

**LOCAL MODIFICATIONS TEMPLATE**

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| **SECTION 1: SUBMISSION SIGN OFF** | | |
| 1.01 | Title | *Descriptive title of local modification.* |
| I CONFIRM THAT I HAVE BEEN AUTHORISED BY THE BOARD OF XXX (***please complete)*** TO SUBMIT THIS LOCAL MODIFICATION TO NHS IMPROVEMENT (MONITOR). | | |
| 1.02 | SIGNED |  |
| 1.03 | NAME |  |
| 1.04 | POSITION |  |
| 1.05 | DATE |  |
| By submitting this template the co-ordinating commissioning officer (for local modification agreements) and provider’s responsible officer (for local modification agreements and applications) confirm compliance with the method set out in the national tariff | | |

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| **SECTION 2: BACKGROUND INFORMATION** | | |
| 2.01 | Provider | *Provider party to the local modification (organisation code and name).* |
| 2.02 | Services covered | *Summary of services covered by the proposed local modification* |
| 2.03 | Estimated incremental value | *Projected total monetary value of the proposed local modification i.e. change in provider revenue based on price uplift and expected volumes for affected services* |
| 2.04 | Commissioner(s) | *Commissioner(s) party to or affected by the local modification (organisation code and name).* |
| 2.05 | Start date | *Date the proposal is intended to take effect; in the case of local modification applications, this cannot be before the start of the following financial year, except in exceptional circumstances.* |
| 2.06 | End date | *Date the proposal is intended to end.* |
| 2.07 | Type of local modification | Choose an item. |
| *For local modification agreements, please go to* ***Section 4.*** | | |

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| **SECTION 3: ADDITIONAL CRITERIA FOR APPLICATIONS** | | | |
| The following 3.01 & 3.02 **ONLY** apply in the case of a **LOCAL MODIFICATION APPLICATION.** | | | |
| **Application criteria** | | **Criteria met** | **Evidence (link or embedded)** |
| 3.01 | Did you have a deficit equal to or greater than 4% of revenues in the previous financial year? | Choose an item. |  |
| The following question **DOES NOT** apply to NHS Trusts: | | | |
| 3.02 | Are the services covered by the local modification designated as commissioner requested services? | Choose an item. |  |

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| **SECTION 4: OVERVIEW OF SERVICES COVERED BY APPLICATION OR AGREEMENT** | | |
| 4.01 | Service delivery model | *Describe how the services are to be provided to patients. This should include the care setting within which the services are delivered and the relevant patient pathways.* |
| 4.02 | Currencies covered | *Please provide details of the currencies covered by the proposed modification, providing a brief summary of any applicable national variations (e.g. market forces factor).* |

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| **SECTION 5: DETERMINING WHETHER SERVICES ARE UNECONOMIC** | | |
| *For a service or group of services to be considered uneconomic for the purposes of a local modification, the provider of the service or services must be able to demonstrate the following:* | | |
| **Criteria** | | **Provide evidence or links to evidence** |
| 5.01 | The average cost of providing each service is higher than the nationally determined price. | *Detail of the current annual costs and revenue for the currencies for which the local modification is sought.* |
| The provider of the service or services must be able to demonstrate that the provider’s average costs are higher than nationally determined prices as a result of **structural issues**. | | |
| 5.02 | Structural Issue(s) | *Please provide a description of the structural issue(s) faced by the provider* |
| The provider of the service or services must be able to demonstrate that the structural issue(s) are the following: | | |
| 5.03 | Specific | *Please provide evidence that the structurally higher costs should only apply to a particular provider or subset of providers and should not be*  *nationally applicable* |
| 5.04 | Identifiable | *Please provide evidence that identifies how the structural issues the provider faces affect the cost of the services*. |
| 5.05 | Non-controllable | *Please provide evidence that the higher costs are beyond the direct control of the provider, either currently or in the past* |
| 5.06 | Not reasonably reflected elsewhere | *Please provide evidence that the costs should not be reasonably adjusted for elsewhere in the calculation of national prices, rules or variations* |
| 5.07 | Reasonably efficient | *Please provide evidence that the provider is reasonably efficient when measured against an appropriately defined group of comparable providers, given the structural issues that it faces.* |
| 5.08 | Constructive engagement | *Please provide evidence that the provider has tried to engage constructively with its commissioners in an attempt to reach a local modification agreement and to consider alternative service delivery models.* |

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| **SECTION 6: DETAILS OF PROPOSED MODIFICATION** | | |
| 6.01 | Please provide details of the proposed local modification requested | *This should be at the level at which national price is applicable (e.g. HRG)* |
| 6.02 | Please provide detailed workings to support calculation | *For example, the calculation may be based on reference costs or SLR information.* |

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| **SECTION 7: ADDITIONAL CONSIDERATIONS** | | |
| 7.01 | Best interests of patients | *Description of how the local modification would support a mix of services and delivery models that are in the best interest of patients today and in the*  *Future.* |
| 7.02 | Additional points | *Add any additional information required to clarify the approach agreed and any further considerations regarding the impact of the new approach.* |

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| **SECTION 8: CONTACT DETAILS FOR DESIGNATED LEAD** | | |
| 8.01 | Name |  |
| 8.02 | Position |  |
| 8.03 | Email and telephone |  |

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| All information submitted via this template may be made publicly available. It must not include information identifying individual patients, and should not include information that is confidential to third parties, unless consent has been obtained.  For local modifications to be granted and take effect on 1 April, providers should submit an application in accordance with section 6.3 of the National Tariff to NHS Improvement (Monitor) by ***30 September*** the preceding year.  Please submit this form and supporting information for **EACH** local modification requested to [pricing@improvement.nhs.uk](mailto:pricing@improvement.nhs.uk) |