Overview of National tariff proposals for 2017/18 and 2018/19 for Vascular Services

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Tariff proposals now agreed for implementation from 1st April 2017 by NHS England and NHS Improvement are summarised as follows;

1. 2 year tariff from 1st April 2017 to 31st March 2019 rather than the usual one yearly tariff proposals
2. Introducing HRG4+ - which is more ‘granular’ and takes into account complication & comorbidity splits.
3. Redesign of Vascular HRG codes – deletion of ‘QZ ‘Vascular and ‘RC ‘Interventional Radiology HRGs
   * Creation of new ‘YQ ‘Vascular and ‘YR ‘Vascular Imaging Interventions HRGs
4. Removal of best practice tariffs for IR in line with HRG redesign
5. Initial proposals of introducing block contracts for outpatients were reversed and the final agreed proposals that go into implementation have agreed to frontload first attendances by 30% which involves a reduction in tariff for follow-up appointments
6. Initial proposals of removal of endovascular stent grafts from the high cost devices list were reversed and the tariff for EVAR remains relatively unchanged.
7. A new specialised services top-up for selected procedures at specific providers introduced – 6% uplift for Vascular surgery – for providers who are commissioned by NHS England to provide specialist vascular services

Implications for Vascular Providers Units

1. The two-year proposals for tariff are helpful to provide more financial planning and stability.
2. HRG4+ makes three significant changes to the current design. It groups patients according to a better clinical logic; it introduces more granularity to better reflect complexity; and introduces more age splits where costs differ according to the age of the patient. The number of HRG codes have increased by 26%. The “CC” comorbidity and complication splits with scores from 0 through to 15+ underlie the importance of accurate recording in discharge summaries and coding thus reflecting the expected use of additional resource in dealing with patients with multiple comorbidities and or complications.
3. Removal of IR best practice codes is in line with redesign of HRG 4+
4. The same with the new ‘YQ’ and ‘YR’ codes.
5. The outpatient tariffs are challenging as the removal of 30% from follow-up and its addition to first attendances refers to the total amount of money available so the prices do not change by 30%.  Also other factors come into account such as price modelling process, single or multi-professional outpatient visits and the actual tariff increase for a single professional new outpatient appointment is only about 9%. For providers it will also amount to a change in practice to reduce outpatient follow-ups across the board. Multi-professional clinics attract enhanced tariff, however incur greater delivery cost in terms of consultants time and job planning.
6. The tariff for EVAR as current with device cost and HRG code is relatively unchanged. Implementation of the NHS Zero cost model (ZCM) for vascular surgery is in the planning stage so for now the stent grafts for EVAR currently reimbursed as pass through will be picked up by NHS England Specialist commissioning from April 2017. Phased implementation of the ZCM is ongoing (eg cardiology devices – ICD, TAVI’s etc) and for providers initial suggestions are not a lot will change other than central procurement via NHS supply chain at zero cost rather than directly from industry as currently with associated costs.
7. To accompany HRG4+, Monitor and NHS England had proposed moving to a new set of top-ups for specialised services. The top up of 6% will be available to only those vascular providers designated by NHS England Specialised Commissioning. A specialist provider isan organisation with a contractual arrangement with NHS England Specialised Commissioning

Further reading:

For examples of tariff changes for procedures - Elective EVAR, Open repair of AAA for 2017-18 and 2018-19, tariffs for common vascular procedures, information on outpatient tariff’s for single and multi professional attendances including new and follow up visits and a comprehensive list of comorbidity and complications - please see the more detailed information on the VS website (link).

For proposed national tariff prices to help NHS providers and commissioners with the planning process visit

<https://improvement.nhs.uk/resources/proposed-national-tariff-prices-1718-1819>

Rationale for HRG4+

<http://www.nhsconfed.org/supporting-members/finance-funding-value/201718-national-tariff/hrg4-and-multiyear-tariffs-explained>

HRG4+ Grouper into which one can enter codes to see what the resultant HRG tariff would be.

<http://content.digital.nhs.uk/article/7500/HRG4-201718-Consultation-Grouper>

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