners and providers to develop and agree detailed schemes for very low-value contracts. At their sole discretion, therefore, commissioners may choose simply to pay 2.5% value to providers where this value would be non-material, rather than develop a specific scheme. Where they intend to do this, they must make it clear at the outset of their procurement or contract negotiation process, so that providers understand that a separate CQUIN scheme is not to be offered. Within their contracts, they should then:

- **note within the CQUIN Schedule (4D) that this is the approach being taken; and**
- **ensure that the Local Prices (Schedule 3A) and the Expected Annual Contract Value (Schedule 3F) are expressed at full value (that is, including any value which would otherwise have been paid as CQUIN).**

5.7 Joint Commissioning

Where NHS and Local Authority commissioners are jointly commissioning services under the NHS Contract for example care homes but not pooling funds, CQUIN only applies to that healthcare funding part. Local Authority commissioners could choose to match funding to the CQUIN equivalent but this is for local determination.

5.8 CQUIN and Non-Contract Activity

Non-Contract Activity (NCA) billing arrangements are not intended as a routine alternative to formal contracting, but for use where there are small, unpredictable flows of patient activity delivered by a provider which is geographically distant from the commissioner.

As a general principle, CQUIN payments may be earned by a provider on NCA. Subject to the restrictions below, the terms of a provider's CQUIN scheme with its main commissioner for the relevant service will be deemed to apply to any NCA activity it carries out in that service. Providers will need to supply reasonable evidence to NCA commissioners of that scheme and of achievement of incentive goals.

5.0 Rules and Guidance - Agreeing and Implementing a CQUIN Scheme

5.9 Local Incentive Schemes and Services Covered by Local Prices

It is of course possible for commissioners, at their discretion, to offer additional incentives to providers, on top of the main national scheme.

Such schemes should be recorded as Local Incentive Schemes in the relevant schedule of the NHS Standard Contract. If local incentives affect services covered by National Prices, commissioners may need to submit a Local Variation to Monitor, as outlined in the National Tariff Payment System 2017 - 2019.

We recognise that, particularly where a competitive procurement approach is being used, commissioners may choose, as an explicit part of setting a local price for a contract, to create a broader local incentive scheme, incorporating the national CQUIN scheme but linking a higher proportion of contract value (above the 2.5% envisaged) to agreed quality and outcome measures, rather than activity levels. This is a legitimate approach, and there is no requirement in this situation for the commissioner to offer a further 2.5% CQUIN scheme to the provider, on top of the agreed local price. Commissioners should ensure that they make their intended approach clear from the outset of the procurement process.

5.10 CQUIN Earn-ability

In line with our policy intent that CQUIN is 'realistically earnable', NHS England and NHS Improvement will be trialling a new finance return to confirm whether CQUIN awards have been earned during the year. Providers and Commissioners will be expected to comply with the requirements of that return. More information will be shared on this in due course.

5.0 Rules and Guidance - Agreeing and Implementing a CQUIN Scheme

5.11 Differential CQUIN for Specialised Services

The value of the national CQUIN scheme is set at 2.5% for all commissioned services, other than for prescribed specialised services commissioned by NHS England.

In 2018/19, as part of the two year 2017/19 contract, there continues to be a differential approach to the percentage allocated to CQUINs for specialised services.

- **The 23 lead providers of Hepatitis C virus (HCV) Operational Delivery Networks are contracted for a CQUIN of 2.8% in total of the applicable contract value of their specialised services (this reflects the significant role that lead providers of HCV ODNs will play in the effective rollout and financial stewardship of the NHS's single largest investment in improving patient care).**
- **The remaining acute providers of specialised services are contracted for a CQUIN of 2.0% of the applicable contract value of their specialised services.**
- **Mental Health providers are contracted for a CQUIN at 2.5% as the NHS works to take forward the findings of the independent Mental Health Taskforce.**

As in previous years NHS England will continue to provide separate funding in 2018/19 for the existing Operational Delivery Networks that support the delivery of commissioned specialised services e.g. neonatal, burns and critical care services.

For further details please refer to the prescribed services specialised CQUIN scheme available here