

## 2017/19 National Tariff Payment System: glossary

Term	Description
2012 Act	The Health and Social Care Act 2012
Admitted patient care (APC)	A hospital's activity (patient treatment) after a patient has been admitted.
Allied Health Professionals (AHP)	Registered healthcare practitioners who deliver diagnostic, therapies and other types of care.
Average length of stay (av LOS)	The number of days a patient is in hospital, from admission to discharge. Average length of stay describes the average stay for a group of patients at a provider or for all patients within an HRG.
Best practice tariffs (BPTs)	Tariffs designed to encourage providers to deliver best practice care and reduce variation in the quality. Different BPTs with different types of incentives cover a range of treatments and types of care.
British Association of Day Surgery (BADs)	An organisation that promotes the provision of quality care in day surgery and encourages providers to manage most of their elective patients with stays of under 72 hours.
Capitation	Capitated payment is where a provider or a group of providers are paid to cover a range of care for a identified population, made on a per person basis and adjusted to reflect the different needs
Care clusters	National currencies that group patients of mental health services according to common characteristics, such as level of need and resources required.
Casemix	A way of describing and classifying healthcare activity. Patients are grouped according to their diagnoses and the interventions carried out.
NHS e-Referral Service	The national electronic referral service which gives patients a choice of place, date and time for their first outpatient appointment in a hospital or clinic.
Classification	Clinical classification systems are used to describe information from patient records using standardised definitions and naming conventions. This is required for creating clinical data in a format suitable for statistical and other analytical purposes such as epidemiology, benchmarking and costing.
Clinical Negligence Scheme for Trusts (CNST)	This scheme, administered by the NHS Litigation Authority, provides an indemnity to members and their employees for clinical negligence claims. It is funded by contributions from member trusts. In the method for calculating national prices, cost increases associated with CNST payments are targeted at certain prices to take account of cost pressures



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	arising from these contributions.
Commissioning dataset (CDS)	Information on care provided for all NHS patients by providers, including independent providers.
Commissioning for Quality and Innovation (CQUIN)	A national framework for locally agreed quality improvement schemes. It allows commissioners to reward excellence by linking a proportion of payment for services provided to the achievement of quality improvement goals.
Cost uplift factor	An adjustment to prices that reflects expectations of the cost pressures providers will face, on average, in a given year.
Currency	A unit of healthcare activity such as spell, episode or attendance. A currency is the unit of measurement for which a price is paid.
Enhanced Tariff Option (ETO)	A package of local variations to national prices adopted by 88% of commissioners and providers in 2015/16.
Episode of care	An episodic payment approach is the payment of an agreed price for all the healthcare provided to a patient during an agreed time period – the episode.
Excess bed day payment	Extra reimbursement for patients who for clinical reasons remain in hospital beyond an expected length of stay (also sometimes referred to as a long-stay payment).
Finished consultant episode (FCE)	A completed period of care for a patient requiring a hospital bed, under the care of one consultant within one provider. If a patient is transferred from one consultant to another, even within the same provider, the episode ends and another begins.
Grouper	Software created by the NHS Digital, which classifies diagnosis and procedure information from patient records into clinically meaningful groups. The outputs from the grouper are used as currencies for costing and pricing.
Healthcare resource groups (HRGs)	Groupings of clinically similar treatments that use similar levels of healthcare resource. HRG4 is the current version of the system in use for payment. HRGs are used as the basis for many of the currencies. HRG4+ is the proposed version for 2017/19
Hospital Episode Statistics (HES)	A data warehouse containing details of all admissions, outpatient appointments and A&E attendances at NHS hospitals in England. This data is collected during a patient's treatment at a hospital to enable hospitals to be paid for the care they deliver. HES data are designed to enable secondary



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	use for non-clinical purposes.
Improved Access to Psychological Therapies (IAPT)	The IAPT programme supports the frontline NHS in implementing National Institute for Health and Clinical Excellence guidelines for people suffering from depression and anxiety disorders.
Indexation	In the context of setting national prices using a model based on reference costs, indexation refers to adjustments made to modelled prices to reflect increases or achievable reductions in efficient costs of providing NHS healthcare services for the years between when the relevant reference costs were collected and the tariff year.
Integrated care	Defined by the World Health Organization as bringing together inputs, delivery, management and organisation of services related to diagnosis, treatment, care, rehabilitation and health promotion. Integration is a means to improve services in relation to access, quality, user satisfaction and efficiency.
International Classification of Disease (ICD10)	The ICD is a medical classification list produced by the World Health Organisation. It codes for diseases, signs and symptoms and is regularly updated.
Joint Advisory Group (JAG)	A clinical organisation whose core objectives are to: agree and set acceptable standards for competence in endoscopic procedures; quality assure endoscopy units; quality assure endoscopy training; and to quality assure endoscopy services.
Local modifications	A modification to the price for a service determined in accordance with the national tariff where provision of the service at the nationally determined price is uneconomic (as provided for in sections 124 to 126 of the 2012 Act). The modification is intended to ensure that healthcare services can be delivered where required by commissioners, even if the cost of providing them is higher than the nationally determined prices.
Local prices	For many NHS services, there are no national prices. Some of these services have currencies specified in the national tariff, but others do not. In both instances commissioners and providers must work together to set prices for these services. The 2012 Act provides that Monitor may set rules for local price setting.
Local variations	Local variations can be used by commissioners and providers to agree adjustments to national prices, or the currencies for determining national prices, particularly where it is in the best interests of patients to support a different mix of services or delivery



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	model. This includes cases where services are bundled, care is delivered in new settings or there is use of innovative clinical practices to change the allocation of financial risk.
Locally determined prices/ local payment arrangements	Many prices, or variations to prices, for NHS healthcare services are agreed locally (ie between commissioner(s) and the provider(s) of a service) rather than determined nationally by the national tariff. We refer to arrangements for agreeing prices and service designs locally as 'local payment arrangements'. There are three types of local payment arrangements: local modifications to a national price; local variations to a national price or a currency for a service with a national price; and local prices (sometimes based on nationally specified currencies).
Market forces factor (MFF)	An index used in tariff payment and commissioner allocations to estimate the unavoidable regional cost differences of providing healthcare.
Mental Health Services Dataset (MHSDS)	MHSDS Information Standard is the specification of a patient-level data-extraction (output) standard intended for mental health service providers in England. This includes both NHS and independent providers.
National Heart Failure Audit	The National Heart Failure Audit was established in 2007 to monitor the care and treatment of patients in England and Wales with acute heart failure. The audit reports on all patients discharged from hospital with a primary diagnosis of heart failure, publishing analysis on patient outcomes and clinical practice.
National Joint Registry (NJR)	NJR collects information on all hip, knee, ankle, elbow and shoulder replacement operations and monitors the performance of joint replacement implants.
National tariff (National Tariff Payment System)	The document published by Monitor under s116 of the 2012 Act. It specifies national prices for specified healthcare services, national variations, and rules, principles and methods for local payment arrangements. Where it is used in conjunction with a particular year the acronym NTPS will be used, eg 2014/15 NTPS.
NHS Litigation Authority	The NHSLA manages negligence and other claims against the NHS in England on behalf of their member organisations.
NHS Mandate	Sets out the government's objectives for NHS England, as well as its budget.



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NHS standard contract	The contract published by NHS England and mandated for use when commissioning NHS healthcare services (other than those commissioned under primary care contracts). It is adaptable for use for a broad range of services and delivery models, and is available in both full-length and shorter-form versions on the NHS standard contract web page. Versions of the contract suitable for use when commissioning new care models will also be available shortly.
Pathway payments (eg maternity pathway payment)	Single payments that cover a bundle of services that may be provided by a number of providers covering a whole pathway of care for a patient.
Patient Level Information and Costing Systems (PLICS)	Systems that support the collection and recording of patient level costs.
Patient Reported Outcome Measures (PROMS)	These allow the NHS to measure and improve the quality of treatments and care that patients receive. Patients are asked about their health and quality of life before they have an operation, and about their health and effectiveness of the operation afterwards.
Payment by Results (PbR)	An approach to paying providers on the basis of activity undertaken, in accordance with a national tariff. The term is often used to refer to the tariff published by the Department of Health before 2014/15.
Personal health budget (PHB)	An amount of money to support a person's identified health and wellbeing needs, planned and agreed between the person and their local NHS team.
Prescribed Specialised Services (PSS)	Specialised health services commissioned directly by NHS England under regulations made under section 3B(1)(d) of the National Health Service Act 2006.
Quality, Innovation, Productivity and Prevention (QIPP)	The QIPP programme is a large scale programme developed by the Department of Health to drive forward quality improvements in NHS care at the same time as making significant efficiency savings.
Reference costs	The detailed costs to the NHS of providing services in a given financial year which are collected in accordance with national guidance. NHS healthcare providers are required to submit reference costs data to the Department of Health. The costs are collected and published on an annual basis.
Reference cost design	The currencies according to which reference costs are reported.



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Secondary Uses Service (SUS)	A single comprehensive repository for healthcare data in England which enables a range of reporting and analyses to support the delivery of NHS healthcare services.
Short stay emergency tariff (SSEM)	Mechanism for ensuring appropriate reimbursement for lengths of stay of less than two days, where the average HRG length of stay is longer.
Spell	The period from the date that a patient is admitted into hospital until the date they are discharged, which may contain one or more episodes of treatment.
Treatment function code (TFC)	Outpatient attendance national prices are based on TFCs. Main specialty codes represent the specialty within which a consultant is recognised or contracted to the organisation. Outpatient activity is generally organised around clinics based on TFC specialties and they are used to report outpatient activity.
Trend efficiency	Trend efficiency is the average sector-wide efficiency gain we observe over time
Trim point	For each HRG, the trim point is calculated as the upper quartile length of stay for that HRG plus 1.5 times the inter-quartile range of length of stay. After the spell of treatment exceeds this number of days, a provider will receive payment for each additional day the patient remains in hospital. This is referred to as an excess bed day payment or a long stay payment.
UK specialist Rehabilitation Outcomes Collaborative (UKROC) database	Set up through a DH National Institute for Health Research Programme Grant to develop a national database for collating case episodes for inpatient rehabilitation.