

CAMBRIDGE CITY & S.CAMBRIDGESHIRE PCTS

Practice Based Commissioning Budgets

Update July 2005

YOUR BUDGET EXPLAINED

The budget covers:

- All non specialist acute hospital activity (referred to as admitted patient care, APC) which presents as an in patient or out patient during the year April 2005 to March 2006.
- Mental health, community services and learning disability services are not included.
- Direct Access pathology tests at Addenbrookes
- Accident and emergency attendances at Addenbrookes
- your practice's prescribing budget

The budget is intended to cover the costs of all those patients registered with your practice wherever they are treated.

Any activity from 2003/04 that was uncoded or unassignable to a particular practice is shared out to all practices in proportion to practice list size in order to make sure there is budget available in 2005/06. The level of coding and assignation of activity to the responsible commissioner will be improved in 2005/06.

Budget relating to practices in the City that have closed is re-allocated to Cambridge City practices to reflect the re-registering of patients and other significant list movements.

There are some changes in the budget compared to the first drafts issued in June. Amendments have been made to correct any errors and inconsistencies found.

The hospital services element of the budget :

There is a top level summary and a worksheet for each local hospital agreement and patient type. A specialty summary is included, this will form the basis of the monthly budget monitoring statements.

The budget has been constructed using the actual treatments provided to patients from each practice during the year April 2003 to March 2004, the source of this data is the contract minimum dataset (CMDS) which every NHS service provider must provide to every commissioner.

Each treatment episode is coded, identifying the procedure (HRG code). These are valued at the national tariff price for each HRG applicable for 2005/06.

The budget covers activity from local NHS hospitals (Addenbrookes, Hinchingbrooke, Papworth) and an element to cover the miscellaneous treatments that occur outside the local area.

Specialist services are excluded from all the budget setting in principle. We have a mixture of specialist and general activity at Addenbrookes, Only the value of the non specialist activity is included in your budget, as defined by the specialist services definition set.. For other hospital providers, those where the PCT holds a service agreement for specialist tertiary referrals are excluded.

The sum of all the practice budgets matches the total (relevant) value of the plans for the PCT as they stood at April 2005. The movement between the total activity and cost in 2003/04 and the plans for 2005/06 is calculated for each provider hospital. Each practice is allocated a share of this growth (or reduction) according to the relative list size. 100% of the growth (or reduction) is allocated to practices.

Plans generally are based on the previous year's actual activity, amended to include capacity to meet waiting time targets, and adjusted for any demand management measures already in train over the past 12 months. These are primarily the impact of transformed, integrated community services for older people and GPs with specialist interest sessions established in 2004/5.

Impact of Payment by Results:

A large part of the budget relates to services commissioned under the "Payment by Results" financial regime. Simply, this means that each spell of care is charged at a standard procedure price as outlined in a national tariff.

The budgets include an uplift known as the market forces factor (MFF) added for everything except elective care for Papworth and Addenbrookes, but it is not added at all for Hinchingbrooke. This is in accordance with the pricing applicable for Foundation Trusts and it is chargeable to PCTs through the procedure prices in the service agreements for 2005/06. The market forces factor varies for each hospital and is included to recognise the differential costs of providing services across the country compared to the standard tariff.

Between 2003/04 and 2005/06 there have been a number of changes in the units used to count episodes of care and the way the price tariff is applied to those episodes, so a number of adjustments are made in order to ensure that the practice receives a realistic budget to meet the actual costs of treatment that will be charged in 2005/06.

The hospital activity included in the budget is described as follows:
(these are the descriptions used in the national tariff)

Description in 2003/04	Units chargeable under tariff in 2005/06
Elective In patient admissions	Elective Spells Excess Bed Days or outlier days
Day cases	Elective Spells

Non Elective (emergency) admissions	Non Elective Spells Emergency 0-1 length of stay (short stay admissions).
Out patient attendances (first and follow up)	Mostly now counted as Out patient referrals priced to include first and follow up attendances but there are still some counted as attendances
Direct Access pathology requests for tests)	Direct Access Pathology individual test components)

Where national tariff is applied (at Cambridge University Hospital Foundation Trust (CUFT) i.e. Addenbrookes and at Papworth), for 2005/06, a supplementary charge is made for patients that stay more than the average length of stay for the HRG on which the tariff price is based, these are known as “outlier bed days” or “excess bed days”.

There are also supplementary charges for more specialist services and for paediatric services.

Short stay (less than 2 days) may be charged at a lower price (40% of the tariff) for certain specialities and procedures (but not all). These are labelled “Emergency 0-1 LOS”

The impact of these “currency” changes is to create some large plus/minus swings in the spells and costs between 2003/04 and 2005/06, particularly between non elective spells and spells of 0-1 length of Stay (these can be seen in the detailed workings).

More information about how the tariff works is included in the Payment by Results Technical Guidance available on the Department of health website. (www.doh.gov.uk – search for “Payment by Results 2005/06”). The national tariff is also available on this website

More information can and will be provided in response to practices specific needs and interests.

Please direct any questions about these initial budgets to:

<insert contact details>

Special Notes:

Service Agreements have not been formally signed off with Cambridge University Hospitals Foundation Trust yet (CUFT). These budgets are draft subject to volume and pricing changes which may result from the final agreement with CUFT.

Practice unknown data (2003/04):

Where the GP was not identified in the 2003/04 dataset (practice unknown), activity is apportioned across practices according to list size. Where GP is not specified the patient is coded to the PCT using their home address postal code. Coding is much improved now that the trusts are operating by payment by results so it is likely that the amount of uncoded activity will be smaller in 2004/05 so practice budgets need to the value of this activity

Out patients:

Coding has changed around radiotherapy/clinical oncology, so these lines are added together.

Cambridge Access Centre:

The 2003/04 activity for the BUS Project and Jimmy's night shelter are included here.

Hinchingbrooke:

Hinchingbrooke is not a foundation trust, so market forces factor only applies to Elective care and it is paid directly to the trust, so is NOT included in prices to set budgets. Local prices apply for Hinchingbrooke for emergency and out patients, and national tariff applies to Elective care. The growth in Hinchingbrooke's activity plan allows for the potential shift of activity from Addenbrookes to Hinchingbrooke. The PCTs have supported the development of new facilities at Hinchingbrooke, ensuring capacity is available for new population, and to meet patients CHOICE.

Woodlands Surgery:

The 2003/04 activity for Brooklands Avenue practice and Beechwood practice are added together to create the budget for Woodlands surgery.

The Laurels

There is no overall growth in Cambridge City registered population, however, there are a number of significant changes in list size due to the closure of the Laurels, the annexing of Beverley Way surgery, and the closure of Beechwood practice. The budget for the Laurels activity is redistributed across City practices recognising the significant list changes

S.Camb growth in list sizes

S.Camb's population growth is recognised in the distribution of more than a £1m to move practice budgets from 2003/04 level of activity to 2005/06 plans.

.....more specific points of explanation will be added to this brief as feed back is received from practices, and specific questions raised

RCH 14 July 05