NHS Improvement

Approved Costing Guidance

Glossary

April 2018

We support providers to give patients safe, high quality, compassionate care within local health systems that are financially sustainable.

Costing glossary

Purpose: to define costing terminology used in the Approved Costing Guidance.

Objectives

1. To provide consistent and standardised definitions for costing terminology.

Scope

2. The costing terminology used in the Approved Costing Guidance.

Overview

3. The costing glossary provides definitions for terminology used in the different documents that make up the Approved Costing Guidance.

4. All the definitions are for costing purposes only and are designed to support standardised and consistent implementation of the Approved Costing Guidance by providing an understanding of what is meant by the terminology used.

5. The glossary also provides links to the national definitions that we adhere to in the Approved Costing Guidance.

6. The glossary provides explanation where the same terms used in different sectors have different meanings.

7. The glossary fulfils the need given in the BDO report for “a standard set of costing standards that will offer significantly reduced levels of ambiguity and the need for interpretation. The prime component of this reduced ambiguity is the use of a standard set of national cost dictionaries”.

Term	Definition	Sector	Standards

Glossary of terms

A

Activity	Activities are the work undertaken by resources to deliver the services required by their patients to achieve desired outcomes: eg a procedure in theatre, pathology test or therapy contact.	All	CP3
Activity field	A particular data source in an activity field, eg ‘attendance identifier’ is an activity field in the ‘NAPC’ feed.	All	IR1
Activity count	The number or duration of activities undertaken, eg number of tests or time spent in theatre in minutes.	All	Technical document CC.3
Activity group	A set of activities with shared characteristics.	All	CP5
Acuity	The measurement of intensity. Nursing acuity is the measurement of the intensity of nursing care required by a patient. An acuity-based staffing system regulates the number of nurses on a shift according to patients’ needs rather than numbers of patients.	All	CP3, CM1, CM6, CM10

Term	Definition	Sector	Standards
Aggregated costs	Some costs may be reported separately in the general ledger, but for **patient-level costing** they need to be allocated together. Such costs need to be aggregated when creating the cost ledger. Standard CP2: Clearly identifiable costs gives more detail on where this is appropriate.	All	CP2
Approved Costing Guidance	NHS Improvement's main policy document for costing	All	All
Assurance programme	The aim of the assurance process is to provide evidence of the work undertaken and the reasoning behind the decisions made. See *The Approved Costing Guidance 2018 – what you need to know and what you need to do* for details of the costing assurance programme.	All	CP6
Assurance tools	We provide several tools to help develop and maintain an assurance process that will promote continued improvement of costing in your trust, eg information gap analysis, costing assessment tool, costing manual.	All	CP6
Audit trail	A record of where data comes from and how it has been transformed in producing reports, data feeds and ledgers. This makes costing outputs transparent.	All	CP6
Auxiliary feeds	The patient-level activity feeds that will be matched to the master feeds, eg pharmacy feed.	All	IR1, IR2, CP4

Term	Definition	Sector	Standards
B			
BDO report	This is the blueprint for the Costing Transformation Programme.	All	All
Budgeted head count	The number of staff needed in a department, service or ward to run that service. These are often included in financial reports, or produced by financial management staff for their annual 'start point' budgeting report. Using 'budgeted head' count as a relative weight value means that the appropriate amount of support cost will be allocated to that service/ward/department. If actual head count were used, and the department was using agency staff, a smaller amount of support cost would be allocated to it, which would not be a true reflection of the support cost used to run the service.	All	CP2, CP3
C			
Care professional	An individual who is formally trained to care for patients, eg social workers.	Mental health	IR1, CP4, CM1, CM3, CM13

Term	Definition	Sector	Standards
Casemix adjusted	The calculation takes into account variation in patient type and only compares like-for-like activity. Casemix adjusted means the calculation only looks at episodes or attendances, on an HRG code basis, that have been performed at both your and peer trusts. For example, if you have performed activity for HRG WF01B and your peers have not, this will not be included in the calculation – and vice versa. Similarly, if your peers have activity for HRG WF01B but your trust does not, this will not be taken into account in the calculation.	Collections	National PLICS portal
Casemix	A system whereby the complexity (mix) of the care provided to a patient (case) is reflected in an aggregate secondary healthcare classification. Casemix-adjusted payment means that providers are paid for the complexity or severity of the mix of patients in each specialty they treat, not just the number.	Collections	PLICS data quality tool
Casemix check	A report summarising the total number of episodes to which an expected collection activity or collection resources has not been allocated (identified on the basis of the primary OPCS code). An aggregate value of the cost of the episodes is reported as the total cost potentially affected.	Collections	PLICS data quality tool

Term	Definition	Sector	Standards
Classification of costs	Costs are classified as either patient-facing, support - type 1 or support -type 2, depending on the nature of the cost.	All	CP2
Clinical engagement	Involving clinicians in developing costing methods and practices. Clinicians 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.	Costing principles	Principle 7
Collection year	The cost collection year starts on the 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 2018 cost collection will be for data from the 1 April 2017 to 31 March 2018.	Collections	
Commercial activities	Any activity a provider undertakes to generate a commercial return outside its directly commissioned healthcare contracts.	All	CP2, CP5

Term	Definition	Sector	Standards
Commercial income	Income relating to non-patient care income. Historically this was referred to in the financial accounts as Category C income. This should be shown separately for costing and reported in the reconciliation statement.	All	CM12
Community activity	Standalone services in a community setting that do not require the patient to have been a recent inpatient.	Acute, community	IR1
Community mental health team (CMHT)	A group of care professionals that assesses and provides 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	CM3, CM1, CM14
Comparison against peers	The practice of comparing performance internally and externally based on key performance indicators of financial and/or care practice.	All	IR1, CP3, CP4, CP6
Computer-aided dispatch (CAD)	The system that assists dispatchers, crews and call handlers to respond to an incident, and which logs information from a response including job-cycle timestamps.	Ambulance	IR2

Term	Definition	Sector	Standards
Consultant episode	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 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.	Acute	CM12
Consumable	Items used in delivering patient care that are intended to be used up or replaced. Something that is not left behind, eg swabs after a theatre procedure or food in an occupational therapy session.	All	All
Contracted-out activity	Hospital services or patient activity that is contracted to another provider to deliver, such as pathology, or to a private provider, eg carpal tunnel daycase operations to help reduce waiting times. Often referred to as 'outsourced'.	All	CP5, CM5,CM8
Contracted-in activity	Services delivered for another provider, such as pathology.	All	CP2, CP4, CP5, CM12

Term	Definition	Sector	Standards
Cost allocation method	The process of distributing costs from a high-level pool of costs to a specific department or patient, using a predetermined method.	All	CP3
Cost centre	The code used in the general ledger to identify a department or service.	All	CP1
Cost driver	Any factor that causes activities and costs to vary, such as length of stay in hospital.	All	All
Cost group	A collection of costs for a cohort of activities.	All	CP2, CP5
Cost ledger	Provides a complete record of revenue transactions incurred by an organisation. Information reported in the cost ledger will be based on entries in the general ledger and ensures the costs are in the right starting place to begin costing.	All	CP1, CP2, CP3, CP5
Costing approaches	These standards focus on high volume or high value procedures and procedures that can be difficult to cost. They should be implemented after the costing methods and prioritised by volume and value of the activity to your organisation.	All	All CAs

Term	Definition	Sector	Standards
Costing glossary	Terminology used in the PLICS standards for all sectors and the collection guidance	All	All
Costing manual	An implementation tool. It is a template that allows you to record the process of setting up and running your costing system, as well as decisions and look-up tables that are essential to understanding how your general ledger and activity feeds map to the costing system output. This is downloadable from the NHS Improvement website.	All	All
Costing assessment tool (CAT)	Records your progress and helps you implement the standards by focusing your attention on areas to develop and improve based on their materiality. This tool will be released in spring 2018.	Acute	CP6
Costing assessment tool (CAT) score	Reflects the quality of your PLICS submissions and how well you have implemented the Approved Costing Guidance.	Acute	CP6

Term	Definition	Sector	Standards
Costing methods	These standards focus on high volume or high value services or departments. They should be implemented after the information requirements and costing processes, and prioritised based on their volume and value to your organisation.	All	ALL CMs
Costing principles	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 Approved Costing Guidance.	All	Costing principles
Costing processes	These standards describe the costing process you should follow. They describe the role of the general ledger, how to ensure costs are clearly identifiable and appropriately allocated to activities, and how these activities should be accurately matched to patients. The costing processes also detail the process of reconciliation of both cost and activity data, and also the assurance of the cost data.	All	ALL CPs
Costing transformation programme (CTP)	Our CTP will improve the quality of costing information in the NHS, with patient-level costing (PLICS) and a single annual cost collection. This will support providers to deliver better, more efficient outcomes. For more background information on the CTP please see the NHS Improvement website.	All	ALL

Term	Definition	Sector	Standards
Cumulative year-to-date data loading	Extracting data from the patient-level feeds and loading it into the costing system by replacing the old data with an updated year-to-date dataset every month. The advantage over in-month data loading is that late entries and adjustments to previous entries are included. The disadvantage is that a large amount of data is involved, requiring more processing power and/or time.	All	IR1.2

D

Data feeds	A set of data generated from a system of records held by an organisation, which is imported into the costing system.	All	IR1.1
Disaggregated costs	Some costs may be reported in the general ledger at a level that is not detailed enough for patient-level costing: multiple costs are combined. These costs need to be disaggregated when creating the cost ledger, using an appropriate method. Standard CP2: Producing the cost ledger contains more information on disaggregating costs.	All	CP2, CP3

Term	Definition	Sector	Standards
E			
Education and training (E&T) costs	Costs that relate directly to delivering education and training (E&T) and are driven by E&T activity. They should have a clear activity-based allocation method, and will be both pay and non-pay.	E&T	ET2
Education and training (E&T) programmes	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	ET1
Electronic patient report form (EPRF)	See patient report form. A paperless version of the patient administration system (PAS) that makes patient information easier to store and look up.	All	All
Electronic staff records (ESR)	System containing staff payroll data.	All	CM1
Emergency operations centre (EOC)	Where call takers, dispatchers and clinicians receive emergency calls and co-ordinate responses to them.	Ambulance	CM1

Term	Definition	Sector	Standards
Escort	A staff member who accompanies a patient from a healthcare setting for the patient's and others' safety.	Mental health	
Evidence pro forma	Developed to gather feedback on how to improve the healthcare costing standards from costing, informatics and clinical professionals. It can be downloaded from the NHS Improvement website.	All	All
Expenditure	Money spent on resources, including support resources, as reported in the general ledger output. Standard CP1: Role of the general ledger in costing and Standard CP2: Clearly identifiable costs explain how expenditure should be extracted from the general ledger and prepared for the costing system.	All	CP1, CP2
Expense code	A code given to a cost to group entries in a general ledger. An expense code can be unique to one cost centre or appear in several cost centres in the ledger download.	All	CP1
External audit	Carried out by auditors independent of the organisation being audited. It provides a professional opinion on the truthfulness of the organisation's financial statements.	All	CP6

Term	Definition	Sector	Standards
F			
False-positive matches	Cases where activity data has been matched incorrectly to a patient episode, attendance or contact.	All	CP4
Fleet costs	Fleet costs cover the running and maintenance of these vehicles, including cleaning and repairs.	Ambulance	CM2
FP10hp or FP10	Where a hospital clinician prescribes medicines but the prescription is not filled for the patient in the same organisation, 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	IR1
Fully absorbed costs	Costs from a cost centre, specialty or other organisational unit that include not only the patient-facing element relating to the expenditure incurred but the allocated support-cost element from support functions such as estates, human resources and finance.	All	All CPs

Term	Definition	Sector	Standards
G			
General ledger	Main accounting record for financial transactions by an organisation in a specific financial period, including transactions for assets, liabilities, accounts payable, accounts receivable and other information used for preparing financial statements.	All	CP2, CP3, CP5
General ledger to cost ledger auto-mapper application	An app designed to help map your general ledger expense codes to the cost ledger expense codes, reducing the burden of this exercise. Details are given on the open learning platform.	Acute	CP2
Group activity	Within a group session, each patient contact counts as one activity and will receive a share of the resource used to provide the session.	Mental health, community	CP3
Group session	An ‘appointment’ where more than one patient receives care from one or more care professionals at the same time. This can be while admitted, or in a non-admitted patient care setting.	Mental health, community	CP3
H			
Healthcare professional	An individual who is formally trained to provide healthcare to patients.	All	All

Term	Definition	Sector	Standards
Hazardous area response team (HART)	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	CP2
Head count	Head count is the total number of employees in the organisation who have one or more employment contracts at the reporting date. The head count 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. An employee is someone who is recruited on a permanent or fixed-term contract. This excludes bank, agency and locum staff. Reporting date refers to the date on which the allocation statistic table was created or updated.	All	IR1, CP2
Hear and treat	'Hear and treat' is 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 to receive assistance.	Ambulance	CM1

Term	Definition	Sector	Standards
Hidden activity	Activity that takes place but is not recorded on any of your organisation's main systems such as PAS. Hidden activity in your organisation must be identified.	All	IR1
Hierarchical allocation method	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 reciprocal allocation method 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	CP2
Home care	Where the patient is cared for in their own home but as though they were still 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	CP3
Home leave	Mental health term for a patient having up to six days in their own residence while a bed at the inpatient unit is held open for them.	Mental health	CM13

Term	Definition	Sector	Standards
Home visit	A patient contact in the patient's normal place of residence (excludes prison contacts).	Acute, mental health, community	CP3
Hospital Episode Statistics (HES)	A database containing details of all admissions, outpatient appointments and A&E attendances at NHS hospitals in England. For more information see the HES section of the NHS Digital website.	Acute, mental health, community	CP5
Implementation	The process of adopting the *Healthcare costing standards for England* 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	All
Incident	For costing purposes, an incident refers to activity provided by the ambulance service relating to an event: clinical advice on the telephone or dispatches a physical response to treat one or more patients.	Ambulance	IR1, CP4, CM1

Term	Definition	Sector	Standards
Income group	A collection of income for a cohort of activities, eg income for delivering patient care or non-patient care activities.	All	CM12
Income ledger	Holds all the income transactions in the same way the cost ledger holds all the costs.	All	CM12
Incomplete patient event	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	CM2
Information gap analysis	An implementation tool to analyse which information feeds and fields are available for costing purposes. It is available from the NHS Improvement website.	All	IR1, IR2
Information requirements	These two standards describe how information should be collected and managed for the costing process.	All	IR1, IR2
In-month data loading	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	IR1, IR2

Term	Definition	Sector	Standards
Internal audit	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	CP6
Intervention	An action that will benefit the patient, whether it is physical, psychological or pharmaceutical.	Acute, mental health, community	All

J

Job cycle	The job cycle elements comprise the series of activities ensuing from when the emergency operations centre (EOC) 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 the 111 service, and ends when the response unit is ready to be sent on another job.	Ambulance	CM1

M

Mandation	The process of making implementation of the *Healthcare costing standards for England* mandatory for all providers in a specific sector.	All	All

Term	Definition	Sector	Standards
Mandated transition path	This can be found in the acute technical document. It shows which elements of which standards are mandatory by which year of implementation, year 1 – the first year of mandation – 2018/19; year 2 – 2019/20; year 3 – 2020/21.	Acute	All
Master feeds	The core patient-level activity feeds to which auxiliary feeds will be matched, eg admitted patient care (APC), accident and emergency department attendances (A&E) and non-admitted patient care (NAPC).	All	IR1, IR2
Matching	Ensuring the relevant auxiliary data feeds can be attached to the correct patient contact.	All	CP4
Matching rules	Govern how auxiliary patient-level feeds should be matched to the correct patient contact. The rules have a hierarchy, with some methods of matching preferred to others to minimise false-positive matches.	All	CP4
Materiality	Good costing should focus on materiality. Those responsible for resources can manage them more cost-effectively in patients' interest if they understand what drives the need for the larger elements of cost. As time is a scarce resource, to make the most difference you should focus on improving the costing for high value and high volume services.	All	Costing principle 5, CP2, CP6

Term	Definition	Sector	Standards
Materiality threshold	Costing principle 5 states you must apply a materiality threshold of more than 0.05% of your organisation's expenses or more than 5% of a specialty's overall costs.	All	Costing principle 5
Market forces factor (MFF)	An index used to estimate the unavoidable cost differences of providing healthcare. To obtain cost neutrality the underlying MFF used in the PLICS portal and DQT is scaled. This is done using the percentage difference between PLICS costs quantum before applying the MFF and after its application – that is, the total national value of PLICS costs submitted is the same whether it includes or excludes the MFF.	Collections	National PLICS portal
Mobile data terminal (MDT)	An on-board computer used by ambulance crews to display and record information about jobs. Not to be confused with a multidisciplinary team (MDT).	Ambulance	All
Multidisciplinary team (MDT) meetings	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.	Acute, mental health, community	CM9

Term	Definition	Sector	Standards
N			
Negative costs	Where the balance of a cost or set of costs in the ledger appears to be less than zero. This can occur for reasons that include miscoding, the value of a journal exceeds the value in the cost centre, and inaccurate timings of accrual release. These are detailed in Standard CP2: Producing the cost ledger.	All	CP2
Netting off	Allocating income to reduce all or part of a cost within an expense code to ensure that costs of activities are not inflated.	All	CP2
Non face-to-face contact	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	CP4, CM1, CM3
Non-responding time	Time that frontline staff and vehicles spend in working hours for 999 services but not responding to an incident.	Ambulance	CM3
O			
Observation	Carried out by healthcare professionals in a mental healthcare setting to ensure that a patient is well and not harming either themselves or other patients.	Mental health	

Term	Definition	Sector	Standards
Open learning platform	An online platform to guide and assist implementation of the standards.	All	All
Other activities	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.	Acute	CM8
Outpatient care (mental health)	Non-admitted patient care contacts in the clinician's normal location, eg a CMHT consultant performing clinic contacts in the normal CMHT setting.	Mental health	CM3
Outreach activity (acute)	Where the staff who deliver services in wards in acute hospitals see patients outside such settings to provide continuity of care.	Acute	CM3
Outreach activity (mental health)	Non-admitted patient care contacts that do not take place in the clinician's normal location, eg a hospital consultant psychiatrist meeting a patient at a community clinic. This definition excludes patient's own residence and prison contacts.	Mental health	CM3
Outsourced	Services that a provider is contracted to provide but are provided by an external provider, often a private provider, on their behalf. See also 'contracted out'.	All	IR2
Overstated	Reported with a value greater than the real value.	All	CP1

Term	Definition	Sector	Standards
P			
Patient administration system (PAS)	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	ALL
Patient care pathway	The patient's journey from initial contact to the end of treatment or to a condition management programme. A pathway may continue alongside the condition management 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 examples and more detail, see the National Institute for Health and Care Excellence (NICE). Some patients will be on multiple pathways at the same time.	Acute, mental health, community	IR1, CM3, CM7
Patient cost index (PCI)	An index which compares each provider's average patient-level cost 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.	Collections	PLICS data quality tool

Term	Definition	Sector	Standards
Patient-facing costs	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	CP2
Patient-level feed	Data sources specified in Standard IR1: Collecting information for costing. They are the minimum required submission for the PLICS collection.	All	All
Patient report form (PRF)	Completed by ambulance crew members and containing information about each patient treated.	Ambulance	
Patient unit costs	Costs of single episodes, attendances, contacts or spells of care delivered to individual patients. Reference costs are calculated from the average unit costs for different currencies across all relevant patient episodes, attendances, contacts or spells. Unit costs are defined in the *National cost collection guidance 2018*.	All	CM1
Patient-level activity (acute, mental health and community)	Calculated by matching activity 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 headcount and/or acuity and time used.	Acute, mental health, community	All

Term	Definition	Sector	Standards
Patient-level activity (ambulance)	Calculated by distributing activity from incidents 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 headcount and/or time used.	Ambulance	All
Patient-level costing	The practice of allocating costs to individual patients by recording and/or calculating the support resources and patient-facing resources consumed to deliver activities related to patient care.	All	All
Patient-level costs	Calculated by tracing individual patients' actual resource use. The output of the patient-level information and costing system (PLICS).	All	All
Patient-level information costing systems (PLICS)	Systems that combine activity, financial and operational data to cost individual episodes of patient care.	All	All
PLICS portal	This national portal allows users to analyse patient-level costing information. The portal connects nationally collected PLICS data with Hospital Episode Statistics (HES) data to enable in-depth benchmarking of costs, patient outcome reporting, patient-level activity analysis, patient pathway analysis and more.	All	Tools for using costing data

Term	Definition	Sector	Standards
PLICS data quality tool	Provides the NHS provider with an interactive view of the PLICS data it submitted. Improves data quality and helps ensure that any outliers in the data are identified and addressed. The tool extracts nationally-collected PLICS data and combines it with Hospital Episode Statistics (HES) data to enable providers to identify cost outliers at a number of levels. It also allows them to identify potential data quality and costing quality issues. The tool gives users access to a range of specific reports based on their PLICS submission.	All	Tools for using costing data
Placement	The time students and trainees spend with a healthcare provider. A placement needs to 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 a period of months, eg one day a week for six weeks.	E&T	ET2

Term	Definition	Sector	Standards
Potential productivity opportunity (PPO)	This calculation shows the financial opportunity that could be realised if your provider's cost per episode or attendance was the same as the average for your peers. The formula for this calculation is: MIN [(provider cost per epis/attd - peer cost per epis/attd) * (provider no of epis/attd), 50% provider total cost)] A positive PPO value means potential savings opportunities exist; ie you are more costly than your peers on an episode/attendance basis. A negative value means your provider is performing more cost-effectively than your peers.	Collections	National PLICS portal
Private patients	Patients who are responsible for paying the fees for their care, either directly (self-pay) or covered by private medical insurance. Since the source of income is different from that for other types of patients, they need to be identified and flagged as private patients.	Acute	IR1, CP5, CM7
Prostheses, implants and devices	Something that is left behind – for example, after surgery.	Acute	IR1, CP2, CM5

Term	Definition	Sector	Standards
Providers of NHS services	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 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. Providers are defined in more technical detail in the NHS Data Dictionary.	All	All
Psychiatric intensive care unit (PICU)	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.	Mental health	

Q

Quantum of cost	The total expenditure measured and allocated for the costing exercise.	All	CP3

Term	Definition	Sector	Standards
R			
Reciprocal allocation method	A method of allocating costs that takes into account how corporate support services provide services to one another: 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	CP2
Reciprocal charging arrangements	Agreements with foreign states allowing the NHS to charge their governments for care provided to overseas patients.	Acute	CP12
Reconcile	To match output from the costing system with the sources of its data as well as with totals from other financial statements. This reconciling takes into account adjustments and exclusions made during the costing process.	All	CM5
Reconciliation	The process of making sure that two or more sets of records agree.	All	CM5

Term	Definition	Sector	Standards
Refresh	The practice of replacing data loaded into the **costing system** month-on-month with a fresh extract from the patient-level feeds. This ensures that late entries and adjustments to entries, made after the month during which they occurred, are included in the costing system. For example, an activity in June, which is entered into 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	IR2
Relative weight value	Developed to assign costs at the patient level where a patient-level feed is not available to identify the precise cost of activities performed. Relative weight values can also be used where supporting allocation information is required for the patient-level feeds. They can be used to allocate both patient-facing and support costs.	All	All
Repeated distribution	A means of allocating support costs across patient-facing **resources** using **allocation** factors (essentially **weightings**). These factors are based on the amount of interim **support resources** consumed in delivering each relevant patient-facing resource as well as other relevant **support resources**. The method is detailed with a worked example in Standard CP2: Clearly identifiable costs.	All	CP2

Term	Definition	Sector	Standards
Resources	What the provider purchases to help deliver the service. A resource may be a care provider, equipment or a consumable.	All	CP2
Response unit	One staffed vehicle or other unit (eg community first responder) that can be physically dispatched to an incident.	Ambulance	CM1

S

Searching	Mental health term for the clinician proactively tracking down the patient to ensure reviews are performed, medications taken, etc	Mental health	CM3
See and treat	Incidents 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 that are more appropriate to their needs, or which can provide further support at home or in a community setting, in close liaison with the patient's GP.	Ambulance	CM1

Term	Definition	Sector	Standards
See, treat, and convey	Incidents that resulted in a patient being conveyed as a result of an emergency call made by a member of the public or organisation, or as a result of being categorised as requiring an emergency response following a referral by a healthcare professional or electronically transferred to the CAD system from another CAD system.	Ambulance	CM1
Service-level agreement (SLA)	Made between two organisations to identify the expected level of service that one provides to the other.	Acute	CM12
Service-line reporting (SLR)	A method for reporting cost and income by service lines 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	CM12
Serious untoward incident (SUI)	An incident involving patient(s), member(s) of staff and/or the public, who suffer serious injury or unexpected death (or the risk of serious injury/death) while on the provider's premises.	Mental health	CM13, CM3

Term	Definition	Sector	Standards
Small numbers suppression	Information about an individual that is not public must not be identifiable, or able to be deduced from the data from the PLICS data quality tool. Figures that may identify individuals when subtracted from totals, subtotals or other published figures must be suppressed.	Collections	PLICS data quality tool
Specialing	Term for monitoring the patient with additional specific sources, – such as providing 1:1 care on a ward that provides 0.5:1 care.	Acute, mental health, community	CP2.1
Staff pay timing issues	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 number of days in a month can lead to varying hourly costs when staff are paid the same amount each calendar month. For more detail see Standard CP1: Role of the general ledger in costing.	All	CP1
Stakeholder	All individuals and groups likely to be affected by a proposed change.	All	CP6

Term	Definition	Sector	Standards
Standalone feeds	Patient-level **activity feeds** not matched to any episode of care but reported at service-line level in the organisation's reporting process: for example, the cancer MDT feed.	All	IR1 tech doc
Standards	The *Healthcare costing standards for England* describe the costing approach we ask you to adopt. There are different versions of the standards for acute, ambulance, mental health and community services.	All	All
Standards gap analysis	An implementation tool to be used to identify gaps that may make it difficult to implement the healthcare costing standards. It can be downloaded from the NHS Improvement website.	All	All
Statistic allocation table	A place to store relative weight values used to allocate costs.	All	IR1
Students	Those receiving education and training from a healthcare service provider who are not paid a salary.	E&T	ET2

Term	Definition	Sector	Standards
Supporting contact	Contact from anyone other than the principle healthcare professional. A patient often receives multiprofessional services during their episode, eg physiotherapists working with burns patients on a ward.	All	IR1, CM1, CM3, CM6

T

Technical document	A series of spreadsheets to support the written standards. This can be downloaded from the NHS Improvement website.	All	All
Telemedicine	A non face-to-face contact with a patient using telephone or web-based applications. 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	IR1, CM1, CM3
Traceable costs	Where actual costs are used from an information feed as a relative weight value.	All	IR2, CP2, CP3
Trainees	Those receiving education and training from a healthcare provider who are paid a salary.	E&T	ET2

Term	Definition	Sector	Standards
Travel time (ambulance)	Defined as time spent travelling and can apply to travel to scene, scene to treatment location, treatment location back to base, or anywhere.	Ambulance	CM1
Travel time (non-ambulance)	Time taken by a healthcare professional to make a journey from their workplace to meet a patient.	Mental health, community	
Type 1 support costs	Support costs such as finance and HR are allocated to all services that used them, using a prescribed allocation method such as actual usage or headcount. These costs do not use resources and activities in the costing process.	All	CP
Type 2 support costs	Support costs allocated to the patient using an activity-based method. These costs use resources and activities in the costing process, eg clinical coding and interpreting.	All	CP

U

Understated	Reported with a value smaller than the real value.	All	CP1

Term	Definition	Sector	Standards
Unlikely match	A condition that voids any match made between data feeds when trying to associate resource use or activity with a patient episode. Care providers can provide a list of scenarios that will never occur in a clinical context, eg a specialty prescribing a drug that is never involved in a patient's care pathway within that specialty. Knowing these will avoid unlikely matches.	All	CP4
Unmatched activities	Activities that have not been allocated to the patient episode, attendance or contact for which they occurred.	All	CP4
V			
Volume of service	Number of patients treated and activities performed.	All	CP1
Voluntary transition plan	Guide to which elements of which standards should be implemented by which year during the development years for the sector. This can be found in the technical documents for the mental health, community and ambulance sectors		
W			
Weighted activity	Calculation to weight the activity by a relative value unit to add acuity to the count of activity.	All	CP3

Contact us:

NHS Improvement
Wellington House
133-155 Waterloo Road
London
SE1 8UG

0300 123 2257
enquiries@improvement.nhs.uk
improvement.nhs.uk

Follow us on Twitter @NHSImprovement

This publication can be made available in a number of other formats on request.

 Publication code: CG 63/18