

Approved Costing Guidance

# Costing glossary

March 2022

Please refer to the [NHS Data Model and Dictionary](#) for terms that are not listed in the costing glossary

# Glossary of terms

## A

Term	Definition	Sector
<b>A&amp;E unit</b>	NHS Accident & Emergency (national code 01) are defined as a consultant led 24-hour service unit with full resuscitation facilities in acute hospitals. This term is used for costing as a subset of 'Emergency Department' which includes minor injury units, urgent treatment centres and walk-in centres.	Acute
<b>Activity</b>	A measurable amount of work performed using <b>resources</b> to deliver the services to patients to achieve desired outcomes: eg a procedure in theatre, pathology test or therapy contact.	All
<b>Activity count</b>	The number or duration of activities in the National Cost Collection that are undertaken: eg number of tests or time spent in theatre in minutes.	All
<b>Activity field</b>	A particular data field in an activity feed: eg 'attendance identifier' is an activity field in the non-admitted patient care (NAPC) feed.	All
<b>Actual duration</b>	This is the time in minutes that the patient care actually takes. It is used in conjunction with NAPC and APC to allocate costs as a superior method. It is recommended that MH services use Actual Duration because of the variability of time spent with each patient. (Acute services are less variable by clinic and the CDS does not require 'actual duration' to be recorded; so acute trusts can use booked duration (in the CDS this is 'Expected Duration') to provide a reasonable and material allocation of cost)	All

<b>Actual WTE</b>	This is the real whole time equivalent (WTE) numbers of staff, as shown in the general ledger, and represents the actual cost of staff (in a particular service area) in the period. For example: one full time staff member is 1 WTE. One part-time staff member doing 12 hours per week in a 40-hour week is 0.3 WTE. This is now used in the allocation method for designated support costs.	All
<b>Acuity</b>	The measurement of intensity of care: for example, nursing acuity is the measurement of the intensity of nursing care required by a patient. An acuity-based staffing system regulates the number or grade of nurses on a shift according to patients' needs.	All
<b>Admitted patient care (APC)</b>	An overarching term covering patients who have been admitted to a hospital: eg ordinary elective admissions; ordinary non-elective admissions; day cases; regular day admissions; regular night admissions.	Acute, Mental health, Community
<b>Aggregated costs</b>	Some costs may be reported separately in the <b>general ledger</b> , but for <b>patient-level costing</b> these costs need to be aggregated when creating the <b>cost ledger</b> . Standard CP2: Clearly identifying costs contains more detail on where this is appropriate. <sup>1</sup>	All
<b>Allocation to mobile</b>	The time from the moment a response unit is allocated to an <b>incident</b> until it moves to travel to the scene. This includes preparing the crew and vehicle to move once assigned to the incident.	Ambulance
<b>Anonymised record</b>	Where a patient record is brought into the costing system without any patient identifiable information, for example where there is sensitive/legally restricted data. This is not a proxy record; it is a real record without patient identifiable detail.	All

<sup>1</sup> See <https://www.england.nhs.uk/approved-costing-guidance/>

<b>Approved Costing Guidance</b>	The inclusive term for the costing standards and the <i>National Cost Collection guidance</i> .	All
<b>Associate</b>	Two companies are 'associated' if one company is a subsidiary of the other or both are subsidiaries of the same body corporate.	All
<b>Assurance tools</b>	Tools provided by NHS England and NHS Improvement to help develop and maintain an assurance process that will promote continued improvement of costing in trusts: for example, information gap analysis template (IGAT), standards gap analysis template (SGAT), costing assessment tool (CAT), integrated costing assurance log (ICAL).	All
<b>Attendance</b>	A patient event where the patient is not admitted to hospital. This term is used in emergency care, and outpatient services.	
<b>Audit trail</b>	A record of where data comes from and the decisions that have been made to generate reports, data feeds and ledgers. This makes costing outputs transparent.	All
<b>Auxiliary data feeds</b>	The <b>patient-level activity feeds</b> that will be matched to the master feeds: eg pharmacy feed.	All

## B

<b>Balance sheet</b>	A section of the <b>general ledger</b> for holding the value of assets and liabilities of the organisation. Balance sheet items are not necessarily required in the costing process.	All
<b>BDO report</b>	This is the <a href="#">blueprint</a> for the <b>Costing Transformation Programme</b> .	All
<b>Booked duration</b>	This is the time in minutes that the patient care is booked to take in the appointment system (within PAS). The CDS data item name is 'Expected Duration'. It is used in conjunction with NAPC and APC to allocate costs as the prescribed method. It is recommended that MH services use Actual Duration because of	All

	the variability of time spent with each patient. (Acute services are less variable by clinic and so therefore can use booked duration to provide a reasonable and material allocation of cost)	
<b>Budgeted headcount</b>	<p>The planned number of staff to run a department, service or ward. This is often included in financial reports or produced by financial management staff for their annual 'start point' budgeting report.</p> <p>Budgeted headcount has been replaced by <b>actual WTE</b> as an allocation for designated support costs.</p>	All

## C

<b>Care cluster or cluster</b>	National currencies that group patients of mental health services according to common characteristics, such as level of need and resources required.	Mental health
<b>Care professional</b>	An individual who is formally trained or employed to care for patients: eg nurses, therapists, support workers and social workers.	Mental health
<b>Casemix</b>	A way of describing and classifying healthcare activity. Patients are grouped according to their diagnoses and the interventions carried out.	Acute
<b>Child</b>	<p>The National Service Framework for Children, Young People and Maternity Services<sup>2</sup> defines children and young people as 'under 19 years', with the caveat that 'the age ranges for service provision will vary according to the different agencies' statutory obligations.'. Therefore, for the purposes of the NSF an adult is someone who is aged 19 years and over.</p> <p>These age ranges are generally applied in HRG4+. We therefore use these age definitions in the Approved Costing: except where specified, eg cystic fibrosis categorises children as 16 years and under.</p>	All

<sup>2</sup> <https://www.gov.uk/government/publications/national-service-framework-children-young-people-and-maternity-services>

<b>Clinic attendance</b>	General term for when patients attend a healthcare professional in a clinical setting. These can be booked or ad hoc. One patient may visit the healthcare professional(s) holding the clinic or a succession of patients during a clinic session. Includes clinics held by community care professionals in clinical settings (see also Community clinic attendance) and hospital clinics (see Outpatient attendance).	All
<b>Clinical engagement</b>	Involving clinicians and <b>healthcare professionals</b> in developing <b>costing methods</b> and practices, and to make use of the costed data.  Clinicians and healthcare professionals are the organisation's public face. They may remain in the same post for many years and have considerable NHS experience, which gives them a wealth of knowledge about the system's strengths and weaknesses. Their decisions and actions bear directly on the use of the organisation's resources. For more information on clinical engagement, see the Department of Health and Social Care's guide to effective clinical and financial engagement. <sup>3</sup>	All
<b>Clinical excellence awards (CEAs)</b>	Awarded in England to NHS consultants and academic GPs who perform 'over and above' the standard expected of their role.	All
<b>Collection resource</b>	A collection resource is an aggregation into groups with shared characteristics for reporting to NHS England and NHS Improvement. They can be found on the within the extract specifications on our <a href="#">website</a> .	
<b>Collection year</b>	The cost collection year starts on 1 April and ends on 31 March. The year used to describe the cost collection year is the year it is collected in, so the 2019 cost collection will be for data from 1 April 2018 to 31 March 2019.	All

<sup>3</sup> [www.gov.uk/government/publications/nhs-clinical-and-financial-engagement-best-practice](http://www.gov.uk/government/publications/nhs-clinical-and-financial-engagement-best-practice)

<b>Commercial activities</b>	Any <b>activity</b> a provider undertakes to generate a commercial return outside its directly commissioned healthcare contracts.	All
<b>Commercial income</b>	Income relating to non-patient care income. Historically this was referred to in the financial accounts as <b>Category C income</b> . This should be shown separately for costing and reported in the reconciliation statement. For the <b>PLICS</b> collection, this income should be netted off from the cost of providing the service that generated the income.	All
<b>Community care contact</b>	Where a healthcare professional visits one patient in their own residence (or place outside a clinical setting). Can be booked or not booked. Specifically, <b>as it should be recorded</b> on the Community Services Data Set (CSDS). Carer(s) may be present, but multiple patients do not attend the location sequentially.	Community
<b>Community clinic attendance</b>	A clinic attendance where a patient or patients visit a healthcare professional in a clinical setting – specifically as recorded on the Community Services Data Set (CSDS). These can be booked or ad hoc. One patient may visit the healthcare professional(s) holding the clinic or a succession of patients during a clinic session. (See Outpatient attendance for hospital clinics and those recorded on the CDS.)	Community
<b>Commissioning Data Sets (CDS)</b>	CDS form the basis of data on activity carried out by NHS trusts reported centrally for monitoring and payment purposes. They support the current Healthcare Resource Group (HRG) version 4 for calculation of payment to trusts and monitoring of other initiatives including the 18 weeks Referral to Treatment standard.	Acute
<b>Community first responder (CFR)</b>	CFRs respond to local emergency calls and provide life-saving first aid in the vital minutes before an ambulance arrives.	Ambulance, Community

<b>Community mental health team (CMHT)</b>	<b>Care professionals</b> who assess and provide care to patients in a non-admitted care setting. They can also visit and review patients admitted to a ward or similar inpatient care setting.	Mental health
<b>Community Services Data Set (CSDS)</b>	This is a national dataset <sup>4</sup> collected by NHS Digital. It allows community service providers and commissioners to view local and national information from community services, to improve patient care.	Community
<b>Community setting</b>	This may include the patient's own residence, a health centre or a primary care facility. In the mental health sector, it may also include temporary accommodation, hostels, or other locations.	All
<b>Comparison against peers</b>	The practice of comparing performance internally and externally based on key performance indicators of financial and/or care practice.	All
<b>Complications and co-morbidities</b>	Many <b>HRGs</b> differentiate between care provided to patients with and without complications and co-morbidities. Complications may arise during a period of healthcare delivery that prolongs the length of stay. Co-morbidities are pre-existing conditions that affect the treatment received and/or prolong the length of stay: eg diabetes or asthma.	All
<b>Computer-aided dispatch (CAD)</b>	The system that helps dispatchers, crews and call handlers respond to an <b>incident</b> , and which logs information from a response, including <b>job-cycle</b> timestamps.	Ambulance
<b>Consultant episode</b>	The time a patient spends in the continuous care of one consultant using the hospital site or care home bed(s) of one healthcare provider, or in the case of shared care, in the care of two or more consultants. Where care is provided by two or more consultants within the same episode, one will take	Acute, Mental health, Community

<sup>4</sup> <https://digital.nhs.uk/data-and-information/data-collections-and-data-sets/data-sets/community-services-data-set>



	<p>overriding responsibility for the patient and only one consultant episode is recorded. Additional consultants contributing to a patient's care are called shared-care consultants. A consultant episode includes episodes for which a GP is acting as a consultant.</p>	
<b>Consumables (consumable items)</b>	<p>Items used in delivering patient care that are intended to be single use, eg swabs after a theatre procedure or food in an occupational therapy session.</p>	All
<b>Core healthcare resource group (HRG)</b>	<p>The core HRG is the unit that covers the primary diagnosis and procedure after removing any unbundled activity.</p>	All
<b>Cost allocation method</b>	<p>The process of distributing costs from a pool of costs to an appropriate destination, using resource and activity.</p>	All
<b>Cost categorisation</b>	<p>To ensure costs are categorised in a consistent way, the standardised cost ledger in the <b>technical document</b> categorises costs according to whether they are patient-facing or support.</p>	All
<b>Cost centre</b>	<p>The code used in the <b>general ledger</b> (and <b>cost ledger</b>) to identify a department or service.</p>	All
<b>Cost classification</b>	<p>Costs are classified as either fixed, semi-fixed or variable to ensure they are categorised consistently across all providers. This classification is not part of the costing process but shows how costs behave based on the level of activity. The definitions adopted for fixed, semi-fixed and variable costs are detailed in Standard CM15: Cost classification.</p>	All
<b>Cost driver</b>	<p>Any factor that causes activities and costs to vary, such as length of stay in hospital.</p>	All

<b>Cost ledger (standardised)</b>	Provides a complete record of financial expenditure and income incurred by an organisation. Information reported in the <b>cost ledger</b> will be based on entries made in the <b>general ledger</b> and ensures the costs are in the correct starting place to begin costing across all providers.	All
<b>Cost model</b>	Contains the costing rules for importing, validating, and allocating costs to activities, and then allocating these costed activities to patient events or incidents.	All
<b>Cost object</b>	The final destination for the costs originating in the <b>general ledger</b> and defined by the records that a provider maintains: eg care records. For example, a patient cost object in acute care may be an episode of care, which has a clear start and end date and well-understood interventions taking place in between. There will also be cost objects for non-patient services (such as <b>education and training</b> , research, and development) and commercial items such as car-parking costs.	All
<b>Costing approaches</b>	Standards that focus on high volume or high value <b>procedures</b> and procedures that can be difficult to cost. They should be implemented after the <b>costing methods</b> and prioritised by volume and value of the activity to your organisation.	All
<b>Costing assessment tool (CAT)</b>	An improvement tool developed by NHS England and NHS Improvement to allow costing practitioners to record and measure their progress against the costing standards. Scores from the CAT will be included in the national PLICS portal for benchmarking as well as identifying productivity opportunities and the development of the <b>national tariff</b> . The CAT may also form the basis of providers assessment under the <b>costing assurance programme</b> .	All
<b>Costing assurance programme</b>	The aim of the assurance process is to provide evidence of the work undertaken and the reasoning behind the decisions made.	All

<b>Costing glossary</b>	Descriptions of terminology used in the <b>patient-level information and costing systems</b> (PLICS) standards for all sectors and the National Cost Collection guidance.	All
<b>Costing methods</b>	These focus on high volume or high value <b>services</b> or <b>departments</b> . They should be implemented after the <b>information requirements</b> and <b>costing processes</b> which form the core standards. The costing methods should be prioritised based on the value and volume of the service for your organisation.	All
<b>Costing principles</b>	Seven costing principles inform the standards and improve the accuracy, consistency, and relevance of costing. They are described in the costing principles section of the <b>Approved Costing Guidance</b> .	All
<b>Costing processes</b>	These standards describe the costing process you should follow. They describe the role of the <b>general ledger</b> , how to ensure costs are clearly identified and appropriately allocated to activities, and how these activities should be accurately matched to patients. The costing processes also detail the process of <b>reconciliation</b> of both cost and activity data, and the <b>assurance</b> of the cost data.	All
<b>Costing Resource</b>	Components used to deliver activities, such as staff, equipment, or consumables. The <b>cost ledger</b> includes a mapping of costing account codes to a prescriptive list of costing resources provided by NHS England and NHS Improvement in the costing standards <b>technical document</b> . Also called 'implementation resource' in previous documents.	
<b>Costing Transformation Programme (CTP)</b>	NHS England and NHS Improvement programme to move from reference costs collection to <b>patient-level costing</b> collection. This will improve the quality of costing information throughout the NHS and support providers to deliver more effective and efficient outcomes. For more background information see our <a href="#">website</a> .	All

<b>COVID-19 patient</b>	A patient clinically coded as either confirmed with the virus or suspected of having COVID-19. Once the coding no longer codes them as confirmed or suspected, they are no longer classified as COVID-19 for costing purposes.	
<b>COVID-19 outbreak</b>	The period during which the COVID-19 virus impacted those in the UK and the healthcare services. Dated from March 2020, and at the time of publication the impact was still ongoing.	All
<b>Currency</b>	A unit of healthcare activity such as <b>HRG</b> , <b>spell</b> , episode, or attendance.	All

## D

<b>Data feeds</b>	A set of data generated from a system of records held by an organisation, which is imported into the costing system.	All
<b>Data quality</b>	The degree of completeness, consistency, timeliness, and accuracy that makes data appropriate for a specific use.	All
<b>Data validation tool (DVT)</b>	The NHS England and NHS Improvement DVT assesses the data quality of the CSV files produced by the costing software and creates the XML files needed for the submission.	All
<b>Delivery of care (for children with cystic fibrosis)</b>	There are two models for the delivery of care for children with cystic fibrosis: <ul style="list-style-type: none"> <li>• full care delivered entirely by a specialist cystic fibrosis centre</li> <li>• shared care delivered by a network cystic fibrosis clinic, which is part of an agreed designated network with a specialist cystic fibrosis centre. The network cystic fibrosis clinic is linked to and led by a specialist cystic fibrosis centre.</li> </ul>	Acute
<b>Depreciation</b>	An accounting method to allocate the cost of a tangible or physical asset over its useful life or life expectancy. This helps companies earn revenue from a depreciating asset while expensing a portion of its cost each year the asset is in use.	All

<b>Direct costs</b>	Costs that directly relate to the delivery of patient care: eg medical and nursing staff costs.	All
<b>Disaggregated costs</b>	Some costs may be reported in the <b>general ledger</b> at a level that is not detailed enough for <b>patient-level costing</b> : multiple costs are combined. These costs need to be disaggregated when creating the <b>cost ledger</b> , using an appropriate method. Standard CP2: Clearly identifying costs, contains more information on disaggregating costs.	All
<b>Duration</b>	For costing purposes, duration is the time in minutes that a care activity takes. Duration can be separated into 'actual duration' or 'booked duration'.	All

## E

<b>Education and training (E&amp;T) costs</b>	Costs that relate directly to delivering E&T and are driven by E&T activity.	E&T transitional method
<b>Education and training (E&amp;T) programmes</b>	These are a recognised part of the E&T curriculum and approved by the Higher Education Institute and relevant regulatory body. They provide clinical and mentoring support as defined by the relevant regulatory body.	E&T transitional method
<b>Electronic patient report form (EPRF)</b>	See <b>patient report form</b> . A paperless version of the <b>patient administration system (PAS)</b> that makes patient information easier to store and look up.	All
<b>Electronic staff records (ESR)</b>	System containing staff payroll data.	All

<b>Emergency Department (ED)</b>	This is used for costing as the combined term for accident & emergency units (24-hour service unit in acute hospitals), minor injury units, urgent treatment centres and walk-in centres.	Acute Community
<b>Emergency operations centre (EOC)</b>	Where call takers, dispatchers and clinicians receive emergency calls and co-ordinate responses to them.	Ambulance
<b>Escort</b>	A staff member who accompanies a patient from a healthcare setting for the patient's and others' safety.	Mental health
<b>Exceptional service/unit</b>	<p>A service set up specifically for the COVID-19 outbreak (eg Nightingale units) and not relating to the organisation's own patient care (even if these units were subsequently used for non-COVID-19 patients)</p> <p>Or:</p> <p>A trust service such as pathology laboratories providing COVID-19 testing for patients not considered 'own patient care', eg care homes, mental health and community trusts.</p> <p>Patients seen by these services are not part of the 'normal' commissioned patient services outside the COVID-19 work. The service is usually funded centrally outside normal commissioner or provider-to-provider contracts. The cost must have been included in the <b>PFR</b> during 2021/22.</p>	
<b>Excess bed days</b>	Days that are beyond the <b>trim point</b> for a given HRG.	Acute, Mental health, Community
<b>Expected duration</b>	This is the time in minutes that the patient care is booked to take in the appointment system (within PAS). The CDS data item name is 'Expected Duration', but for costing purposes we use the term 'booked duration'. It is used in conjunction with NAPC and APC to allocate costs as the prescribed method. It is recommended that MH services use Actual Duration because of the variability of time spent with each patient.	All

	Acute services are less variable by clinic and so therefore can use booked duration to provide a reasonable and material allocation of cost	
<b>Expenditure</b>	Money spent on <b>resources</b> , including support resources, as reported in the <b>general ledger</b> output. Standard CP1: Ensuring the correct cost quantum and Standard CP2: Clearly identifying costs explain how expenditure should be extracted from the general ledger and prepared for the costing system.	All
<b>Expense code</b>	A code given to a cost to group entries in a <b>general ledger</b> . An expense code can be unique to one <b>cost centre</b> or appear in several cost centres in the ledger download.	All
<b>External audit</b>	A systematic and independent examination of an organisation's accounts, statutory records, documents (including non-financial disclosures) by an independent body. This examination applies the accounting concept of 'true and fair', ensuring the financial statements are free from material misstatements and faithfully represent the organisation's financial performance.	All

## F

<b>False-positive matches</b>	Cases where activity data has been matched incorrectly to a patient episode, attendance, or contact.	All
<b>Finance costs</b>	Interest, income taxes and other such expenditure (NHS trusts).	All
<b>Finance income</b>	Amounts earned on money invested (foundation trusts).	All
<b>Financial expenses</b>	Interest, income taxes and other such expenditure (foundation trusts).	All
<b>Financial liabilities</b>	Interest, income taxes and other such expenditure (foundation trusts).	All

<b>Finished consultant episode (FCE)</b>	A completed episode of patient treatment 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.	Acute, Mental health, Community
<b>Fleet costs</b>	Fleet costs cover the running and maintenance of vehicles, including cleaning and repairs.	Ambulance
<b>FP10hp or FP10</b>	The FP10 is a prescription that can be used by a GP, nurse, pharmacist prescriber, supplementary prescriber, or hospital doctor in England. When used in a secondary care setting, the medication can be issued from any pharmacy. The prescription information and cost are recorded separately and charged to the hospital provider. The form used to authorise the recharge is called FP10hp.	Acute, Mental health, Community
<b>Fully absorbed costs</b>	Costs from a <b>cost centre</b> , specialty or other organisational unit that include not only the <b>patient-facing</b> element relating to the expenditure incurred but also the allocated support-cost element from support functions such as estates, human resources, and finance.	All

## G

<b>General ledger</b>	Main accounting record for financial transactions by an organisation, including transactions for assets, liabilities, accounts payable, accounts receivable and other information used for preparing financial statements.	All
<b>General ledger to cost ledger auto-mapper application</b>	An application developed by NHS England and NHS Improvement to help map your general ledger expense codes to the standardised <b>cost ledger expense codes</b> , thereby reducing the burden of this exercise.	All



<b>Group activity</b>	Within a <b>group session</b> , each patient contact counts as one <b>activity</b> and will receive a share of the resource used to provide the session.	Mental health, Community
<b>Group session</b>	An 'appointment' where more than one patient receives care from one or more <b>care professionals</b> at the same time. This can be while admitted, or in a non-admitted patient care setting.	Mental health, Community

## H

<b>Handover to clear</b>	The period during which the crew and vehicle are made ready to respond to another <b>incident</b> .	Ambulance
<b>Hazardous area response team (HART)</b>	A team of paramedics and other emergency medicine practitioners trained and equipped to operate in hazardous areas such as disaster zones or those contaminated by hazardous chemicals or radiation.	Ambulance
<b>Headcount</b>	<p>The total number of employees in an organisation (or a defined section of an organisation) who have one or more employment contracts at the reporting date. The headcount will be one for an employee who holds two or more contracts in the same team/department. However, if they work for two separate teams/departments, the count will be two. We recognise that this may lead to counting one employee twice.</p> <p>An employee is someone recruited on a permanent or fixed-term contract. This excludes bank, agency, and locum staff.</p> <p>Reporting date refers to the date on which the <b>relative weight values</b> were created or updated (one way of holding these values is in a <b>statistic allocation table</b>).</p>	All
<b>Healthcare professional</b>	An individual associated with either a specialty or a discipline and who is qualified and allowed by regulatory bodies to provide a healthcare service to a patient.	All

<b>Healthcare resource group (HRG)</b>	Groupings of clinically similar treatments that use similar levels of healthcare resource. HRGs are used as the basis for many of the currencies. HRG4+ is the current version for 2017/19 tariff.	All
<b>Hear and treat</b>	Telephone advice that callers who do not have serious or life-threatening conditions receive from an ambulance service after calling 999. They may receive advice on how to care for themselves or where they can go for assistance.	Ambulance
<b>Health promotion programmes</b>	Health promotion programmes are delivered to groups rather than individuals and are directed towards particular functions (such as parenthood), conditions (such as obesity) and aspects of behaviour (such as drug misuse).	All
<b>Hidden activity</b>	<b>Activity</b> that takes place but is not recorded on any of your organisation's main systems, such as <b>PAS</b> . It must be identified for payments and clinical governance for the costed activity to be correct.	All
<b>Hierarchical allocation method</b>	A method of allocating support services costs to support services in one direction: for example, finance department costs can be allocated to IT, but IT department costs cannot be allocated to finance even if finance consumes IT resources. The standards specify that a <b>reciprocal allocation method</b> should be used instead because it more accurately represents the interactions between support services, so ultimately allows more accurate support costing at the patient level.	All
<b>HIV bands</b>	<p><b>Category 1 (new patients)</b> are newly diagnosed or have newly started on antiretroviral therapy (ARV medicines). These patients require more intensive clinical input than Category 2 (stable patients) in the first year of diagnosis. This includes a greater number of more complex diagnostic tests and more frequent clinic visits with a greater input from multidisciplinary teams.</p> <p><b>Category 2 (stable patients)</b> covers patients who do not have one of the listed Category 3 complexities and are either not on</p>	Acute, Community

ARV medicines or started ARV medicines more than one year ago. This category covers most patients and therefore should be used as the default category unless Category 1 or 3 criteria can be demonstrated and validated.

**Category 3 (complex patients)** covers patients who need high levels of maintenance. Complexities are:

- current tuberculosis co-infection on anti-tuberculosis treatment
- treatment for chronic viral liver disease
- oncological treatment
- active AIDS diagnosis requiring active management in addition to ARV medicines (not inpatient care)
- HIV-related advanced end-organ disease
- persistent viraemia on treatment (more than six months on ARV medicines)
- mental illness under active consultant psychiatric care
- HIV during current pregnancy.

<b>Home care</b>	Where the patient is cared for in their own home as though they were in hospital: eg a patient ‘transferred’ home for intravenous antibiotics rather than being ‘discharged’ home. The home care may be provided by the same provider or a contractor.	Acute, Mental health, Community
<b>Home leave</b>	Mental health term for a patient spending up to six days in their own residence while a bed at the inpatient unit is held open for them.	Mental health
<b>Home visit</b>	A patient contact in the patient’s normal place of residence (excludes prison contacts).	Acute, Mental health, Community
<b>Hospital ambulance liaison officers (HALO)</b>	Staff who liaise between hospitals and the ambulance service, especially during patient handover.	Ambulance

<b>Hospital Episode Statistics (HES)</b>	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 is designed to enable secondary use for non-clinical purposes. For more information see the HES section of the NHS Digital <a href="#">website</a> . <sup>5</sup>	Acute, Community
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<b>IAPT</b>	IAPT stands for Improving Access to Psychological Therapy and is an NHS service designed to offer short-term psychological therapies. The NHS programme in England offers interventions approved by the National Institute for Health and Care Excellence (NICE) for treating people with depression or anxiety.	Mental health
<b>IAPT Dataset</b>	The IAPT programme is supported by a regular return of data generated by providers of IAPT services in delivering those services to patients. The data is received by NHS Digital and released as statistical publications covering activity, waiting times and patient outcomes such as recovery.	Mental health
<b>International Classification of Disease (ICD10)</b>	The ICD is a medical classification list produced by the World Health Organization. It provides codes for diseases, signs and symptoms and is regularly updated.	All
<b>Impairment</b>	Occurs when the fair market value depreciation of a business asset exceeds the book value of the asset on the company's financial statements.	All
<b>Implementation</b>	The process of adopting the <b>Approved Costing Guidance</b> in a provider and using the processes described to produce patient-level data outputs that can be used internally and for national data collections.	All

<sup>5</sup> <https://digital.nhs.uk/data-and-information/data-tools-and-services/data-services/hospital-episode-statistics>

<b>Implementation resource/Implementation activity</b>	Resources and Activities as shown in the Technical Document at a lower level than the collection resource/collection activity.	All
<b>Incident</b>	For costing purposes, an <b>activity</b> provided by the ambulance service relating to an event: clinical advice on the telephone or dispatching a physical response to treat one or more patients.	Ambulance
<b>Income centre</b>	A code used to hold the three types of income shown in column B of Spreadsheet CP2.1: Standardised cost ledger in the technical document.	All
<b>Income feed</b>	Records used for income billing purposes.	All
<b>Income group</b>	A collection of income for a cohort of activities: eg income for delivering patient care or non-patient care activities.	All
<b>Income ledger</b>	Holds all the income transactions in the same way the <b>cost ledger</b> holds all the costs.	All
<b>Incomplete patient events</b>	Any patient event where the patient has not been discharged at the end of the reporting period, and/or their care started in a previous reporting period, or diagnostics or other events took place before or after the end of the reporting period.	Acute, Mental health, Community
<b>Indirect costs</b>	Costs indirectly related to the delivery of patient care. They are not directly determined by the number of patients or patient mix, but costs can be allocated on an <b>activity</b> basis to service costs. This term is commonly used in management accounting processes but is not used in the <b><i>Approved Costing Guidance</i></b> .	All
<b>Information gap analysis tool (IGAT)</b>	An implementation tool to identify which information feeds and fields are available for costing purposes. It is available on the <b>Open Learning Platform</b> .	All

<b>Information requirements</b>	Two standards describing how information should be collected and managed for the <b>costing process</b> .	All
<b>In-month data loading</b>	Extracting the most recent month's data from the activity feeds and loading it into the costing system each month. The advantage over cumulative year-to-date data loading is that smaller volumes of data are involved, and less processing power and/or time is required. The disadvantage is that late entries or adjustments to the previous month's figures are not picked up and included in the costing system.	All
<b>Integrated costing assurance log (ICAL)</b>	<p>This template provides a standard format for the costing assurance log required as part of the costing standards for all sectors. It is designed to work with a <b>patient-level information and costing system</b> (PLICS).</p> <p>Each worksheet includes a template to record how to set up and run your costing system, as well as record decisions that are essential to understanding the journey from your general ledger and activity feeds to the costing system output.</p> <p>As well as making it easier to store and transmit costing knowledge within your organisation, the ICAL can provide evidence for the assurance process and is designed to help you keep to the costing principle of transparency. It makes it easier for NHS England and NHS Improvement to compare your costing practices to the standards. The template is downloadable from our <a href="#">website</a>.</p>	All
<b>Investment revenue</b>	Amounts earned on money invested (NHS trusts).	All
<b>Internal audit</b>	Takes place within an organisation and is reported to its audit committee and/or directors. It helps to design the organisation's systems and develop specific risk management policies.	All
<b>Intervention</b>	An action that will benefit the patient, whether it is physical, psychological, or pharmaceutical.	Acute, Mental

J

<b>Job cycle</b>	The job-cycle elements comprise the series of <b>activities</b> that follow when the <b>emergency operations centre</b> receives a call, decides on an action, and sends a response unit to treat one or more patients. A job cycle starts when a call is received, or a response is dispatched to, for example, a patient referred by NHS 111, and ends when the <b>response unit</b> is ready to be sent on another job.	Ambulance
<b>Joint Venture</b>	Usually formed where two or more persons or companies come together to execute a particular business proposition or project in a contractual or corporate arrangement.	All

L

<b>Local Improvement Finance Trust (LIFT)</b>	LIFT is a public private partnership (PPP). It delivers a wide range of property services to the NHS, not just new build, including master planning, land assembly and estate rationalisation.	All
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M

<b>Mandated transition path</b>	Guide to which elements of which <b>standards</b> are mandatory by which year of <b>implementation</b> .	All
<b>Mandation</b>	The process of making <b>implementation</b> of the <i>Approved Costing Guidance</i> mandatory for all providers in a specific sector.	All
<b>Market forces factor (MFF)</b>	An index used in tariff payment and commissioner allocations to estimate the unavoidable regional cost differences of providing healthcare. To obtain cost neutrality, the underlying MFF used in the <b>PLICS portal</b> and <b>data quality tool</b> is scaled. This is done using the percentage difference between PLICS costs quantum before applying the MFF and after its application – that is, the	All

	total national value of PLICS costs submitted is the same whether it includes or excludes the MFF.	
<b>Master feeds</b>	The core <b>patient-level activity</b> feeds to which auxiliary feeds will be matched: for example, <b>admitted patient care (APC)</b> .	All
<b>Matching (costing standards)</b>	The process to ensure the relevant <b>auxiliary data feeds</b> can be attached to the correct patient events in the master feeds.	All
<b>Matching rules (costing standards)</b>	Govern how auxiliary <b>patient-level feeds</b> should be matched to the correct patient contact. The rules have a hierarchy, with some <b>matching</b> rules preferred to others to minimise <b>false-positive matches</b> .	All
<b>Matching to national dataset</b>	The patient events submitted as part of the National Cost Collection are matched to the underlying national dataset, to access more data items for that patient event in the PLICS Portal and other national reporting data. For example, an admitted patient care episode is matched by NHS Digital to the Commissioning Data Set (CDS) to access all the diagnosis codes. (ICD10)	
<b>Materiality</b>	A value that is significant to the overall picture of cost or <b>activity</b> .	All
<b>Mental Health Minimum Data Set (MHSDS)</b>	The Mental Health Services Data Set (MHSDS) <sup>6</sup> is a patient-level, output-based, secondary uses dataset collected by NHS Digital; it aims to deliver robust, comprehensive, nationally consistent and comparable person-based information for children, young people and adults (including older people) who are in contact with secondary & specialist mental health services located in England, or located outside England but where services are commissioned by NHS England and NHS Improvement.	Mental health

<sup>6</sup> <https://digital.nhs.uk/data-and-information/data-collections-and-data-sets/data-sets/mental-health-services-data-set>



<b>Minor injury unit</b>	NHS Accident & Emergency (national code 03) are defined as doctor or nurse led service unit treating minor injuries and illnesses and can routinely be accessed without appointment. This term is used for costing as a subset of 'Emergency Department' which includes 24-hour A&E units, minor injury units, urgent treatment centres and walk-in centres.	Acute/ Community
<b>Mobile to scene</b>	The period from the moment a <b>response unit</b> starts its journey to arrival at the scene or being stood down.	Ambulance
<b>Mono-specialty A&amp;E departments</b>	NHS mono-specialty A&E departments (national code 02) are defined as a consultant led specialty units – for example ophthalmology and dental. This term is used for costing as a subset of 'Emergency Department' which includes minor injury units, urgent treatment centres and walk-in centres.	
<b>Multidisciplinary team (MDT) meetings</b>	Where care providers with varied expertise come together to review the care plan of one or more patients. The patient may or may not be present. Not to be confused with a <b>mobile data terminal (MDT)</b> .	Acute, Mental health, Community

## N

<b>National Cost Collection (NCC)</b>	The annual submission of patient level and average cost per unit data by NHS providers to NHS England and NHS Improvement via NHS Digital.	All
<b>National Cost Collection workbook</b>	This is the Excel file where provider organisations enter the cost and activity data at an average currency level. This file is submitted annually, where a service is not yet in-scope for the PLICS collection.	
<b>National tariff</b>	Since 1 April 2014, the term 'national tariff' refers to the statutory document published by Monitor (part of NHS England and NHS Improvement), which sets out the framework for pricing of NHS services in England. This includes national prices and the method for determining them, as well as the rules for local	All

	variations to national prices and local pricing rules. See also <b>payment by results</b> and <b>national tariff payment system</b> .	
<b>National Tariff Payment System</b>	The name given to the payment system that sets out the national tariff. This set of prices and rules helps local clinical commissioning groups work with healthcare providers such as NHS trusts and NHS foundation trusts to identify which healthcare services provide best value to their patients.	All
<b>Negative costs</b>	Where the balance of a cost or set of costs in the <b>general ledger</b> or balance of a <b>resource, activity</b> or <b>cost object</b> in the costing process appears to be less than zero. This can occur for reasons that include miscoding, the value of a journal exceeding the value in the cost centre, and inaccurate timings of accrual release in the general ledger. These are detailed in Standard CP2: Clearly identifying costs.	All
<b>Netting off</b>	Allocating income to reduce all or part of a cost within an expense code to ensure that costs of activities are not inflated.	All
<b>Non-current assets</b>	Long-term investments whose full value will not be realised within the accounting year. Examples are investments in other companies, intellectual property (eg patents), property, plant and equipment.	All
<b>Non face-to-face contact</b>	Time spent by healthcare providers reviewing and advising a patient on care without that patient being physically present: eg having a phone conversation or a web chat with a patient while the patient is at home.	Acute, Mental health, Community
<b>Non-responding time</b>	The time that frontline staff and vehicles are available to respond to a 999 call but do not actually respond to an <b>incident</b> .	Ambulance
<b>Nurse educator</b>	Also known as a nurse tutor. A nurse educator is a nurse who teaches and prepares registered nurses for entry into practice positions. They can also teach in various patient care settings to provide continuing education to licensed nursing staff. Nurse educators teach in graduate programmes at master's and	All

	doctoral level, to prepare future advanced practice nurses, nurse educators, nurse administrators, nurse researchers and leaders in complex healthcare and educational organisations.	
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## O

<b>Observation</b>	Carried out by <b>healthcare professionals</b> in a mental healthcare setting to ensure a patient is well and not harming either themselves or others.	Mental health
<b>OPCS codes</b>	The OPCS Classification of Interventions and Procedures (OPCS-4) is a fundamental information standard created and managed by the NHS Digital Data Model and Dictionary team. The codes are part of the 'clinical coding' applied to patient events by trained clinical coders. The OPCS codes show the procedures and interventions that took place, and they work in conjunction with the World Health Organisation (WHO) International Classification of Disease (ICD10) codes for diagnosis.	All
<b>Open learning platform (OLP)</b>	A web-based system of information and resources to guide and assist <b>implementation</b> of the <b>costing standards</b> . The platform can be used as a reference tool or training course for costing practitioners. We now consult on the <b>Approved Costing Guidance</b> and provide supporting documentation via this platform. Please email <a href="mailto:costing@england.nhs.uk">costing@england.nhs.uk</a> to register on it.	All
<b>Operating expenses</b>	The ongoing cost for running a product, business, or system.	All
<b>Orthotic appliance</b>	A support worn by a patient on the outside of their body. See also <b>prosthetic limb</b> .	Acute, Community
<b>Other activities</b>	Activities performed by a provider that do not relate to the care of its own patients. These include care provided to direct access patients and commercial activities. See Standard CM8: Clinical and commercial services supplied or received.	Acute, Mental health, Community

<b>Other operating income</b>	Includes revenue from all other operating activities that do not relate to the principal activities of the company, such as gains/losses from disposals, interest income, dividend income, etc.	All
<b>Outpatient attendance</b>	A clinic attendance where a patient or patients visit a healthcare professional in a clinical setting (usually but not exclusively a hospital setting) – specifically as recorded on the Commissioning Data Set (CDS). These can be booked or ad hoc. One patient may visit the care professional(s) holding the clinic or a succession of patients during a clinic session (see community clinic attendance for community service clinics).	All
<b>Outpatient care</b>	Non-admitted patient care contacts in a formal or non-formal 'clinic' setting.	Acute, Mental health, Community
<b>Outreach activity (acute)</b>	Where the staff who deliver services in critical care wards in acute hospitals see patients outside their main settings to provide continuity of care. For example: a critical care outreach nurse visiting a patient on an orthopaedic ward.	Acute
<b>Outreach activity (mental health)</b>	Non-admitted patient care contacts that require the <b>care professional</b> to search for the patient before the contact can take place.	Mental health
<b>Outsourced</b>	Services that a provider is contracted to provide but which are provided by an external provider, often a private provider, on their behalf. See also <b>services supplied</b> .	All
<b>Overheads</b>	Such as finance and HR. They are allocated to all the services that used them, using a prescribed allocation method such as actual usage or <b>headcount</b> . These costs do not use resources and activities in the <b>costing process</b> .	All
<b>Overstated</b>	Reported with a value greater than the real value.	All

## P

<b>Patient administration system (PAS)</b>	A central repository that stores patient-related information such as demographic data and details of how inpatients and outpatients came into contact with the hospital.	All
<b>Patient care pathway</b>	The patient's journey from initial contact to the end of treatment or to a condition management programme. A pathway may continue alongside the latter once it has begun. There are standardised pathways for various health conditions, although any individual patient's pathway is likely to vary from the standard. For more detail on these pathways, see the National Institute for Health and Care Excellence (NICE) <a href="#">website</a> . <sup>7</sup> Some patients will be on multiple pathways at the same time.	Acute, Mental health, Community
<b>Patient cost index (PCI)</b>	Compares each provider's average <b>patient-level cost</b> for an activity with the average cost of the same activity for selected peers, multiplied by 100. A trust with a PCI of 100 has costs equal to the peer average; a trust with an index of 110 has costs that are 10% more than the peer average and one with an index of 90 has costs that are 10% less.	All
<b>Patient event</b>	The record of a patient that is costed. Can include any point of delivery, including episode, attendance, care contact, telephone call, or bed day (community and critical care providers only).	All
<b>Patient-facing costs</b>	Those that relate directly to delivering patient care and are driven by patient events; they should have a clear activity-based allocation method and will be both pay and non-pay.	All
<b>Patient-level activity (acute, mental)</b>	Calculated by matching <b>activity</b> to a patient episode, attendance, or contact. Some types of activity are not directly matched to a patient but are still reported at the patient level using weightings based on <b>headcount</b> and/or acuity and time used.	Acute, Mental health, Community

<sup>7</sup> <https://pathways.nice.org.uk/>

health and community)		
<b>Patient-level activity (ambulance)</b>	Calculated by distributing <b>activity</b> from <b>incidents</b> across the patients involved. Some types of activity are not directly matched to a patient but are still reported at the patient level using weightings based on <b>headcount</b> and/or time used.	Ambulance
<b>Patient-level costing</b>	The practice of allocating costs to individual patients by recording and/or calculating the support <b>resources</b> and patient-facing resources consumed to deliver <b>activities</b> related to patient care.	All
<b>Patient-level costs</b>	Calculated by tracing individual patients' actual <b>resource</b> use. The output of the <b>patient-level information and costing system (PLICS)</b> .	All
<b>Patient-level feeds</b>	Data sources specified in Standard IR1: Collecting information for costing.	All
<b>Patient-level information costing system (PLICS)</b>	Costing software that combines activity, financial and operational data to cost individual episodes of patient care.	All
<b>Patient report form (PRF)</b>	Completed by ambulance crew members and containing information about each patient treated.	Ambulance
<b>Patient transport</b>	Provides NHS-funded transport for eligible people unable to travel to their healthcare appointments or between healthcare sites by other means due to their medical condition.	All

<b>service (PTS)</b>		
<b>Patient unit costs</b>	Costs of single episodes, attendances, contacts, or <b>spells</b> of care delivered to individual patients. Reference costs are calculated from the average unit costs for different <b>currencies</b> across all relevant patient episodes, attendances, contacts, or spells. Unit costs are defined in the <a href="#">National Cost Collection guidance</a> .	All
<b>Payment by results (PbR)</b>	The term previously used for the payment system in England, within which there was a national tariff that referred to the nationally set prices paid for each <b>currency</b> . <a href="#">A simple guide to payment by results</a> provides a useful introduction. <sup>8</sup> See also the <b>national tariff</b> .	All
<b>Placement</b>	The time students and trainees spend at a healthcare provider. A placement must last longer than one week (five working days) and be linked to defined learning outcomes. This duration may total one week but be spread over several months: eg one day a week for six weeks.	E&T transitional method
<b>PLICS data quality tool (DQT)</b>	Gives the NHS provider an interactive view of the PLICS data it submitted. Improves data quality and helps ensure any outliers are identified and addressed. The tool extracts nationally collected PLICS data and combines it with the relevant national published dataset (eg <b>HES</b> ). It gives users access to a range of specific reports based on their PLICS submission and can be accessed via the <b>PLICS portal</b> .	All
<b>PLICS portal</b>	This national portal allows users to analyse patient-level costing information. The portal connects nationally collected PLICS data with the relevant national published dataset (eg <b>HES</b> data for acute services) to enable in-depth benchmarking of costs, patient outcome reporting, <b>patient-level activity</b> analysis, patient pathway analysis and more.	All

<sup>8</sup> [www.gov.uk/government/publications/simple-guide-to-payment-by-results](http://www.gov.uk/government/publications/simple-guide-to-payment-by-results)

<p><b>Podiatry currencies</b></p>	<p><b>Tier 1: General podiatry</b> – includes painful nail pathologies, dermatological conditions, corns, calluses and fissures, heel pain and metatarsalgia, basic vascular assessments, falls prevention advice and foot health education.</p> <p><b>Tier 2: Minor surgery</b> – includes nail surgery procedures<sup>9f</sup> to remove part of the nail or the whole nail to correct ingrowing toenails, or steroid injections to the foot or ankle, performed in community settings by podiatrists.</p> <p><b>Tier 3: Complex foot disease</b> – covers management of at-risk foot and active foot disease in diabetes. Diabetic foot ulceration management including offloading devices and wound care, requiring senior staff, surgical debridement, costly dressings such as silver and maggots, as well as off-loading air cast walkers, custom-made orthotics and footwear. Increasingly, community foot protection teams supply antibiotics and generate costs for X-ray and pathology. Advanced management of rheumatoid arthritis using ultrasound and similar diagnostic techniques.</p> <p><b>Specialist care 1</b> – includes clinical debridement using hydrojet devices and topical negative pressure wound management for complex foot wounds.</p> <p><b>Specialist care 2</b> – includes advanced vascular assessments. Specialist diagnostics are increasingly used by advanced vascular podiatrists to assess the whole limb for risk factors for cardiovascular disease and incur costs that are significantly different from core podiatry.</p> <p><b>Other non-core podiatry</b> – covers any other podiatry services provided in community settings and not described above, including podiatric surgery, complex biomechanics, forensic podiatry.</p>	<p>Community</p>
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<sup>9</sup> The relevant OPCS-4 codes are: S642, Chemical destruction of nail bed; S682, Excision of wedge of nail; S701, Avulsion of nail. Such procedures performed in admitted patient care or outpatient settings should already have been reported against HRG JC43A or JC43B, Minor skin procedures.



<b>Private finance initiative (PFI)</b>	A way in which the private sector finances a public sector project. The project is leased to the public and the government authority makes annual payments to the private company.	All
<b>Private patients</b>	Those responsible for paying fees for their care, either directly (self-pay) or through private medical insurance. Since the source of income is different from that for other types of patient, private patients need to be identified and flagged.	All
<b>Prostheses, implants, and devices</b>	Artificial substitutes that are intentionally left behind for either functional or cosmetic reasons after surgery: eg a titanium hip which remains in the patient after an operation.	Acute, Community
<b>Prosthetic limb or appliance</b>	Worn by the patient on the outside of the body to replace or support part or all of a body part.	Acute, Community
<b>Provider finance return (PFR)</b>	The monthly finance return submitted by trusts and foundation trusts to NHS England and NHS Improvement Finance Department	
<b>Providers of NHS services</b>	Legal entities, or subsets of legal entities, that provide healthcare under NHS service agreements, operating on one or more sites within and outside hospitals. They include NHS trusts and NHS foundation trusts providing acute, ambulance, community, and mental health services to treat patients and service users. They also include GP practices, local authorities with social care responsibilities, and non-NHS providers, although these are outside the scope of the <b>Approved Costing Guidance</b> . Providers are defined in more technical detail in the NHS Data Dictionary.	All

<b>Proxy records</b>	<p>For areas with no <b>patient-level activity</b>, it may be possible to create new records for costing to cost <b>a</b> patient not <b>the</b> patient. For example, care provided outside the organisation. Proxy records should not be created for poor data quality.</p> <p>Note: For services with sensitive/legally restricted data, an existing patient record is anonymised or pseudonymised at patient level for costing and the cost collection. This is not a proxy record; it is a real record without patient identifiable detail.</p>	All
<b>Pseudonymised record</b>	<p>Where a patient record is brought into the costing system without any patient identifiable information, but with an identifier that can be mapped back to the patient if required. This may be used for legally sensitive information but where the tracking to the patient is deemed essential for local use.</p> <p>This is not a proxy record; it is a real record without patient identifiable detail.</p>	All
<b>Psychiatric intensive care unit (PICU)</b>	<p>Provides care to patients who require immediate or more than usual care due to high risk of self-harm or harm to others. PICUs usually have higher staffing levels and may have an array of specialised care providers. Not to be confused with 'paediatric intensive care unit', which may also use PICU as an abbreviation.</p>	Mental health
<b>Public dividends capital (PDC)</b>	<p>A form of long-term government finance that was provided to NHS trusts when they formed to enable them to purchase the trust's assets from the Secretary of State.</p>	All

## Q

<b>Quantum of cost</b>	<p>The total expenditure measured and allocated for the costing exercise. It should be reconcilable to the audited accounts using the <i>Approved Costing Guidance</i>.</p>	All
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## R

<b>Reciprocal allocation method</b>	A method of allocating costs that takes account of how corporate support services provide services to one another <sup>10</sup> : for example, part of the cost of the finance department is allocated to IT and part of the cost of the IT department is allocated to finance.	All
<b>Reciprocal charging arrangements</b>	Agreements with foreign states allowing the NHS to charge their governments for care provided to overseas patients.	Acute, Mental health, Community
<b>Reconcile</b>	To match output from the costing system with its data sources as well as with totals from other financial statements. This takes account of adjustments and exclusions made during the costing process.	All
<b>Reconciliation</b>	The process of making sure that two or more sets of records agree.	All
<b>Refresh</b>	The practice of replacing data loaded into the costing system month-on-month with a fresh extract from the <b>patient-level feeds</b> . This may add new records, amend existing records, and remove erroneous records from PLICS. For example, an activity in June, which is entered in the patient-level feed in August due to an administrative error, would be missed by an in-month data load at the end of June. A refresh after August would pick it up and add it to the list of activities in June within the costing system.	All
<b>Regular day or night admission</b>	An admission in a series of regular day/night admissions for a course of treatment	Acute

<sup>10</sup> For example- If you follow reciprocal costing for external audit and finance, 100% of your external audit costs will go to finance, and then be apportioned to all other cost centres using the method for general finance department.

<b>Relative weight value (RWV)</b>	Developed to assign costs at the patient level where a patient-level feed is not available to identify the precise cost or number of activities performed. RWVs can also be used where supporting allocation information is required for the <b>patient-level feeds</b> . They can be used to allocate both <b>patient-facing, overheads (type 1 support costs)</b> and <b>type 2 support costs</b> .	All
<b>Relaxation of the costing standards</b>	We are not removing the need to follow the costing standards but accept that the COVID-19 outbreak has required a more flexible approach. For the 2021/22 financial year, we are allowing trusts to decide where they need to reduce compliance to the standards to enable a reasonable cost output. All such decisions should be documented in the <b>ICAL</b> , to maintain appropriate governance.	
<b>Resource group</b>	See Collection resource.	All
<b>Resources</b>	Components used to deliver activities, such as staff, equipment or consumable. The <b>cost ledger</b> includes a mapping of costing account codes to a prescriptive list of costing resources provided by NHS Improvement in the costing standards <b>technical document</b> . Also called 'costing resource' (or 'implementation resource' in previous documents)	All
<b>Response unit</b>	One staffed vehicle or other unit (eg <b>community first responder</b> ) that can be physically dispatched to an <b>incident</b> .	Ambulance

## S

<b>Searching</b>	Mental health term for the clinician proactively tracking down the patient to ensure reviews are performed, medications taken, etc.	Mental health
<b>Secondary Uses Service (SUS)</b>	The Secondary Uses Service (SUS) is the single, comprehensive repository for healthcare data in England which enables a range of reporting and analyses to support the NHS in the delivery of healthcare services.	All

<b>Secure Electronic File Transfer (SEFT)</b>	SEFT is the web portal NHS providers use to transfer PLICS XML files created by the <b>DVT</b> tool to NHS Digital electronically and securely.	All
<b>See and treat</b>	<b>Incidents</b> where frontline staff provide focused clinical assessment at the patient's location, followed by appropriate immediate treatment, discharge and/or referral. Often a patient may be referred to other services more appropriate to their needs, or which can provide further support at home or in a community setting, in liaison with the patient's GP.	Ambulance
<b>See, treat and convey</b>	<b>Incidents</b> that result in a patient being conveyed because of an emergency call from a member of the public or organisation, or because of being categorised as needing an emergency response following a referral by a <b>healthcare professional</b> or electronically transferred to the <b>CAD system</b> from another CAD system.	Ambulance
<b>Serious untoward incident (SUI)</b>	An incident in which patient(s), staff and/or the public suffer serious injury or unexpected death (or the risk of serious injury/death) while on the provider's premises.	Mental health
<b>Service-level agreement (SLA)</b>	Made between two organisations to identify the expected level of service that one provides to the other.	All
<b>Service-line reporting (SLR)</b>	A method for reporting cost and income by service lines (discrete business units) to improve understanding of each line's contribution to performance. SLR measures a provider's profitability by each of its service lines, rather than at an aggregated level for the whole provider.	All
<b>Service-line management (SLM)</b>	A method that identifies discrete service areas and manages them as distinct operational units. It enables NHS trusts to understand their performance and organise their services in a way which benefits patients and delivers efficiencies for the trust.	All

<b>Services received</b>	Care provided to one organisation's patients by another organisation.	All
<b>Services supplied</b>	All activities a provider performs that do not relate to the care of its own patients.	All
<b>Service team session (NAPC)</b>	This is a defined period of time where one or more care professionals see a sequential list of patients. It could be a day in the community, or a 4-hour session, or defined as a formal clinic depending on the sector and the available information.	All
<b>Small numbers suppression</b>	Information about an individual that is not public must not be identifiable, or able to be deduced from the data from the <b>PLICS data quality tool</b> or public portal. Figures that may identify individuals when subtracted from totals, subtotals or other published figures must be suppressed.	All
<b>SNOMED CT</b>	A structured clinical vocabulary for use in an electronic care record. It represents care information in a clear, consistent and comprehensive manner. The move to a single common clinical terminology will reduce the risk of misinterpretation of the care record in different care settings. Mental health systems and provider organisations must adopt SNOMED by April 2020. Further information can be found on the NHS Digital <a href="#">website</a> . <sup>11</sup>	All
<b>Specialing</b>	Term for monitoring patients who require continuous one-on-one nursing care.	Acute, Mental health, Community
<b>Spell</b>	The period from date of admission to date of discharge for one patient in one hospital. A spell may consist of more than one <b>finished consultant episode</b> .	Acute, Mental health, Community
<b>Staff pay timing issues</b>	In some cases, the dates on which staff are paid and the way their pay is split over time can lead to problems recording their costs in the costing system. For instance, differences in the	All

<sup>11</sup> <https://digital.nhs.uk/services/terminology-and-classifications/snomed-ct>

	number of days in a month can lead to varying hourly costs when staff are paid the same amount each calendar month. Also, overtime may be paid in the month following the month it was worked. For more detail see Standard CP1: Ensuring the correct cost quantum.	
<b>Stakeholder</b>	All individuals and groups likely to be affected by a proposed change.	All
<b>Standalone feeds</b>	Patient-level activity feeds not matched to any episode of care but reported at <b>service-line</b> level in the organisation's reporting process: eg the cancer <b>multidisciplinary team meeting (MDT)</b> feed.	All
<b>Standardised cost ledger</b>	Provides a complete record of financial expenditure incurred by an organisation. Information reported in the <b>cost ledger</b> will be based on entries made in the <b>general ledger</b> and ensures the costs are in the correct starting place to begin costing.	All
<b>Standards</b>	The <b>Approved Costing Guidance</b> describe the <b>costing approach</b> we ask you to adopt to comply with the <b>Costing Transformation Programme</b> . There are sector-specific standards for acute, ambulance, mental health, and community providers. However, some areas of these standards have been integrated to reduce the burden on integrated providers: eg costing processes. This single, common integrated document set can apply to all sectors.	All
<b>Standards gap analysis</b>	An <b>implementation</b> tool to be used to identify gaps that may make it difficult to implement the healthcare costing <b>standards</b> . The template is available on the <b>Open Learning Platform</b> .	All
<b>Statement of comprehensive income (SOI)</b>	A financial report detailing the change in a company's net assets during a specific period. It differs from a typical income statement that details profits and losses.	All
<b>Statistic allocation table</b>	A place to store <b>relative weight values</b> used to allocate costs.	All

<b>Strategic Data Collection System (SDCS)</b>	SDCS is the online platform used to upload the <b>National Cost Collection (NCC)</b> workbook.	All
<b>Strategic transformation funds (STFs)</b>	Five-year plans covering all aspects of NHS spending in England. Forty-four areas have been identified as the geographical ‘footprints’ on which these plans are based, with an average population size of 1.2 million people (the smallest covers a population of 300,000 and the largest 2.8 million). A named individual will have led the development of each STP.	All
<b>Students</b>	Those receiving <b>education and training</b> from a healthcare service provider who are not paid a salary (see also <b>trainees</b> for those who do receive a salary).	E&T transitional method
<b>Subsidiary</b>	A company is a ‘subsidiary’ of another company, its ‘holding company’, if that other company: <ul style="list-style-type: none"> <li>(a) holds a majority of the voting rights in it, or</li> <li>(b) is a member of it and has the right to appoint or remove a majority of its board of directors, or</li> <li>(c) is a member of it and controls alone, pursuant to an agreement with other members, a majority of the voting rights in it.</li> </ul>	All
<b>Superior costing method (SCM)</b>	A method of costing that is more advanced than the prescribed method. For example, ward care costs are allocated by duration in minutes. Superior costing method code SCM2 Acuity, Specialing and Observations will use duration AND additional patient-specific information to allocate the costs in a more granular way. Superior costing methods need to be authorised by the NHSE&I costing team before they are used. A list of authorised SCM is given in the integrated technical document, on spreadsheet CP3.5 (Superior and Alternatives).	



<b>Supplementary feed</b>	Information feed that contains no information about patient-facing activities. It is an information source to help to allocate <b>resources</b> more accurately: eg fleet information feed.	Ambulance
<b>Supplier</b>	Supplier of costing software.	All
<b>Supporting contact</b>	Contact from anyone other than the principal <b>healthcare professional</b> recorded on the <b>PAS</b> . A patient often receives multiprofessional services during their episode: eg physiotherapists working with burns patients on a ward. This contact can take place during any type of patient event (including APC, NAPC and ED), where the contact adds additional specialist knowledge or treatment to the care given.	All

## T

<b>Technical document</b>	A series of Excel spreadsheets to support <b>implementation</b> of the costing <b>standards</b> . It is sector-specific, but some spreadsheets have been integrated to include all items for acute, mental health and community services: eg Spreadsheet CP2.1: Standardised cost ledger. This will reduce the burden on integrated providers and improve the ability of integrated trusts to cost all their services using one technical document. The standards cross-refer to spreadsheets in the technical document, including column and row number where applicable. The technical document also contains the information you will need for cost collection. It can be downloaded from the our <a href="#">website</a> .	All
<b>Tele medicine</b>	A <b>non face-to-face contact</b> with a patient using telephone or web-based applications: eg ambulance <b>hear-and-treat</b> service. Only non face-to-face contacts that directly support diagnosis and care planning, and replace a face-to-face contact, should be included in the costing process.	All

<b>Third-party frontline resource</b>	Costs of patient-facing services provided by third-party organisations such as <b>activity</b> performed by third-party ambulance crews	Ambulance
<b>Traceable costs</b>	Where actual costs are used from an information feed to inform a <b>relative weight value</b> .	All
<b>Trainees</b>	Those receiving <b>education and training</b> from a healthcare provider who are paid a salary (see also <b>students</b> for those who do not receive a salary).	E&T transitional method
<b>Travel time (ambulance)</b>	Time spent travelling. It can apply to travel to scene, scene to treatment location, treatment location back to base, or anywhere.	Ambulance
<b>Travel time (non-ambulance)</b>	Time taken by a <b>healthcare professional</b> to make a journey from their workplace to meet a patient or patients.	Mental health, Community
<b>Triage</b>	The process of determining the priority of patients for treatment, based on the severity of their condition: eg paramedics will triage patients before transporting them to hospital; an A&E nurse will triage patients when they arrive at the hospital.	All
<b>Trim point</b>	For each <b>HRG</b> , 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 <b>spell</b> 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 <b>excess bed day</b> payment or a long stay payment.	Acute

## U

<b>Unbundled healthcare resource</b>	An unbundled <b>HRG</b> represents an additional element of care. It will always be associated with a <b>core HRG</b> that represents the	All
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<b>group (HRG)</b>	care event and will always be produced in addition to a core HRG.	
<b>Understated</b>	Reported with a value smaller than the real value.	All
<b>Unit cost</b>	The cost incurred by a provider to produce, store and sell one unit of a product or service. Unit costs include all fixed costs and all variable costs associated with the production of a product or delivery of a service.	All
<b>Unlikely match</b>	A condition that voids any match made between <b>data feeds</b> when trying to associate <b>resource</b> use or <b>activity</b> with a patient episode. Care providers can list scenarios that will never occur in a clinical context: eg a specialty prescribing a drug that is never involved in a <b>patient's care pathway</b> within that specialty. Knowing these unlikely scenarios will avoid unlikely matches.	All
<b>Unmatched activities</b>	<b>Activities</b> not allocated to the patient episode, attendance or contact for which they occurred.	All
<b>Unwinding of discount</b>	A term used in accounting and finance to describe, where future liability is fixed/certain, the undoing (unwinding) of the process to find out the discount in the said fixed future liability as against its relative current value (or interest to its relative present value).  Example: When you apply discounting to a future cash payment to arrive at a present value, it is necessary to unwind that discount for each successive year until you arrive at the date of payment.	All
<b>Urgent treatment centre</b>	NHS urgent treatment centre is a term used by providers for either <b>Walk-In Centres</b> (Emergency Care Department Type 04, also called 'national code 04) or <b>Minor Injury Units</b> (Emergency Care Department Type 03, also called national code 03). We do not use this as a separate costing term.	

## V

<b>Value-based healthcare</b>	This is a metric that combines cost and outcome of patient care to provide improved information on the ‘value’ that the element has for the patient. The concept is based on the research of Professor Michael E Porter (Porter ME, Olmsted Teiseberg O (2006) Redefining health care. <i>Harvard Business Review</i> ) and is a framework for restructuring healthcare systems with the overarching goal of value for patients. It can be used when rolling out PLICS information, to contribute to the decision-making toolkit by giving a more effective comparator metric than cost alone.	All
<b>Volume of service</b>	The number of patients treated, and <b>activities</b> performed by the department or service.	All
<b>Voluntary transition plan</b>	Guide to which elements of which <b>standards</b> should be implemented by which year during the development years for the sector. This can be found in the <b>technical document</b> .	Community

## W

<b>Walk-in centre</b>	NHS walk-in centres (national code 04) are defined as predominantly nurse-led primary care facilities dealing with illnesses and injuries – including infections and rashes, fractures and lacerations, emergency contraception and advice, stomach upsets, cuts and bruises, or minor burns and strains – without patients needing to register or make an appointment. They are not designed for treating chronic conditions or immediately life-threatening problems. This term is used for costing as a subset of ‘Emergency Department’ which includes 24-hour A&E units, minor injury units, urgent treatment centres and walk-in centres.	Acute, Community
<b>Ward attender</b>	A non-admitted patient care event where the patient is seen on a ward rather than an outpatient clinic or setting. The costs will	All

	be the cost of the ward plus any additional clinical professional, but the type of patient event is considered an outpatient.	
<b>Weighted activity</b>	Calculation to weight the activity by a relative value unit to add <b>acuity</b> to the count of <b>activity</b> .	All
<b>Whole-time equivalent (WTE)</b>	Measurement of the staffing <b>resource</b> involved in providing a service, taking account of full and part-time working.	All

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