Products to support setting fixed payment – Deep dive

1 October 2021

NHS England and NHS Improvement

Menti question

What type of organisation do you represent? (Provider, Commissioner, ICS, National, Other)

For 2022/23, on what basis do you expect the fixed element to be set? (free text)

What tools, information or products are you planning to use to support setting of the fixed payment (if any)? (free text)

About this session

- The session involves a deep dive into four products being developed to support setting the fixed payment in 22/23 and beyond.
- We are interested in gaining your views on each of these products, including how likely you are to use them and what changes you would like to see made for 2022/23 and beyond.
- We will be asking a small number of questions in Menti during the session. We will also be discussing a couple of key questions on some of the products.
- Please use the Q+A (chat) for put questions and comments throughout the session (and 'like' those that you think are particularly important). We will address as many as we can.
- You can also email any thoughts, comments or questions to: pricing@england.nhs.uk.

Please note: What we are discussing here is still in development. The products and policies are not final and will be subject to change as we continue to receive feedback, both internally and externally, and undertake further work.

Contents

- Introduction to the deep dive – purpose of the session
- Working together towards the LTP
- 22/23 Fixed element overview
- Product(s) overview
- Support offer trajectory
- Deep dives
    - PLICS analysis
    - Population group analysis
    - Costed pathways supported by GIRFT
    - Programme Budgeting
- Summary & Closing thoughts

Introduction

Key question(s) to consider throughout the event:

- *Will the proposed products support setting the fixed payment?*
  - *If yes – how?*
  - *If no – what can we do to improve the offer to meet your needs?*

- The purpose of this event is to:
  - To give an overview of the fixed element
  - To provide additional information for each of the 4 products
  - Set out how each product can support setting the fixed payment in 22/23 and beyond
  - Set out the evaluation process for subsequent NPS support offers
  - To gain feedback, insights and comments on the products to refine our support offer

Working together towards the LTP objectives

- Pace of change – what is possible?
- Collaboration through engagement and co-production
- Support to step away from central rules towards local determination
- Understanding about challenges – recovery, clinical, system transformation and structure, financial envelopes
    - Competition to collaboration

Supporting the fixed element

Supporting the fixed element

- As the fixed element makes up the largest proportion of funding, it should be set using the best possible national and local intelligence. We intend to provide a **range of products and tools** to support systems to **develop and adjust the fixed element**.
- To support continuity for 2022/23, we expect the starting point for setting fixed elements would be a **similar approach to that used for 2021-22**. Local adjustment could then be made using the guidance, tools and intelligence described below.
- We are looking to **iteratively refine, evaluate and develop** these products as required over future years. This will increasingly support systems to adapt and, where necessary, fully rebuild fixed payments to meet their population's needs.
- In 2022/23, some products may initially be made up of qualitative materials, links and guidance. However, we intend to offer more developed interactive products in the future.
- **Co-production** with the sector is at the heart of each of these products – we want to develop these tools to meet the systems needs and value your input on an ongoing basis for each of these products.
- **Deep dive: Making payment work for the whole system** (Link) – this gives an example walk though of how a **system might** go about setting their fixed payment

The products

Programme budgeting	PLICS analysis	Costed pathways supported by GIRFT	Population group
• One of the best opportunities to understand how resources are used across a system	• Rich benchmarking information • Detailed information on cost structures	• From a range of medical specialities • Used for benchmarking	• Move towards commissioning based on population need

With a range of options available to build the fixed payment locally, each of the products are intended to support providers, systems and commissioners explore different ways to build their fixed payment

For products to be useful to inform the 22/23 planning round, we recognise that products will need to be available to the system by around December 2021. However, **not all products will be available by then** and so may be more for use in the longer term.

September engagement – summary

The tables show the scores (out of 10) from attendees at the September engagement workshops in response to the question 'how useful would you find the products…'

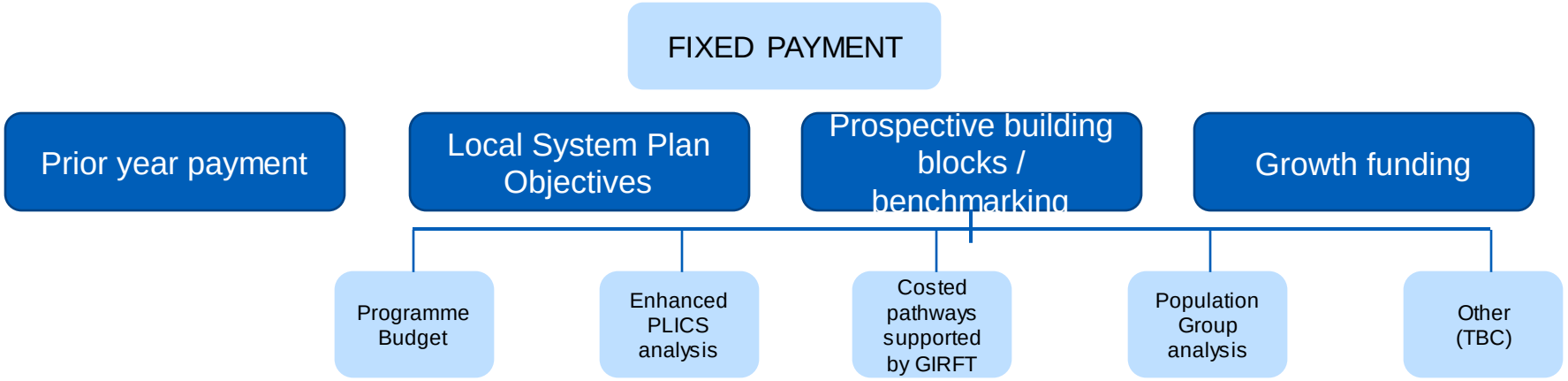
…for 22/23

	Mean	Median	Mode
Costed pathways supported by GIRFT	6.79	7	7
Programme budgeting	5.34	6	5
PLICS Analysis	7.48	8	8
Population group analysis	7.02	7	8
Other (include details in chat)	1.63	1	1

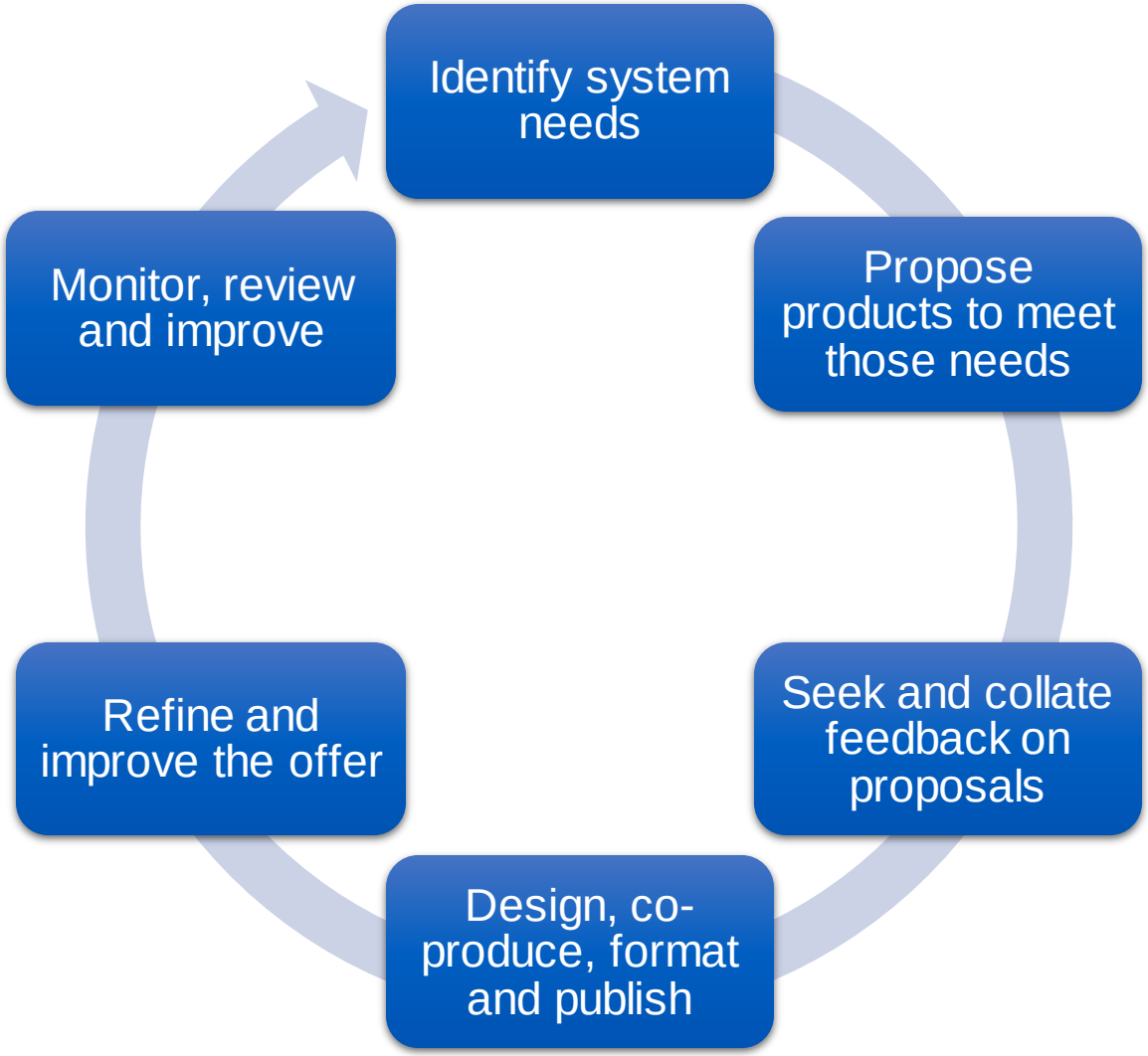
…for 23/24 & beyond

	Mean	Median	Mode
Costed pathways supported by GIRFT	7.15	7	8
Programme budgeting	5.66	6	5
PLICS Analysis	7.61	8	8
Population group analysis	7.56	8	10
Other (include details in chat)	1.50	1	1

Fixed payment development journey



Current	Not published for a number of years due to data reconciliation	Dashboard and model system costing focussed on technical organisational efficiency	GIRFT pathways published but no associated costing analysis	PHM pilots progressing and internal work on segmentation models and dashboards	No other products in the pipeline
Year 1 (22/23)	Aiming to resolve ongoing data reconciliation issues and publish for 22/23 using PLICS data from 18/19 and 19/20. System level view built in. Start conversation about potential enhancements	ICS / System dashboard for PLICS Self-service dashboard Data quality collection tools PLICS portal Standardised reports	Costing analysis for the Ophthalmology and MSK GIRFT pathways. Additional pathways may come throughout 22/23 Costing analysis to signal whole pathway principle. Presented in the context of changing resources as services transform.	Outline benefits and use of population group analysis Signposting to relevant internal models System access to dashboards, material, models etc Building in costing data to relevant models	Start discussion
Year 2	Implement Ph. 1 enhancements & collate feedback on suggested improvements	Implement Ph. 1 enhancements and collate feedback on suggested improvements Wider access to PLICS dashboard	Expand to wider selection of GIRFT pathways including whole pathway costing	Costing integration Bespoke population group analysis Collate and respond to feedback from the sector	Implement Ph 1 enhancements
Year 3 +	Publish full programme budget analysis in future proof categories and satisfy the needs of the sector	Establish PLICS analysis programme that satisfies the needs of the sector	Analysis from PLICS using GIRFT compliant providers Expand and automate the costing process	Whole system population group analysis and detailed local PHM	Range of products and tools valued and well used by sector.

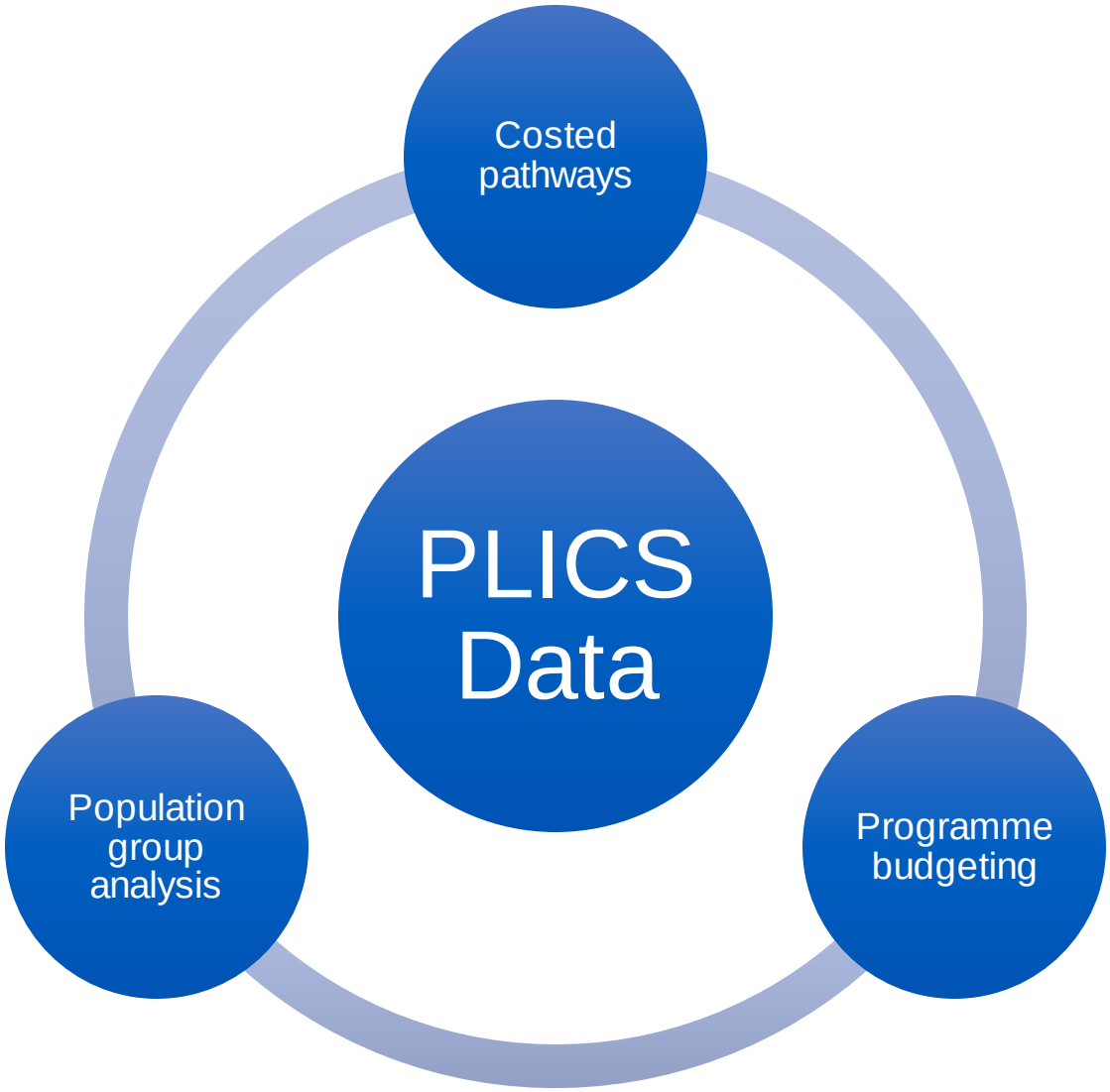

Identify system needs
Propose products to meet those needs
Seek and collate feedback on proposals
Design, co-produce, format and publish
Refine and improve the offer
Monitor, review and improve

PLICS analysis

Menti question

Menti question

- To what extent would cost information (PLICS) support you to:
    - set fixed payment
    - identify peers with useful costing models to benchmark against
    - identify peers to work with to understand different cost profiles
    - cost value model system transformation objectives
    - other (please put in chat)


Costed pathways
PLICS Data
Population group analysis
Programme budgeting

High level options

The PLICS data offers a rich picture of patient costs at a granular level

We want to be able to play your PLICS data back to you within a national framing.

At a very high level there are a number of options, using the PLICS data, we could look to develop to support the setting of the fixed payment, including;

- New benchmarks
- Open up to new products
- Integrate into existing products (PB, pathways, etc)
- Dashboards
- Bespoke analysis
- Guidance – scale of opportunity
- ‘How to’ guides
- Standardised report production
- Other

22/23 support offer

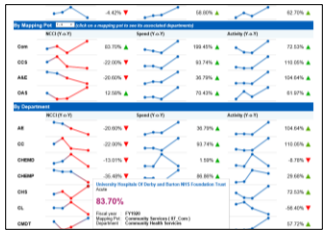
- For 22/23 we are looking to publicise, signpost and build on the products costing have already committed to
- This includes the data quality tools for micro-level fine tuning of submissions
- Plus, the **ICS / System level Tab to the acute PLICS dashboard for early 2022**
- Aim to produce **an integrated ICS / System level dashboard during 22/23** for use
- **Self-service tool allowing for bespoke reports to be run – likely later in 22/23**
- **Access to PLICS data** is an ongoing issue, and has been a high ranking response to the general engagement event question concerning the future of PLICS and is something we are proactively exploring opportunities for 22/23 planning.
- Despite a trajectory of development, to be useful for the 22/23 planning round, we recognise that some supporting documents will need to be available by around December.

Committed PLICS tools from Costing

Products	Acute	Mental Health	Ambulance	Community
Data validation tool*	Published	Published	Published	Published
In-collection data quality tool	Published	Published	Published	Published
Post-collection data quality tool	Published	Published	Published	Expected early 2022
PLICS portal	Published	Published	Published	Expected early 2022
ICS dashboard	Expected early 2022	Expected early 2022	Expected early 2022	Expected early 2022
Self-service platform	Expected late 2021	Expected late 2021	Expected late 2021	Expected late 2021

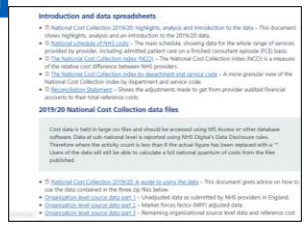
Using PLICS tools

In-Collection Data Quality tool can be used throughout the collection, allowing the user to check their submission and subsequently adjust their data and resubmit.

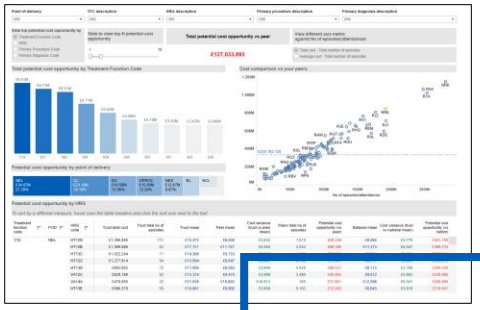


Post-Collection Data Quality tool is used after the collection to help with the subsequent year. Includes: negative costs, all activity having the same cost, matching rates to HES etc.

Publication of Data. Through a multitude of media.



Aggregate data is available through spreadsheets on the NHS England webpage.



The **PLICS portal** for end uses shows detailed level cost broken down by multiple dimensions and currencies.

(Future) **Population views** for the use by systems for pathway analysis

Note: Different organisations have different product availability

How PLICS analysis might be used in 22/23

- The **self-service portal** will allow systems to run bespoke analysis on the PLICS data that can be used to address local objectives.
- **ICS / System level dashboard,** while not expected to be available for planning, it will give a view of costs at a system level allowing for partners within systems to identify the costs of service provision and identify opportunities through benchmarking against relevant peers.
    - **For** 22/23 we may only be in the position to provide this for the acute portal
    - **From** 22/23 we are looking to provide an integrated position for all providers
- We are exploring options for a way to get comprehensive costing data available at a provider level to inform system planning.

23/24 & the future

- Patient-level costs (PLICS) can provide rich benchmarking information and give systems more detailed analysis of their cost structures.
- The products are intended to be provided on an iterative basis – collecting feedback pre and post implementation to guide the development of future offers
- For 23/24 and beyond we are interested to get your views on what analysis and information, using PLICS data, we should be providing to support setting the fixed element
- Payment is increasingly focusing on cost as the foundation to develop the fixed element, from which PLICS provides a rich source of data across NHS services.
- The development of PLICS in 23/24 and beyond, could focus on a number of different areas, including;

- Resolution of access issues
- Cost classifications – fixed, semi-fixed, variable
- ICS / System dashboard covering the entire system
- Standardised reports from PLICS
- Unbundled / not yet included services
- User guides / commissioning guides
- Costs linked to outcomes
- Deprivation scores
- Ethnicity values

Population group analysis

Overview

- When systems become statutory bodies, they will be responsible for the health and well-being of their local population
- Analysing populations, both as a whole and as groups, can provide valuable insights that may transform the way healthcare services are configured within local systems
- We believe the payment system has a role to play when it comes to supporting the transformation towards a commissioning model focused on patient and population need.
- The fixed element could be set with a detailed assessment of the need, cost, resource use, etc of a sub-set of the local population.
- Colleagues at NHSE/I are looking at national data and local case studies in order to draw out value adding information, including a segmentation model and interactive dashboards.
- For future years, there is an opportunity for us to develop models and dashboards that support financial analysis of population groups, including aligning to Model System, Bridges to Health and the Population and Person Insight (PaPI) project.

Menti question

- What other support, in this area, would you find useful to help address your population health objectives?
  - Data Linking (financial and non-financial)
  - Access to relevant information
  - Sharing of case studies
  - Models and interactive dashboards
  - Guidance and methodologies
  - Costing information on inequalities and demographics
  - Addressing specific barriers to PHM as they arise
  - Other (in chat)

22/23 support offer

- Recognising that population health management and population group analysis is in its relative infancy – **our offer will be a signalling document as part of the 22/23 NPS.**
- The document will outline the prospective benefits of population group analysis and how it can support the setting of the fixed element + signposting to relevant sources
- Specifically, **outlining a segmentation model that aligns with Bridges to Health**.
- In addition we are working with regional PHM teams to gather information on the support required as well as learn the lessons in order to communicate the wins and pitfalls to a national audience.
- Working with Bridges to Health to understand the benefits of a segmentation model and how data could support richness of understanding about assessing the local needs of a population:
    - Working to align costing data with the segmentation model
    - Exploring how different datasets can provide useful insights when linked.
- Proactively working to address access issues to the suite of products available now and in the future.
- The future of this product is bright

Bridges to Health

What?

Segmentation categorises populations according to their health and care needs, priorities, and circumstances. The ‘Bridges to Health’ (B2H) model is a fundamentally person-focused approach, with the principle goal of ‘pursuing the health of each population segment’.

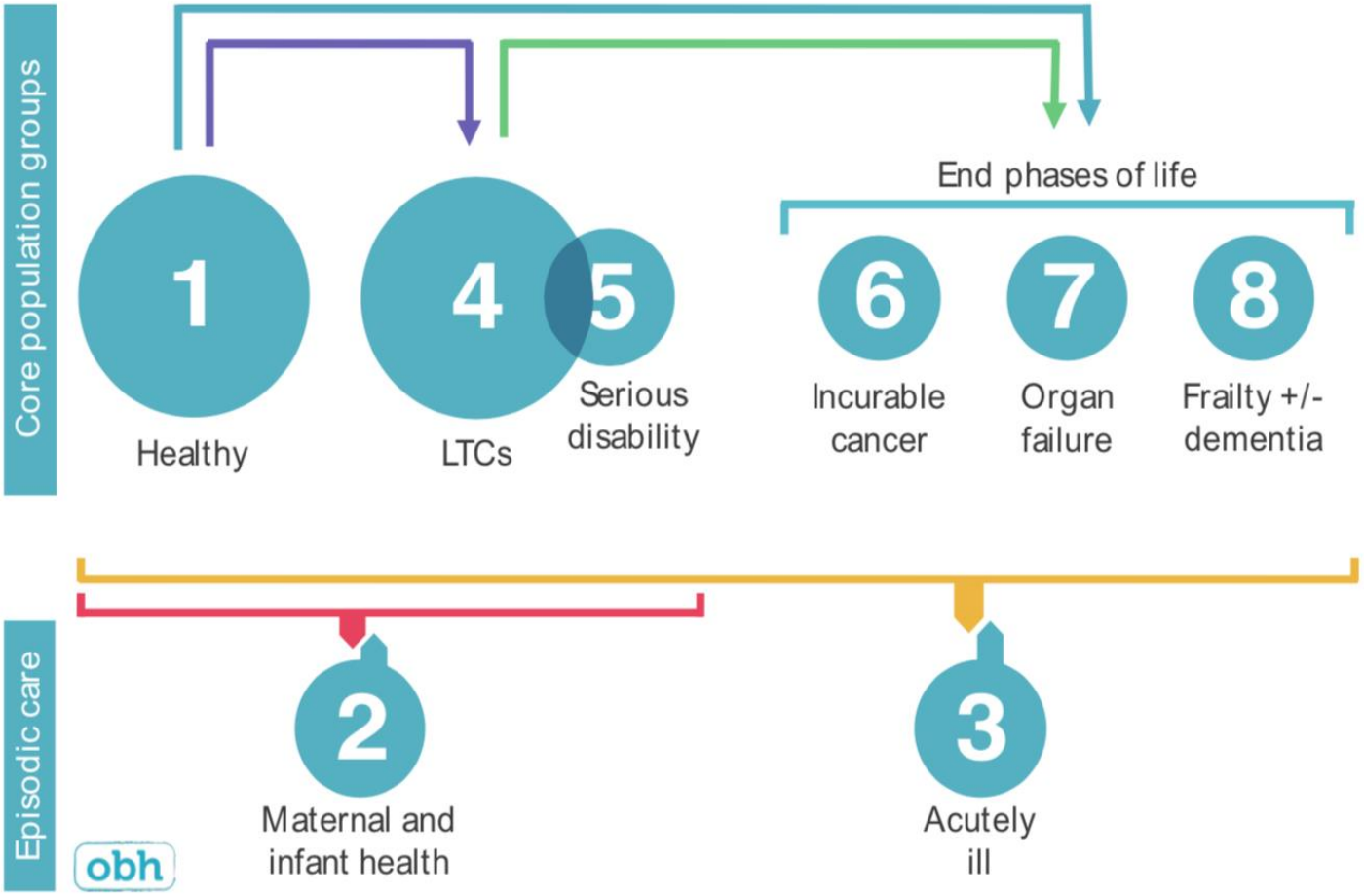
Why?

To optimise health outcomes, patient experience, efficiency, and care costs, care delivery systems should respond to the needs of different population segments in different ways.

How?

It is therefore essential to understand the population segments in detail. Outcomes Based Healthcare (OBH) undertakes in-depth segmentation analytics to give insight into the population.

Bridges to Health



Source: Outcomes Based Healthcare ©2017
OBH's approach to segmentation is based on the 'Bridges to Health' model (Lynn et al. 2007)

Supporting the fixed element

- The fixed element represents the largest, single allocation of funding that systems will receive
- Population group analysis and other population health approaches have the potential to support systems when setting the fixed element, by providing insight into;
    - Cost of delivery, broken down by different factors, for example: demographics, co-morbidities, prevalence of condition, service provider, predicted future use, etc
    - Benchmarking against relevant peers, sharing of good practice and learning
    - Performance against outcome and operational metrics
    - Data on financial positions for risk sharing and reflections.
- By utilising data and analysis to understand the local population, systems can support and enable their system transformation goals

23/24 and beyond

- Population group analysis and PHM will likely be a key focus for systems both now and into the future.
- The future payment system can support these initiatives and enable systems to meet the needs of their local population.
- Population group analysis offers an opportunity for co-production.
- There is ongoing work across NHSE/I to support these initiatives, including;
    - PHM pilot support + expansion
    - Model system
    - Bridges to health segmentation model
    - Population and Person Insight (PaPI) project
    - And more
- We recognise the ongoing access issues for some of these projects and are proactively trying to resolve these for wider user.
- **For anyone wanting to learn more, we can signpost to the PHM team and, in advance of guidance, to materials already in the public domain.**

Menti question

Costed pathways supported by GIRFT

Costed pathways supported by GIRFT

- Supported by GIRFT clinicians, we are working to produce some **costed pathways** from a range of medical and surgical specialties
- The purpose of the product is:
  - To support systems to either set or spend their fixed payment efficiently.
  - To support providers to **benchmark** against a cost range for an efficient pathway.
  - To **NOT** provide a pathway price.
  - To produce a range of guidance and information to support systems – including average pathway cost, variations, potential cost.
- The focus of the pathways have been on **high volume, low acuity** patients and aims to support and cost the **whole system** where possible.
- Due to data limitations associated with costing the **whole system** we will have to use proxies where appropriate and confirmed by clinical leads
- Engagement is planned with a wide range of clinical, provider and commissioning stakeholders.
- **We want to work with the sector in the spirit of co-production to develop this product to ensure it is something you use and value.**
- This deep dive will focus on the cataract pathway.

Progress

Actively engaging with the designated GIRFT leads from a mix of medical and surgical specialities

A **costing template** has been developed (along with a user guide) – this will allow providers and systems to input local data for comparison

Working with Costing and Tariff Production to understand the **specific costs** for the pathway and the **scope of opportunity** for providers

We have committed to completing the **Ophthalmology (cataracts) costed pathway**

Rationale for choice

- The Ophthalmology cataracts pathway is well defined (clinically mapped)
- The majority of the pathway falls within the acute sector so there is rich data to draw on
- The pathway represents **high volume and low acuity**
- The pathway is linear in principle (with few deviations)
- It provides scope to test out the whole system aspects of the pathway with relatively few complexities
- Supports ongoing elective recovery

Methodology for costing the cataracts pathway

- Identify the relevant HRG, ICD 10 & OPCS code to meet the needs of the clinical lead and the designated pathway
- Take each care setting in **isolation** (e.g diagnosis, pre-operation etc)
- **Average** cost across all providers in each individual setting of care for a specific HRG / Diagnosis code and where we can, **upper quartile and lower quartile (IQR)** to provide a **range** of costs.
- **Indicative breakdown of 'resources'** used in each setting of care (e.g. clinical staff, equipment, etc.) subject to data cleansing.
- Input these costs into the template
- Engage with clinical leads to **validate costing information.**
- Expand the costing analysis to **wider settings of care** and fill in **data gaps** for specific settings of care / resources using clinically approved **proxies**
- Where proxies are used, we will be clear about our **costing audit trail**

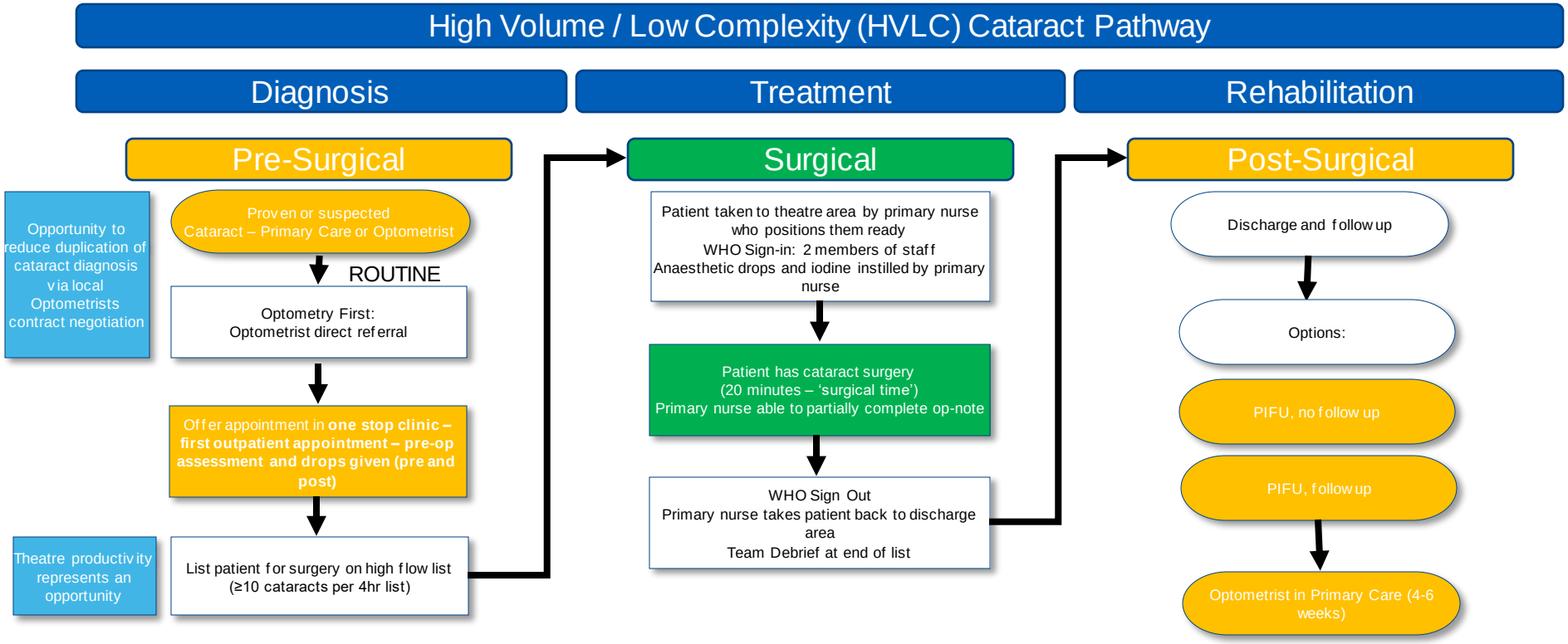
Risks and issues

There are a number of risks associated with this work – some of which are out of our control, including;

- Commitment of clinical time for data audit and co-development of proxies
- Data constraints – both to match the data to the clinical pathway and to provide whole system costing
- The historic data in PLICS/ HES may not reflect GIRFT implementation of good practice and we will need to seek clinical judgement on expected adjustments to historic data.
- Imperfect proxies used to fill in data gaps – some aspects of the pathway do not fall within the PLICS/HES dataset – these costs will be determined from the best available information and we will be **clear about out costing audit trail**
- Clarity within the data does not always lead to complete confidence currently

Clinical pathway – Simplified clinical flow chart for single cataract

PLICS
Outside of PLICS



Data criteria used

- We used OPCS-4 codes to identify the cataract procedures and laterality with TFC (Treatment Function Code) '130' for 'Ophthalmology Service' for linked outpatient attendances.
- 2018/19 Hospital Episode Statistics data grouped using the HRG4+ 2018-19 Reference Costs Grouper were used to compile the OP (outpatients) appointments and APC (Admitted Patient Care) procedures, deep diving into low complexity BZ34 HRGs

HES Dataset	HRG Code	HRG Description
APC	BZ43C	Phacoemulsification Cataract Extraction and Lens Implant, with CC Score 0-1
	BZ34B	Phacoemulsification Cataract Extraction and Lens Implant, with CC Score 2-3
OP	WF01B	Non-Admitted Face-to-Face Attendance, First
	WF01A	Non-Admitted Face-to-Face Attendance, Follow-up

Data Quality / Limitations

Data Quality

- While linking the HES 2018-19 dataset with the PLICS 2018-19 cost data, we came across a total of 4,030 un-matched procedures where HES's unique HES IDs, Episode IDs, Provider IDs and Procedure Dates did not match with the one in PLICS, giving an overall matching rate of 78%.
- A significant proportion (68%) of these unmatched cases between HES and PLICS are from independent sector providers

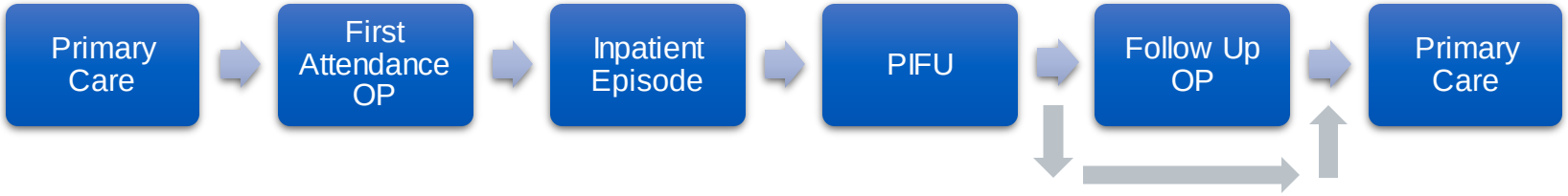
Data Limitations

- There is no reliable link between IP activity and respective OP activity
- Outcome measure is not included as part of PLICS data collection

HES 2018-19 Dataset	18,090
PLICS 2018-19 Dataset	14,068
Matching Rate	78%
Un-Matched	4,022

Un-Matched Procedures	4,022
Independent Providers	2,777
% of Independent Providers	69%

Costed Pathway Preview



Pathway Element	Primary Care	First Attendance OP	Inpatient Episode	PIFU	Follow Up OP	Primary Care
Average cost	TBD	£118	£904	TBD	£92	TBD
Interquartile Range		£109-£138	£854-£1088		£86-£101	
Source	Proxy	PLICS & HES	PLICS & HES	Proxy	PLICS & HES	Proxy
Theatre Costs	0%	0%	16%	0%	0%	0%
Ward Costs	0%	0%	6%	0%	0%	0%
OP Dept Costs	0%	9%	0%	0%	9%	0%
Overheads	20%	37%	28%	20%	37%	20%
Staff Costs	80%	43%	45%	80%	43%	80%
Drugs & Devices	0%	12%	6%	0%	12%	0%

Next Steps

- Having established a first run of the costing, using the underlying data we need to re-engage with the clinical leads to **verify** and **match** the costs to the clinical pathway.
- We need to explore whether **resources** can be built into the pathway – significant undertaking as granular detail requires extensive data cleansing.
- **Fill in the data gaps** from the clinical pathway – in particular the **non-acute (whole system information)**
- Refine the costing analysis to **exclude certain low value items / inappropriate items** in conjunction with clinical leads
- Produce supporting guidance to demonstrate how the cataracts costed pathway can be used as part of commissioning conversations as part of the fixed payment and to meet the aims of clinical transformation
- Produce a user friendly template that allows for local data inputs

Supporting Guidance

To support the costed pathways, the intention is to produce a range of supporting guidance which;

- Sets out the details of the costing exercise, including the data assumptions used, the costing methodology and how the proxies were determined
- Defines the **'scope of opportunity'** – looking at the activity and cost **variation (range)** from the **average** and the **clinical good practice** within systems and individual providers
- **Comparison of the costs to prices** for certain activities
- A commissioning guide setting out how the costed pathway can be used as part of the fixed payment conversations
- Local data input guide
- Links to other relevant publications, such as pathway relevant payment guidance e.g. bilateral cataract costing and GIRFT recommendations (e.g. Intra-ocular lens procurement harmonisation opportunity)

Application to setting the fixed payment

The costed pathway can be used for **benchmarking** and as a **conversation starter** when it comes to setting or spending the fixed element allocation

As well as for **system transformation** with regards to the clinically supported opportunities that will be included as part of the supporting information – for example the use of PIFU's and their approximated cost

Our local PLICS data shows that our costs relating to low complexity cataracts procedures are expensive when compared to the national average – especially when benchmarked against relevant peers

There are local factors that are causing some of the variation, however after evaluating the nationally produced costed pathway for cataracts we believe that increasing the use of PIFUs will improve patient outcomes and financial efficiency

Key questions – costed pathways

Recognising that the costed pathways represent the most detailed product offering at this stage, we are interested to hear your views on two areas

1. How would you see yourself making use of the costed pathways when setting or spending the fixed element?
2. Would you recommend any changes or amendments to the proposed product that we could build in?

Programme Budgeting

What is Programme Budgeting

- Programme budgeting data is a **comprehensive** source of information on NHS expenditure.
- The programme budgeting dataset is an analysis of CCG expenditure primarily by programmes of care based on healthcare condition
- Programme budgeting provides benchmarking information enabling NHS organisations to make evidence based investment and prioritisation decisions, promoting clinically led commissioning and patient involvement.
- The programme budgeting return shows a breakdown of all CCG expenditure into defined classifications based around healthcare condition, setting or service groupings.

Overview

- The Costing Team are working to re-establish the publication of programme budgeting as it is the **NHS's best opportunity** to understand how resources are utilised across a system, which may add insights that ICSs, if they become statutory bodies, may find useful.
- Programme Budgeting is a central tool that can support setting the fixed element.
- Programme budgeting gives systems and providers the chance to identify and analyse the **costs across the whole system** which may support the establishment of baselines for budgets.
- Programme budgeting allows for benchmarking against relevant peers with **more specific** additional benchmarking functionality planned.

Pre-discovery phase

- Up until 2013/14 programme budgeting data was published annually
- However PB has not been published since, in part due to a reconciliation issue with submitted data to other expenditure collections
- The delay in re-publishing PB can also be attributed to trying to understand if alternative datasets, such as PLICS, could be used to create a PB dashboard.
- A process of discovery was undertaken in which stakeholders were contacted to give their views on the current iteration of PB.

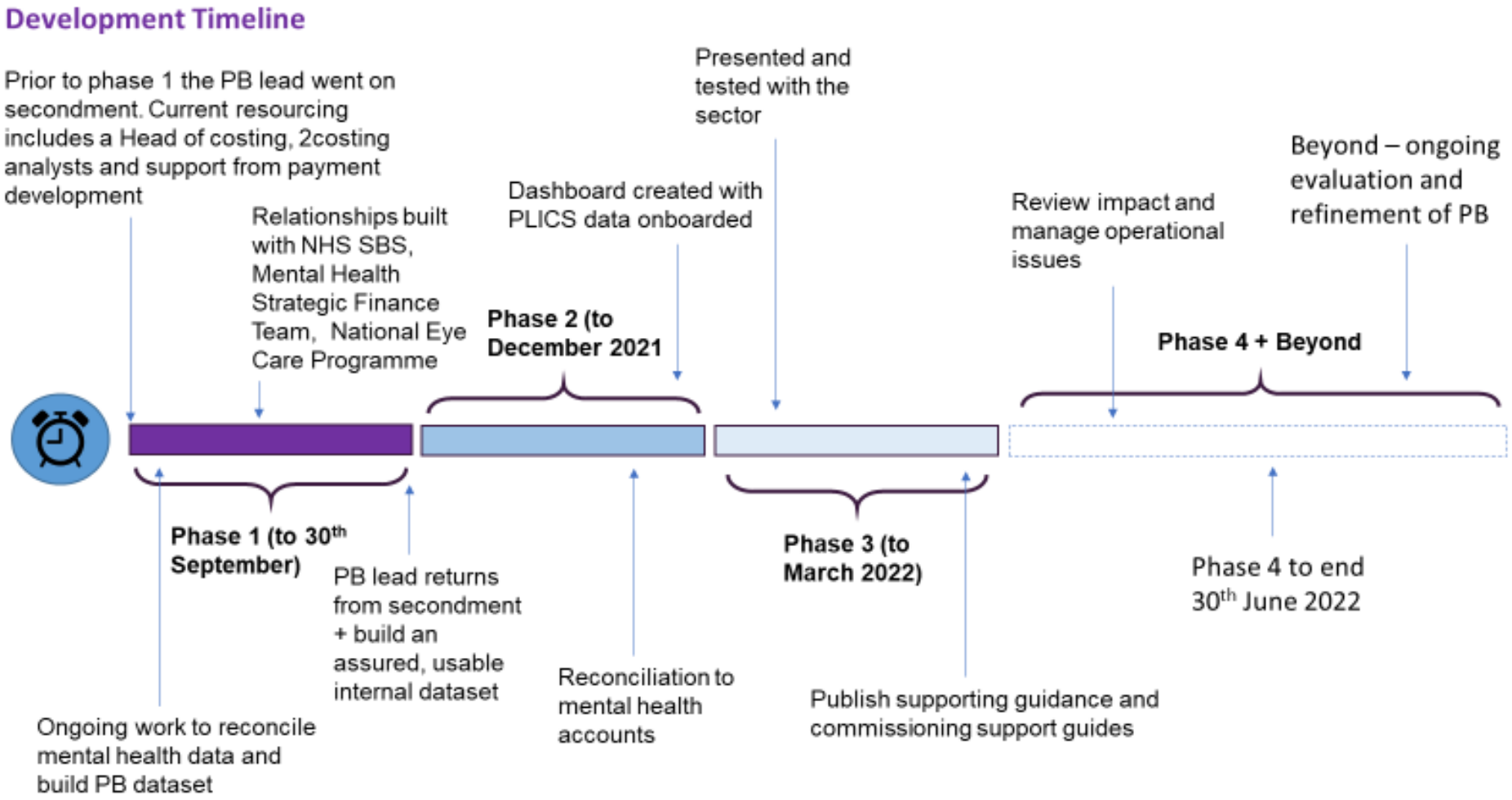
Findings from discovery

- Key stakeholders were contacted and feedback from these stakeholders suggested that though the potential outcomes of PB were positive it was not overly useful in its current format.
- PB was seen to be **burdensome** to collect and submit, and was not used at a local level.
- There was a desire amongst stakeholders to produce something at a **similar level** to PB nationally, but in a way that is more useful for both financial and clinical staff and less burdensome to undertake.
- Based on the feedback received, it was recommend that the best way forward is to work with key stakeholders to develop a new dataset which is useful nationally and locally, and ideally one that is based on existing datasets (National Cost Collection and CCG Annual Accounts)

Plans for 22/23

- We are working to re-publish programme budgeting in 22/23, despite ongoing challenges
- **PLICS data from 18/19 and maybe 19/20** will be used as part of the exploration to test if the findings from the discovery exercise provides useable data which reconciles nationally – this would in theory provide data that is **recognisable to providers** and **reduce the burden** of collection and input
- As PLICS does not, at present, cover the whole system we may need to fill in the gaps
- On-going reconciliation exercise that was is a significant undertaking
- Dataset will not be published until national reconciliation exercise has been tested over the 18/19 PLICS data and potentially the 19/20 PLICS data if possible
- If reconciliation proves challenging, we may be able to focus on doing analysis with PB using only the PLICS data + enhance this with other data sources
- The **programme budgeting tool will ideally map up to ICS / ICB level for system use** and allow for benchmarking by provider type
- Build in **fixed, semi-fixed, variable and semi-variable costs into programme budgeting categories based on apportionments rather than direct submission**

Indicative development timeline



Plans for 22/23 and 23/24

- The proposals for programme budgeting represent a big step-change to its previous iteration in 2013 and are part of an ongoing approach to evaluation and development.
- Programme budgeting has the potential, as a high level model, to support and inform systems when it comes to setting their fixed payment – especially when it comes to **benchmarking**
- In addition to the dataset, we are proposing to produce both technical guides and commissioning guides. The technical guides will include the technical detail whilst the commissioning guides will include suggestions of how PB can be used to help inform, set and spend the fixed element.
- **It is important to note this is a first year offer with iterative development over time through feedback**
- For example, in subsequent years we could look into the possibility of adjusting the PB categories

How Programme Budgeting might be used

- Early engagement with systems asked one main question – 'what is my total spend?' Programme Budgeting offers the only view of what a system spends on its services
- Systems will be able to categorise their spend / cost and compare themselves to relevant peers.
- Starting with a whole system spend, systems should be able to have a starting position for system transformation modelling
- Systems can utilise the information and determine the most efficient use of resources within their system to reduce cost.
- Systems can overlay PB with local data and expand the level of detail by cross-referencing with PLICS in order to make informed decisions and support system objectives.

Key question – programme budgeting

- We believe a whole system financial view will be important when setting the fixed element
  - how do you feel you would best use the programme budgeting data within your system?

Summary

Summary

- To summarise, for the 22/23 National Payment System (NPS) we are intending to provide products for different areas – each of which is intended to support systems when setting or spending their fixed element.
- These products include:
  - **Programme Budgeting** (with its proposed changes to address previous concerns)
  - **Population group analysis** – qualitative for 22/23 with scope for more detailed costing analysis in 23/24 and beyond
  - **Costed pathways supported by GIRFT** + scope of opportunity guidance
  - **PLICS analysis** – ICS level dashboard, a self service tool, standardised reports and some commissioning guides
- Crucially, this is only the **first year offer.**
- This is intended to be an iterative process in which we gather and collate feedback to inform offers in 23/24 and beyond.
- In the spirit of **co-production** we want to work together to deliver value through these products to support the setting of the fixed element.
- 23/24 offers an opportunity to develop these products further and design them specifically to meet the needs of the system.

Any questions?