# 2019/20 National Tariff Payment System: glossary

| Term | Description |
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| 2012 Act | The Health and Social Care Act 2012. |
| Admitted patient care (APC) | A hospital's activity (patient treatment) after a patient has been admitted. |
| Allied health professionals (AHP) | Registered healthcare practitioners who deliver diagnostic, therapies and other types of care (eg physiotherapists, dieticians). |
| Average length of stay (av LOS) | The number of days a patient is in hospital, from admission to discharge. Average length of stay describes the average stay for a group of patients at a provider or for all patients within an HRG. |
| Best practice tariffs (BPTs) | Tariffs designed to encourage providers to deliver best practice care and reduce variation in the quality of care. Different BPTs with different types of incentives cover a range of treatments and types of care. |
| Blended payment | A payment approach involving a mix of fixed and variable elements. Blended payment approaches were proposed for emergency care and mental health services in 2019/20. |
| Capitation | Capitated payment is where a provider, or group of providers, is paid to cover a range of care for an identified population, made on a per person basis and adjusted to reflect the different needs. |
| Care clusters | National currencies that group patients of mental health services according to common characteristics, such as level of need and resources required. |
| Casemix | A way of describing and classifying healthcare activity. Patients are grouped according to their diagnoses and the interventions carried out. |
| Classification | Clinical classification systems are used to describe information from patient records using standardised definitions and naming conventions. This is required for creating clinical data in a format suitable for statistical and other analytical purposes such as epidemiology, benchmarking and costing. |
| Clinical Negligence Scheme for Trusts (CNST) | This scheme, administered by NHS Resolution, provides an indemnity to members and their employees for clinical negligence claims. It is funded by contributions from member trusts. In the method for calculating prices, |

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| | cost increases associated with CNST payments are targeted at certain prices to take account of cost pressures arising from these contributions. |
| Commissioning dataset (CDS) | Information on care provided for all NHS patients in England by providers, including independent providers. |
| Commissioning for Quality and Innovation (CQUIN) | A national framework for locally agreed quality improvement schemes. It allows commissioners to reward excellence by linking a proportion of payment for services provided to the achievement of quality improvement goals. |
| Cost uplift factor | An adjustment to prices that reflects expectations of the cost pressures providers will face, on average, in a given year. |
| Currency | A unit of healthcare activity such as spell, episode or attendance. A currency is the unit of measurement for which a price is paid. |
| Episode of care | An episode is an agreed time period during which healthcare is provided to a patient. An episodic payment approach is the payment of an agreed price for all the healthcare provided to a patient during an episode. |
| Excess bed-day payment (long-stay payment) | Extra reimbursement for patients who, for clinical reasons, remain in hospital beyond an expected length of stay (also sometimes referred to as a long-stay payment). |
| Finished consultant episode (FCE) | A completed period of care for a patient requiring a hospital bed, under the care of one consultant, within one provider. If a patient is transferred from one consultant to another, even within the same provider, the episode ends and another begins. |
| Glidepath | A way of introducing changes in a series of steps over a period of time. For example, the proposed shift in market forces factor values between 2019/20 and 2023/24. |
| Grouper | Software created by NHS Digital, which classifies diagnosis and procedure information from patient records into clinically meaningful groups. The outputs from the grouper are used as currencies for costing and pricing. https://digital.nhs.uk/services/national-casemix-office/downloads-groupers-and-tools/payment-groupers |
| Healthcare resource groups (HRGs) | Groupings of clinically similar treatments that use similar levels of healthcare resource. HRG4 is the current version of the system in use for payment. HRGs are |

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| | used as the basis for many of the currencies. HRG4+ phase 3 is the proposed currency design for 2019/20. |
| Hospital Episode Statistics (HES) | A data warehouse containing details of all admissions, outpatient appointments and A&E attendances at NHS hospitals in England. This data is collected during a patient's treatment at a hospital to enable hospitals to be paid for the care they deliver. HES data are designed to enable secondary use for non-clinical purposes. https://digital.nhs.uk/data-and-information/data-tools-and-services/data-services/hospital-episode-statistics |
| Improved Access to Psychological Therapies (IAPT) | IAPT services provide evidence based treatments for people with anxiety and depression (implementing NICE guidelines)? www.england.nhs.uk/mental-health/adults/iapt/. |
| Integrated care | Defined by the World Health Organization as bringing together inputs, delivery, management and organisation of services related to diagnosis, treatment, care, rehabilitation and health promotion. Integration is a means to improve services in relation to access, quality, user satisfaction and efficiency. |
| International Classification of Disease (ICD10) | The ICD is a medical classification list produced by the World Health Organization. It codes for diseases, signs and symptoms and is regularly updated. |
| Local modifications | A modification to the price for a service determined in accordance with the national tariff, where provision of the service at the national price is uneconomic (as provided for in sections 124 to 126 of the 2012 Act). The modification is intended to ensure healthcare services can be delivered where required by commissioners, even if the cost of providing them is higher than nationally determined prices. |
| Local prices | There are no national prices for many NHS services. Some of these services have currencies specified in the national tariff, but others do not. In both instances, commissioners and providers must work together to set prices for these services. The 2012 Act provides that Monitor may set rules for local price setting. |
| Local variations | Local variations can be used by commissioners and providers to agree adjustments to national prices, or the currencies for determining national prices, particularly where it is in the best interests of patients to support a different mix of services or delivery model. This includes cases where services are bundled, care is delivered in |

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| | new settings or there is use of innovative clinical practices to change the allocation of financial risk. |
| Locally determined prices/local payment arrangements | Many prices, or variations to prices, for NHS healthcare services are agreed locally (ie between commissioner(s) and the provider(s) of a service) rather than determined nationally by the national tariff. We refer to arrangements for agreeing prices and service designs locally as local payment arrangements. There are three types of local payment arrangements: local modifications to a national price; local variations to a national price or a currency for a service with a national price; and local prices (sometimes based on nationally specified currencies). |
| Market forces factor (MFF) | An index used in tariff payment and commissioner allocations to estimate the unavoidable regional cost differences of providing healthcare. |
| Mental Health Services Dataset (MHSDS) | MHSDS Information Standard is the specification of a patient-level data-extraction (output) standard intended for mental health service providers in England. This includes both NHS and independent providers. |
| National prices | The price payable by commissioners for NHS services specified in the national tariff. National prices are adjusted by national variations, such as the MFF, before payment is made.<br>See 2012 Act, s115: www.legislation.gov.uk/ukpga/2012/7/part/3/chapter/4/enacted |
| National tariff (National Tariff Payment System) | The document published by Monitor under s116 of the 2012 Act. It specifies national prices for specified healthcare services, national variations, and rules, principles and methods for local payment arrangements. Where it is used in conjunction with a particular year, the acronym NTPS will be used, eg 2019/20 NTPS. |
| National variations | National adjustments to national prices, for example to reflect local differences in costs that the formulation of national prices has not taken into account. |
| NHS Resolution | NHS Resolution manages negligence and other claims against the NHS in England on behalf of its member organisations. https://resolution.nhs.uk/ |
| NHS Long Term Plan | January 2019 report setting out the long-term objectives for the NHS. www.longtermplan.nhs.uk |

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| NHS Mandate | Sets out the government's objectives for NHS England, as well as its budget. |
| NHS Standard Contract | The contract published by NHS England and mandated for use when commissioning NHS healthcare services (other than those commissioned under primary care contracts). It is adaptable for use for a broad range of services and delivery models, and is available in both full-length and shorter-form versions on the NHS standard contract web page. www.england.nhs.uk/nhs-standard-contract |
| Non-mandatory prices | Non-mandatory prices are intended to inform local negotiation (with due regard to applicable local payment rules). They may be produced, for example, where the available data is not sufficiently robust to create a national price but we have been told a guide price would help local price-setting. Non-mandatory prices may be set so they can be tested before being proposed as a national price, or may be a benchmark to be used as a starting point for local discussions. |
| Pathway payments (eg maternity pathway payment) | Single payments that cover a bundle of services that may be provided by several providers covering a whole pathway of care for a patient. |
| Patient level information and costing systems (PLICS) | Systems that support the collection and recording of specific, patient-level costs. For more information, see: https://improvement.nhs.uk/resources/transforming-patient-level-costing/ |
| Patient Reported Outcome Measures (PROMS) | Patients are asked about their health and quality of life before they have an operation, and about their health and effectiveness of the operation afterwards. These allow the NHS to measure and improve the quality of treatments and care that patients receive. |
| Payment by Results (PbR) | An approach to paying providers based on activity undertaken, in accordance with a national tariff. The term is often used to refer to the tariff published by the then Department of Health before 2014/15. |
| Personal health budget (PHB) | An amount of money to support a person's identified health and wellbeing needs, planned and agreed between the person and their local NHS team. |
| Prescribed Specialised Services (PSS) | Specialised health services commissioned directly by NHS England under regulations made under section 3B(1)(d) of the National Health Service Act 2006. |

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| | https://digital.nhs.uk/services/national-casemix-office/downloads-groupers-and-tools/prescribed-specialised-services-pss-tools |
| Reference costs | The detailed costs to the NHS of providing services in a given financial year which are collected in accordance with national guidance. NHS healthcare providers are required to submit reference costs data to NHS Improvement. The costs are collected and published on an annual basis. https://improvement.nhs.uk/resources/reference-costs |
| Secondary Uses Service (SUS) | A single comprehensive repository for healthcare data in England which enables a range of reporting and analyses to support the delivery of NHS healthcare services. |
| Short stay emergency tariff (SSEM) | Mechanism for ensuring appropriate reimbursement for lengths of stay of less than two days, where the average HRG length of stay is longer. This forms part of the blended payment arrangements for emergency care payments. |
| Spell | The period from the date that a patient is admitted into hospital until the date they are discharged, which may contain one or more episodes of treatment. |
| Treatment function code (TFC) | Outpatient attendance national prices are based on TFCs. Main specialty codes represent the specialty within which a consultant is recognised or contracted to the organisation. Outpatient activity is generally organised around clinics based on TFC specialties and they are used to report outpatient activity. |
| Trend efficiency | Trend efficiency is the average sector-wide efficiency gain we observe over time. |
| Trim point | For each HRG, the trim point is calculated as the upper quartile length of stay for that HRG plus 1.5 times the inter-quartile range of length of stay. After the spell of treatment exceeds this number of days, a provider will receive payment for each additional day the patient remains in hospital. This is referred to as an excess bed day payment or a long stay payment. |

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