

Innovation Payment Policy – Pricing Development Group

Deep Dive Session

21 July 2022, 12.00pm – 1.00pm

Stakeholder engagement

Findings, recommendations and policy proposals

Gary Andrews, Head of Payment Policy

Jonnie Dance, Senior Analytical Manager

Emma Sunzu-Ardley, Innovation Policy Lead

Agenda

| Item # | Item | Lead | Time |
|--------|---|---|---------|
| 1 | Welcome, introductions and session objectives | Paul Douglas, Engagement Manager | 5 mins |
| 2 | Project objectives and engagement process | Emma Sunzu-Ardley, Innovation policy lead | 5 mins |
| 3 | Feedback and key findings from engagement | Jonnie Dance, Senior Analytical Manager | 10 mins |
| 4 | Recommendations and policy proposals | Gary Andrews | 10 mins |
| 5 | Questions and Answers | All | 10 mins |
| 6 | Menti questions | Paul Douglas | 15 mins |
| 7 | Next Steps | Gary Andrews | 5 mins |

Session objectives

- Share findings and feedback from engagement events held to gather feedback on financial and non financial barriers as well as enablers and possible solutions to support successful implementation.
- Share recommendations and policy proposals which have been informed by feedback from stakeholder engagement.
- Gather further feedback on key themes emerging from engagement to inform policy proposals for 2023/24 and implementation guidance to support healthcare systems.

Menti questions

Menti questions

In your opinion...

How can the National Payment System (NPS) enable innovation ?

How should new, nationally-endorsed innovation be funded?

How should the NPS support systems to consider payment and innovation **across the whole pathway?**

How should the NPS support management of risk associated with innovation, across all partners in a system?

How can payment policy support the focus on outcomes in relation to innovation?

Project scope, objectives and engagement process

Emma Sunzu-Ardley

Project scope and objectives

The scope covers digital technology, new models of care and ways of working that support service transformation and help achieve better outcomes for patients.

Selected innovations: Anticipatory Care, hypertension case finding, Integrated Diabetes Model of Care, Urgent and Emergency Care System optimisation/reducing ambulance handover delays, Virtual Consultations and Virtual Wards

Project Objectives

Identifying a few models of care, ways of working and digital technology which meet agreed selection criteria for inclusion in phase two

Carry out stakeholder engagement to gather feedback around barriers, enablers and possible solutions that should support successful implementation

Developing appropriate payment policy proposals and guidance for the 2023/25 National Payment Scheme to support successful implementation of selected innovations across healthcare systems

Key engagement objectives and engagement process

Key objectives

- To gather feedback and views on barriers and enablers in relation to successful implementation of selected innovations, as well as possible solutions
- Produce a report outlining key findings and recommendations that would inform policy proposals for 2023/25 and implementation guidance to support healthcare systems

Engagement process

- Identification of key stakeholders
- Sessions with systems' representatives across Regions
- Sessions with relevant national policy leadership
- Interim report shared with contributors for comments and further feedback
- Final report reflecting feedback from deep dive session to be produced in October

Analysis of feedback from engagement

Jonnie Dance – Senior Analytical Manager

What did we analyse and how?

- Semi-structured question framework
- Over 100 individuals contributed / various settings
- ALL human interpretation – no thematic analysis software
- Context – Content - Utility

Semi-structured framework

- What are the things that prevented successful implementation of the new model of care, or made it more difficult?
- Are there any non-financial challenges that you think need to be addressed?
- Were you able to identify ways to address those challenges? How?
- Were there things that made it easier to implement the new model of care? Or perhaps things you relied upon to make it possible?
- How do you think this new model of care might benefit patients, or the wider population?
- What ways does the payment system enable or create barriers to implementing the new model of care?
- How do you think a financial incentive could be structured to support successful delivery of the new model of care / innovation?
- What impact has the move to Aligned Payment and Incentives had on adopting this innovation, and what further changes to the way payment works could be helpful?
- Do you think there is anything that would increase the adoption of this innovation across healthcare systems?
- What do you think NHSE and the National Payment System in particular can do to support ICSs provide adequate funding for successful implementation of this innovation

Findings

| | Innovation-specific | General |
|------------------------|---------------------|---------|
| Financial barriers | ✓ | ✓ |
| Non-financial barriers | ✓ | ✓ |
| Enablers and solutions | ✓ | ✓ |

Full detail in report

Content: financial barriers

- Issues relating to access to funding – in particular a lack of money and/or a lack of ‘ring-fenced’ money
- Organisational uncertainty
- Misplaced financial incentives
- Financial uncertainty created by the COVID-19 pandemic
- Lack of financial flexibility locally
- Complexity of national financial rules and guidance particularly when applied across a pathway, and even perceived issues for secondary care services.
- Lack of evidence / insufficient evidence for business cases
- Financial benefits are realised in a different part of the system

Content: non-financial barriers

- Priorities (Innovation is less of a priority than other aspects of care)
- Lack of Capacity (including bed capacity, primary care and workforce constraints)
- Issues related to organisational culture and leadership (within organisations)
- Culture of non-collaboration (between organisations)
- Lack of 'frontline' buy-in
- Organisational uncertainty
- Demographic change and geographic variation
- Lack of evidence / insufficient evidence for business cases and difficulty in providing evidence of success
- Data quality
- Data sharing and governance
- Communication and engagement
- Operational benefits realised in a different part of the system
- IT systems

Content: enablers and solutions

- Creating financial incentives that promote system working, and / or incentivize activity in the most relevant part of the system
- Increasing funding (with many different examples - Investment in workforce, IT, training, engagement, transformation)
- Providing clearer payment rules and implementation guidance
- Investing in training for system leaders and healthcare professionals
 - or, by means other than training, promote a collaborative culture (including the third sector); ensure clinical buy-in for specific innovations
- Supporting local implementation and financial flexibility within a prescribed framework
- Providing case studies, worked examples and best practice guides
 - including demonstration of longer term (sometimes non-financial) benefits for a whole system
- Prioritising sections of the population with particular innovations
- Better sharing of data / use of data
- Benchmarking

Filters and reservations

Filters

- Diplomacy
- Validity
- Relevance
- Contestability

Reservations

- Weaknesses of focus groups
- Potential confirmation bias
- Opposing views
- Generality vs specificity
- Did we cover everything?

Conclusions

- There are **many non-financial barriers** to innovation that **payment cannot be expected to resolve**.
- Most innovations include patient pathways that extend beyond secondary care services; making a payment policy that relates only to secondary care services will not resolve the issues. **Care should be taken to align incentives across the whole pathway.**
- Many innovations are driven by investment from national programmes. Without this funding, it may be difficult for new ideas to be successfully implemented. Our contributors expressed concern that **when the source of funding transfers from national investment to business-as-usual, then progress may slow or even stop.**
- As many of the innovations we considered cut across pathways of care, the traditional costing standard may mean it is **difficult to identify the cost of actual service delivery** for specific elements of the innovation.
- Stakeholders suggested they would benefit from **a concise checklist setting out how innovations can be funded, and how implementation can be supported, with case studies** if possible. This would ensure new ideas are embraced as wholly as possible and will help reduce unwarranted variation.
- Many of the innovations we considered are in early stages. **The rules and guidance for the NHS Payment Scheme may change** as the evidence around each innovation emerges.

Proposed recommendations for the NHS Payment Scheme and policy leadership

Gary Andrews, Head of Payment Policy

Recommendations for the NHS National Payment Scheme (1)

1. The innovation payment policy team should **produce detailed guidance to support implementation of selected innovations across healthcare systems**, which would be published as part of the 2023/25 NHS Payment Scheme. The guidance should focus on the key checklist that systems should consider when agreeing fixed payment for innovations, highlighting the financial and payment issues identified during engagement and referencing the non-financial barriers that will need to be managed for successful implementation, regardless of the funding.

2. The NHS England Pricing and Costing team should ensure that the **payment scheme rules reference the innovations guidance and encourage systems to use** their ICS analysis to focus on potential efficiency opportunities.

3. Pricing and Costing Team should **share any national costing data** available to inform local decision making in relation to determining fixed payment for innovations, taking into consideration that for most innovations, a single specification is not available for costing, but in some specific innovations such as Virtual Wards, there is financial information and potential for benchmarking.

Recommendations for NHS National Payment Scheme (2)

4. The innovation payment policy team should explore how to **promote the value aspect to ensure that this is taken into consideration when making investment decisions** as there is a lot of reference to costs but little focus on value of NHS services. Focussing on the value aspect, which may be more inspiring for clinicians, while recognising that this may require transitional costs to do things that do not necessarily result in financial savings in the short or medium term but help achieve greater outcomes for patients and healthcare systems, would have a positive impact on quality and efficiency.

5. NHS England Strategic Finance, including Pricing and Costing, teams should provide appropriate **support to systems so that in-year affordability is not a barrier**. Strong clinical, operational and financial leadership based on a shared understanding about how systems can better utilise available funds to support innovation would make a significant impact.

6. The innovation payment policy team should liaise with identified colleagues to **compile case studies highlighting challenges associated with implementation of each innovation**, how barriers were addressed, and how the innovation was successfully implemented, sharing lessons learned if appropriate. The case studies would be linked to relevant policy pages and would allow systems to learn from the experiences of early implementers. The case studies should be short, presented in a targeted way and should include contact details for queries.

Recommendations for NHS England policy leadership

1. NHS England policy teams should engage with payment policy and finance colleagues earlier in the policy development cycle to **understand how services are funded** and be aware of financial incentives elsewhere in the system and financial architecture more generally, to be able to **develop solutions that would help remove or overcome identified barriers before a policy is implemented.**

Moreover, policy teams should be aware that there are **non-financial barriers to innovation** that payment cannot be expected to resolve and that these are often more challenging than financial barriers and should take the necessary action to tackle them to support successful implementation of innovation.

2. Policy teams should work with pricing and costing team to explore how **costing a whole pathway** in relation to specific innovations could be achieved so that costing information can be used to inform decisions around funding all aspects of innovation.

Policy proposals for the 2023/25 NHS Payment Scheme

Healthcare systems should use the guidance on best practice for implementing blended payment which be published as part of the National Payment Scheme

Healthcare systems should reward best practice, develop and agree outcomes that matter to patients, working closely with national and regional policy teams as and when appropriate.

Healthcare systems should use the freedom and flexibility within blended payment approaches to move funding around, to ensure that money follows the patient, irrespective of care setting.

Healthcare systems should consider embedding ring-fenced funds into their multi-year financial plans to support implementation of innovation where there is enough evidence that they would help achieve service transformation and better outcomes for their populations

Upfront and implementation-related costs should be reimbursed through the fixed and variable elements between a commissioner and a provider or within the standard contract if appropriate

The importance of whole system focus on collaborative outcomes should be recognised, taking into consideration that financial benefits could be realised in a different part of the system.

Healthcare systems should carefully consider how to fund innovations which have been driven by national funding to ensure that new ideas are sustained when specific innovations become business as usual.

Healthcare systems should consider working with national payment and policy teams to do a whole pathway costing to identify the cost of actual service delivery, as some innovations cut across pathways of care in different settings.

Healthcare systems should explore providing funding to help achieve data quality and transparency to:

- support benchmarking
- inform the development of Key Performance Indicators across the system
- direct intervention where it is most needed
- efficiently engage people across systems to identify what works for different population groups and what it means for them, sign posting for people who do not engage well with healthcare systems, which would significantly contribute to reducing healthcare inequalities.

Policy proposals – Generic items to consider funding under blended payment or standard contract

| Data quality improvement | Communication and engagement across a system |
|---|---|
| Adequate clinical systems | Organisational and clinical leadership / governance |
| Approved technologies & equipment | Workforce development and system capability |
| Up front and implementation costs | Increased capacity within Primary Care |
| Whole pathway costing | Benchmarking |
| <p>Funding to be made from existing ICBs allocations</p> | |

Policy proposals – Anticipatory Care

Promote the use of the check list included in the guidance to ensure that all aspects associated with efficient delivery of Anticipatory Care are appropriately funded.

Promote place and provider collaboration through specific agreements setting out how different providers will work together to deliver integrated services where one lead provider can take responsibility for the co-ordination of certain aspects of Anticipatory Care delivery on behalf of their delivery partners.

Encourage ICSs and place-based partnerships to use data driven approaches and population health management to identify and respond appropriately to local needs, applying blended payment approaches as and when appropriate to support engagement across the system.

Promote the development of an evidence base to demonstrate benefits, inform costing for a whole pathway to achieve proactive and integrated care delivered in the community, sharing good practice to increase effectiveness of community-based services and ensuring that providers are accurately reimbursed.

Policy proposals – Hypertension Case Finding

Blended payment should allow ICBs the freedom to shift provision of care and associated funding where it would make the maximum impact, which would support finding cases within at risk communities, enabling blood pressure testing in the most convenient place.

Healthcare systems should consider using the check list of items to be included in the guidance to ensure that appropriate funding is provided under blended payment and standard contract, which would support successful implementation of hypertension case finding across their system.

Potential identification for data / information and products to support hypertension benchmarking and implementation

Policy proposals: Integrated Diabetes model of care

Consider incentivising clinical engagement with acute, primary and community care as well as care planning across the system, developing performance metrics and reimbursing providers delivering care, advice and guidance in the most appropriate setting including Primary Care

Promote submission of acute/community data to Patient Level Information and Costing System (PLICS) to support understanding of how level of resources changes due to complexity of care and gain a whole system view.

Encourage place and provider collaboratives approach where a lead provider across the system with a single budget could coordinate care planning and delivery.

Promote funding for data quality improvement and incentives to capture community activity data including clinical interventions to support investment decisions across the system

Promote use of existing payment tools and products to support capability within ICSs and their ability to implement innovative ways of working to achieve service transformation

Policy proposals: UEC System Optimisation/reducing ambulance handover delays

Highlight the role and flexibility of payment mechanisms in rewarding best practice, particularly the adoption of new technology and new pathways with clinical evidence, avoiding admissions to hospital wherever it occurs, in ambulance / ED / SDEC / Virtual wards

Promote funding alternatives to hospital admissions / A&E attendances such as 24 hours care in a community setting or Virtual Wards and rewarding best practice as Blended payment allows the flexibility to invest where services are needed

Promote risk sharing across the whole system, using available tools within the NPS to understand how it works and how cost pressures change, which would help minimize risks to trusts and 999 due to lack of capacity in Primary Care

Encourage ICSs to use flexible blended payment approaches to increase bed capacity and workforce to deliver care in the community, achieve efficient discharge and provide timely specialist intervention to address the patient flow issue

Promote funding based on forecast plans already submitted and advocate for adequate funding for UEC as the focus is on elective recovery, which would help achieve system optimisation and address the system wide issue.

Highlight the need for a payment/commissioning policy framework

Policy proposals – Virtual Consultation

Consider funding to align primary and secondary care systems so that both can be on the same platform, which would help people get on the right pathways and reduce follow-ups and duplication.

Stress the importance of equalising prices for virtual and non-face to face consultations

Encourage ICSs to use blended payment approaches to fund the development of a clinical model / pathway that has clinical consensus to support understanding of benefits and disbenefits.

Promote accurate activity recording so that providers can be reimbursed accurately, using existing tools and seeking support from NHS England (Digital) as appropriate

Digital exclusion should be addressed by funding free access to the platform and offering non-face to face appointments to those unable to use the platform

Encourage ICSs to count Advice and Guidance as activity considering that providers are asked to increase activity by 10% as this is one of the ways of doing so and reimbursing them accordingly

Policy proposals – Virtual Wards

Guidance to promote collaboration between local partners who have different payment approaches and ensure local systems do not exclude the Independent sector to mitigate the risk of increasing health inequalities

Promote a costing exercise to support understanding of cost of delivering Virtual Wards and variation in cost of beds across local systems.

Consider how to use resources efficiently by incentivising diagnostics of cancer and blood investigations in community settings, using the blended payment approach to pay these tests under the fixed or variable elements, which should release pressure on acute trusts

Clarifying where funding for Anticipatory Care and Virtual Wards sits as there are communalities between the two

Use blended payment tools and products to incentivise gain share of the efficiency savings to support sustainability of the model in the long term.

Promote the identification of people who may benefit, which would support the inequalities agenda and population health management. Virtual Wards may only be meeting the needs of people who have access to WIFI and digital technology.

Blended payment approach should support the personalisation agenda and provide individualised care, taking clinical safety into consideration

Next steps

- Policy proposals reflecting feedback from the sector presented to Pricing and Costing Governance in August prior to consultation on proposals for the next NHS Payment Scheme
- Implementation Guidance containing generic and specific considerations for each innovation developed to support healthcare systems
- Policy proposals included in final consultation on proposals for the NHS Payment Scheme
- Case studies relating to each innovation compiled by September
- Publication of payment policy and associated guidance