

Changes to the 2023/25 NHS Payment Scheme following consultation

NHS England, 30 March 2023

Following the consultation on the proposals for the 2023/25 NHS Payment Scheme (NHSPS), NHS England carefully considered the feedback received. This document gives details of the corrections, clarifications and changes that have been made for the final NHSPS. There have also been minor editorial changes to improve clarity, consistency and accuracy. For more information, please contact pricing@england.nhs.uk.

Please note: The pay cost estimates used to set the NHSPS cost uplift factor for 2023/24 do not reflect final pay arrangements for 2023/24, which have not yet been agreed.

Changes to NHSPS prices

One of the proposals consulted on was to update the data used to calculate market forces factor (MFF) values. The resulting MFF values covered a narrower range than the MFF values in 2022/23, reducing the amount of money that would be distributed by MFF (assuming prices were used for all activity). Mistakenly, the difference between the amount distributed through MFF was not included in the 2023/24 prices consulted on. However, this has been added for the final NHSPS, with a 0.52% uplift applied to all prices (although, as prices are rounded to the nearest £, the impact on some prices is slightly different).

The revised prices will be used for all elective activity. For NHS providers, under the aligned payment and incentive payment mechanism, the value of elective activity (calculated using the final NHS Payment Scheme prices) will be deducted from the initial fixed element, and then earned back for each unit of elective activity delivered. This means that providers delivering their target level of activity would receive the same amount as under the consultation prices; those delivering less activity will receive slightly less money; those delivering more activity will receive slightly more money. Non-NHS providers would be paid the final NHS Payment Scheme prices, with an expected impact of around £8.8m.

In addition, the LVA payment schedules included in the consultation have been updated to include additional allocation funding, partly to reflect COVID-19 funding being included in allocations on a population basis and partly to support underlying capacity recovery. The updated LVA values were included in the 2023/24 planning templates and are published in Annex A of the final NHSPS.

Location	Issue	Change	Correction, clarification or change?
2023/25 NHS Payment Scheme – throughout	Approach to updating cost adjustments for 2024/25 (set out in Annex D) more of a process than a formula.	Replace references to ‘formula’ with ‘process’.	Clarification
2023/25 NHS Payment Scheme –throughout and Section 8.3 (PSS top-up payments)	The proposal to block payment of specialist top-up payments does not support the use of prices for elective activity.	Add in a new Section 8.3 to describe the PSS top-up payments. In rest of Payment Scheme documents, make clear that top-ups should be paid for qualifying services whenever prices are used.	Change
2023/25 NHS Payment Scheme – Section 3.2 (Cost uplifts)	Unclear if the NHSPS would reflect 2023/24 NHS pay settlements.	Updated to clarify that the published cost uplift factor does not reflect 2023/24 pay arrangements, which have not yet been agreed.	Clarification
2023/25 NHS Payment Scheme – Section 3.4 (Excluded items); Annex A, tab 12b	Including funding for some items on the high cost drugs list in the aligned payment and incentive (API) fixed element was causing confusion.	Remove the rule that funding for some high cost drugs should be included in API fixed payments, and the column in Annex A that listed which drugs were included. Update rules to be clear that drugs commissioned by NHS England Specialised Commissioning would be eligible for either block or cost and volume payment.	Change
2023/25 NHS Payment Scheme – Section 3.4 (Excluded items) and Section 4 (Aligned payment and incentive), rule 2.c)	Confusion about the treatment of homecare services.	Clarify that homecare services (drugs, devices and their related costs) are excluded from core payment mechanisms and should be reimbursed in accordance with excluded items pricing rule.	Clarification

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2023/25 NHS Payment Scheme – Section 4 (Aligned payment and incentive), rule 2.b)	Need for API fixed payments to include subchapter costs of CNST contributions, particularly for maternity services which has a relatively large change (4.5%).	Update rule to specify that maternity services uplift must be considered.	Clarification
2023/25 NHS Payment Scheme – Section 4 (Aligned payment and incentive), rule 2.f)i)	Wording implies that BPT payments and MFF would apply to local prices.	Reworded to make clear that elective activity BPTs, relevant MFF and PSS top-up payments should be applied to unit prices.	Clarification
2023/25 NHS Payment Scheme – Section 4 (Aligned payment and incentive), rule 2.f)i) and 2.f)ii)	Confusion about the operation of the CQUIN threshold and whether contracts below £10m receive CQUIN funding.	Update to make clear that contracts below £10m receive CQUIN funding but there is no reduction in payment if criteria are not fully achieved.	Clarification
2023/25 NHS Payment Scheme – Section 4, (Aligned payment and incentive), rule 5.a)	Confusion about which services are covered by the exceptions rule.	Reworded rule a)ii) and a)iii).	Clarification
2023/25 NHS Payment Scheme – Section 8.2 (Market forces factor); Annex A – all prices	Figure not provided for the difference in the amount of money that would be distributed by MFF, if prices were used for all activity, between 2022/23 and 2023/24 MFF values. This difference was also not included in the consultation prices.	Added paragraph to set out the difference in the amount distributed by MFF (0.52%). All prices in Annex A are updated by this amount, compared to the consultation prices.	Correction

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2023/25 NHS Payment Scheme – Section 8.4 (Calculating LVA payment values)	Confusion about how the value of services delegated to ICBs by NHS England would be reflected in LVA payments, and the impact on the LVA threshold.	Reworded to clarify that the value of delegated services are not included in LVA values but funding for the services should be added to LVA payments, without it impacting on the threshold.	Clarification
Annex A: 2023/24 prices workbook – Contents, 14a and b	Confusion about removal and replacement of ‘Full Unbundled HRG list’, ‘HRGs with no price’ and ‘TFCs with no price’ tabs that had appeared in previous years.	Explain that the tabs have been superseded by tabs 14a and 14b, with notes added to the tabs and contents.	Clarification
Annex A: 2023/24 prices workbook – throughout	The National Casemix Office made minor changes to some of the HRG descriptions in the HRG4+ 2023/24 Consultation and Local Payment Groupers.	HRG descriptions updated where applicable to reflect changes made by the National Casemix Office.	Change
Annex A: 2023/24 prices workbook –, tab 1,1a and b (APC/OPROC)	Reduced short stay emergency adjustment information was incorrect for DZ65K and HC50B.	Update reduced short stay emergency adjustment eligibility to NO for these HRGs.	Correction
Annex A: 2023/24 prices workbook – tab 1,1a and b (APC/OPROC)	Feedback from the consultation raised concern around the differential price between elective and non-elective services for MA50Z – Surgical, Abortion or Miscarriage Care, over 20 weeks Gestation.	Updated so that the same price is set for both day case/ordinary elective spell and non-elective spell.	Change

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Annex A: 2023/24 prices workbook – tab 1,1a and b (APC/OPROC)	Confusion about changes to the long stay trim points for RD97Z, RD98Z, RN97Z, compared with 2022/23.	Amended long stay trim points for these HRGs to 5 days, consistent with 2022/23.	Clarification
Annex A: 2023/24 prices workbook – tab 1,1b and 5a (APC/OPROC; BPTs)	Confusion about reduced short stay prices for certain BPTs on tab 5a and corresponding prices on tabs 1, 1b.	BPT prices updated to ensure they are consistent between the corresponding tabs	Clarification
Annex A: 2023/24 prices workbook – tab 2 and 5a (Outpatients; BPTs)	Retirement of Transient Ischaemic Attack BPT (TFC 329) not reflected on all tabs.	The price on tab 2 has been adjusted and contents on tab 5a changed accordingly.	Change
Annex A: 2023/24 prices workbook – tab 8 (Other guide prices)	Feedback to the consultation on the cardiothoracic transplantation guide prices suggested an unintended implication that heart transplants could be prioritised over lung transplants.	Updated the guide prices so the same guide prices is used for lung, heart and heart and lung transplants.	Change
Annex A: 2023/24 prices workbook – tab 8 (Other guide prices)	CNST adjustments for each HRG subchapter had not been applied to renal and cardiothoracic transplant prices.	Updated the renal and cardiothoracic transplant guide prices in Annex A with the CNST adjustments for each HRG subchapter.	Correction
Annex A: 2023/24 prices workbook – tab 8 (Other guide prices)	Forward-looking price adjustments were incorrectly applied for Neonatal Critical Care delivered in a Surgical Neonatal Intensive Care Unit and for Paediatric Critical Care.	Amended prices for Neonatal Critical Care delivered in a Surgical Neonatal Intensive Care Unit and for Paediatric Critical Care.	Correction

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Annex A: 2023/24 prices workbook – 11 (MFF values)	Some provider mergers have been confirmed.	Values updated to reflect confirmed mergers.	Change
Annex A: 2023/24 prices workbook – tab 12a (High cost devices)	The consultation proposed to add Biodegradable spacer insertion (SpaceOAR) to reduce rectal toxicity during radiotherapy for prostate cancer. However, NICE are not recommending it for routine commissioning.	Remove SpaceOAR from the excluded high cost devices list. Note added to Annex A tab 12a for additional clarification.	Change
Annex A: 2023/24 prices workbook – tab 12a (High cost devices)	Some device names did not reflect the description of the device.	Name changes for: 1) Maxillofacial bespoke prostheses <i>to</i> Bespoke maxillofacial prostheses, 2) Mitral Valve Repair and Replacement Devices <i>to</i> Mitral and tricuspid edge-to-edge valve repair devices, 3) Percutaneous valve repair and replacement devices <i>to</i> Transcatheter and percutaneous valve repair and replacement devices, 4) Sutureless aortic heart valve / rapid deployment aortic heart valve replacement (includes tricuspid) <i>to</i> Sutureless aortic heart valve / rapid deployment aortic heart valve replacement	Change
Annex A: 2023/24 prices workbook – tab 12a (High cost devices)	Some descriptions of the devices and accompanying notes were unclear.	Text in Comments/Notes column updated for clarity.	Clarification

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Annex A: 2023/24 prices workbook – tab 12b (High cost drugs)	There was feedback that the amount of money in HRG prices does not adequately reimburse the cost of Somatropin drug.	Added Somatropin to the list of excluded high cost drugs. Somatropin was included on this list prior to 2022/23.	Change
Annex A: 2023/24 prices workbook – tab 12b (High cost drugs)	Levodopa + carbidopa + entacapone intestinal gel had been approved for addition to the high cost drugs list but was missed off the list in error.	Levodopa + carbidopa + entacapone intestinal gel added to the list of excluded high cost drugs.	Change
Annex A: 2023/24 prices workbook – tab 12b (High cost drugs)	Nirvsevimab was not included in the consultation list of excluded drugs. Since the consultation, we have been advised that if Nirvsevimab is to be used in place of Palivizumab, there is no reason why this shouldn't be on the exclusions list.	Add Nirvsevimab to the list of excluded high cost drugs.	Change
Annex A: 2023/24 prices workbook – tab 12b (High cost drugs)	Platelet-rich plasma was included on the high cost exclusions list for the consultation. However, the steering group have advised that this is autologous platelet enriched plasma and so should not be included.	Remove Platelet-rich plasma from the list of excluded high cost drugs.	Change
Annex A: 2023/24 prices workbook – tab 12b (High cost drugs)	The drug Etelcalcetide was removed from the 2022/23 exclusions list but was erroneously included in the list for the 2023/24 consultation.	Remove Etelcalcetide from the list of excluded high cost drugs.	Change
Annex A: 2023/24 prices workbook – tab 12b (High cost drugs)	Two entries for Eptinezumab on the excluded high cost drugs list.	Remove additional instance of Eptinezumab from the list of excluded high cost drugs.	Correction

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Annex A: 2023/24 prices workbook – tab 12b (High cost drugs)	The generic name for the Advanced Therapy Medicinal Product (ATMP) with brand name Tecartus was changed	Name change from Autologous anti CD19 transduced CD3+ cells <i>to</i> Brexucabtagene autoleucel	Change
Annex A: 2023/24 prices workbook – tab 12b (High cost drugs)	Some of the drug names in the list of excluded high cost drugs were incorrect.	Name changes for: 1) Consizumab <i>to</i> Concizumab, 2) Cysteamine hydrochloride <i>to</i> Cysteamine hydrochloride	Correction
Annex A: 2023/24 prices workbook – tab 12b (High cost drugs)	Updates needed to drug names and changes to drug combinations in the list of excluded high cost drugs.	Name changes for: 1) APN-01 <i>to</i> Alunacedase alfa, 2) CERC 002 <i>to</i> Quisovalimab, 3) Doravirine + islatravir <i>to</i> Islatravir, 4) L' Arginine L-arginine <i>to</i> L-Arginine, 5) Satralizumab [IL6 receptor MAb (SA237)] <i>to</i> Satralizumab, 6) Sirolimus (invitreal) <i>to</i> Sirolimus	Change
Annex A: 2023/24 prices workbook – tab 13 Specialist flags and rates	The PSS operational tool for 23/24 has been updated for the new service lines and the flag for NCBPS03Z needs to be replace.	Updated the workbook to capture the split of NCBPS03Z flag. Paragraph added to explain the two new flags.	Change
Annex B: Guidance on currencies – Section 1 (Introduction)	Confusion around whether an outpatient attendance would receive both an attendance and a procedure price.	Paragraph added to make clear that the activity would group to either an attendance TFC or a procedure HRG, but not both.	Clarification

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Annex B: Guidance on currencies – Section 2.2 (Termination of pregnancy)	Confusion around whether termination or pregnancy services were in scope of ERF and API elective variable element.	Clarification that services should be included in API fixed element and are not in scope of ERF.	Clarification
Annex B: Guidance on currencies – Section 5.2 (Radiotherapy)	Confusion about whether three services (SABR, Selective internal radiation therapy (SIRT) and Brachytherapy) are part of elective variable payments.	Updated to clarify that additional payments would be made for activity above the 2022/23 baseline, but the services aren't part of the elective variable payment.	Clarification
Annex B: Guidance on currencies – Section 16 (Adult cardiothoracic transplantation)	Some concerns that heart transplants were being prioritised over lung transplants.	Updated the guide prices in Annex A and Section 16 in the currencies annex so there is a single price for these transplants.	Change
Annex B: Guidance on currencies – Section 23 (Adult mental health services)	IAPT services have been renamed 'NHS Talking Therapies for Anxiety and Depression'.	Section updated to reflect the new name. The term 'IAPT' continues to be used in datasets, so the is retained in those references.	Change
Annex C: Guidance on best practice tariffs – Section 6.3 (Spinal surgery, Operational)	Lack of clarity on how achievement of the spinal surgery BPT should be measured.	Updated to make clear that commissioners should use the data portals to measure provider achievement each quarter.	Clarification
Annex C: Guidance on best practice tariffs – Section 18.2 (Paediatric diabetes, Design and criteria)	Details of where self-assessment could be used as evidence of achievement are missing from Table 7. Rows d and e contain duplicate information.	Table updated to include self-assessment as evidence of achievement, where appropriate. Row d updated.	Correction

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Annex D – Section 2.1 (The method for setting prices)	Method did not explain the difference between consultation and final NHSPS prices due to differences in the amount of money distributed by MFF.	Paragraph added to explain.	Clarification
Annex D – Section 2.3 (CNST)	There was some uncertainty about how increased CNST contributions allocated to HRG subchapter, maternity or A&E services should be reflected in API fixed elements.	Section updated to make clearer how the CNST contributions are included in the NHSPS prices, with guidance strengthened on how they should then be applied to the API fixed element, with a particular focus on maternity services, as CNST is particularly important for maternity.	Clarification
Annex D – Section 4.1.1 (Cost uplifts)	Unclear if the NHSPS would reflect 2023/24 NHS pay settlements.	Updated to clarify that the published cost uplift factor does not reflect 2023/24 pay arrangements, which have not yet been agreed.	Clarification
NHS provider payment mechanisms – Section 2.3 (CQUIN)	Confusion around CQUIN funding and operation of £10m threshold for API agreements.	Updated to clarify that CQUIN funding transferred into tariff in 2021/22 and that contracts with a value below £10m receive CQUIN funding but there is no payment adjustment if criteria are not fully achieved.	Clarification
NHS provider payment mechanisms – Section 2.6 (Excluded items)	Section was not consistent with changes to API rules to remove high cost drug funding from API fixed element and reimbursement of homecare services.	Updated to ensure guidance is consistent with rules on excluded items and homecare services.	Clarification

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NHS provider payment mechanisms – Section 3.2 (Setting the fixed element)	Applying CNST adjustments for each HRG subchapter may not be possible.	Guidance updated to provide a uniform value (0.33%) that could be applied for all services other than maternity.	Clarification
NHS provider payment mechanisms – Section 5.2 (LVA payment schedule)	Confusion about how the value of services delegated to ICBs by NHS England would be reflected in LVA payments, and the impact on the LVA threshold.	Updated to explain how value of delegated services should be paid alongside LVA payments, but not affect the LVA threshold.	Clarification
NHS provider payment mechanisms – Appendix 4 (API variable payment – elective activity definition)	Confusion about what is covered by elective activity.	Appendix added to give more details of exactly what is defined by elective activity.	Clarification

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