NCHA
NATIONAL COMMUNITY HEARING ASSOCIATION

BSHAA
British Society of Hearing Aid Audiologists

2015-18 GUIDANCE

Clinical Commissioning Groups
Health and Wellbeing Boards
NHS Providers
Healthwatch

ADDITIONAL RESOURCES



# ANNEX D:

# Checklist and Price Guide

## NHS AUDIOLOGY - ADULT HEARING SERVICES

August 2015

# ANNEX D – IMPROVING THE EFFECTIVENESS OF CHOICE IN ADULT HEARING SERVICES AND UNDERSTANDING PRICES

This document

- provides commissioners with a checklist of ways to improve the effectiveness of choice in adult hearing services[i]

- explains the difference between the non-mandated tariff and the Department of Health's Best Practice Guidance price for a package of care.

## COMMISSIONER CHECKLIST - IMPROVE THE EFFECTIVENESS OF CHOICE IN ADULT HEARING SERVICES (ORIGINAL SOURCE – HERE)

| Action | | Done |
|---|---|---|
| 1 | Run an open and transparent provider qualification process<br><br>• Have clear objectives for introducing choice<br>• Have explored impact that choice will bring in terms of patient outcomes, service quality, demand and budgets<br>• Have engaged with providers and set out at the start what is expected of them in the qualification process – note, Monitor recommends early engagement. This might include meetings, workshops and information events with potential providers<br>• Have encouraged provider participation – e.g. not unnecessarily limited the ability of certain providers to apply<br>• Made clear when new opportunities to qualify will arise<br>• Made the mobilisation process clear to providers | ☐ |
| 2 | Ensured that there is a level playing field<br><br>• Have aligned service specifications and prices for all providers<br>• Have a timetable and strategy on how other contracts that include adult hearing services will be migrated to the new service specifications and prices<br>• Providers are not disadvantaged because of their organisational form – e.g. treatment of VAT is clear from the outset so that providers can take this into account and make informed decisions | ☐ |

[i] This checklist summarises recommendations from Monitor. Monitor's recommendations can be found in full here.

| | | |
|---|---|---|
| 3 | Have a system in place to monitor services and enforce contracts<br><br>• Have a system to collect service outcome data and processes to ensure regular and accurate provision of data – e.g. providers know that they have to deliver data specified in the contract<br>• Have a system to monitor data and continuously improve the quality of services – e.g. a way of acting on patient and GP et al. feedback<br>• Have a system to ensure there is engagement with providers and that they can report any local challenges/concerns – e.g. around referral patterns | ☐ |
| 4 | Have a system to manage spending on the service<br><br>• Understand the prevalence of hearing loss in the CCG area, current unmet need and changes in uptake with time<br>• Have made use of available resources like the Atlas of Variation (here) to estimate likely levels of unmet need<br>• Have considered referral guidance for local GPs<br>• Have a system to measure quality, for example ongoing use of hearing aids to ensure that there are incentives to deliver ongoing care to patients and that only people that would benefit from hearing aids are fitted with them | ☐ |
| 5 | Ensured there is good information at all levels so that choice works for patients<br><br>• Ensured that GPs understand and support the commissioning process and that providers are qualified to deliver the service – i.e. that GPs know that there are checks and balances in place and that their patients can expect care from qualified (not just any) providers<br>• There is a system in place to update GPs (referrers) about changes in local service provision (e.g. the choice of providers increasing)<br>• There is a system that supports GPs (referrers) provide patients with good information at the point of referral<br>• There is a process in place that allows GPs (referrers), patients and carers to access reliable data on providers so that they can make informed choices about their care<br>• There are systems in place to support patients that wish to change their provider when dissatisfied with their service<br>• Have worked with providers to ensure that there are good links to other services – e.g. that patients are referred (signposted) to other support, like lip reading classes, that they might benefit from | ☐ |

**Recommended: Monitor's review of adult hearing care.**
**Tip: Watch Monitor's webinar on choice in adult hearing care here**

## UNDERSTANDING PRICES

## BACKGROUND

There is confusion about the price NHS commissioners should pay for adult hearing services and it has been noted that some commissioners do not know what they are paying for or how much it costs:

- *"In areas without choice, adult hearing services are often provided as part of a block contract without service outcome reporting requirements, so it can be difficult for commissioners to tell how good services are, or even how many people are being treated and at what cost*" (Monitor, 2015).

In contrast, commissioners that have access to good information can achieve a better deal for patients and taxpayers. For example Monitor has acknowledged that

- *"the introduction of choice has also made services more transparent"* and that *"the introduction of choice has strengthened the opportunity for [CCGs] to achieve better value for money. In areas with choice, commissioners have often put in place more robust or higher service specifications that raise expectations of providers. In some cases, commissioners have also established locally determined prices that are 20−25% lower than the national non-mandated tariff"* (Monitor, 2015).

Aside from the use of block contracts, which themselves can be inefficient[ii], there is also confusion about **Best Practice Guidance** (BPG) prices and the non-mandated tariff prices.

It is important to note that BPG prices offer commissioners a way to procure all inclusive packages of care whilst incentivising providers to delivering on-going support, which reduces the cost per patient over three years.

The section below briefly explains why BPG prices offer better value for money, for more detail commissioners can contact enquiries@the-ncha.com

[ii] *Note: Section 26 of the Health and Social Care Act 2012, states "Each clinical commissioning group must exercise its functions effectively, efficiently and economically" and "Each clinical commissioning group must exercise its functions with a view to securing continuous improvement in the quality of services provided to individuals for or in connection with the prevention, diagnosis or treatment of illness", if CCGs using block contracts do not know what they are buying or how much it costs per patient, it is unlikely that these commissioning duties are being met.*

## WHY BPG OFFERS BETTER VALUE FOR MONEY

1. The original structure of the non-mandated tariff for adult hearing services was noted in the Department of Health's "Paym*ent by Results Guidance 2009-10"* – (available here)

   - the tariff included one follow-up and commissioners then paid for each additional aftercare
   - it did *not* include any service specification or standards

2. This can be compared to the specification and prices in the Department of Health's BPG published on 20th December 2012 (available here). BPG includes:

   - clear standards – expectations, targets, accountability (available here)
   - clearly defined prices (available here)

3. BPG shows that prices were reduced by 10% compared to the non-mandated tariff (page 40 - available here)

4. In addition to this 10% reduction there were other savings. To appreciate the scale of potential efficiency gains, consider the following two packages of care in the table below. Package B cost 10% less than package A (compare p.40 to p.44-45). Making it clear that BPG offers better value for money.

| PACKAGE A (NON-MANDATED TARIFF) | PACKAGE B (BPG PACKAGE OF CARE) |
|---|---|
| 1. assessment<br>2. fit<br>3. device(s)<br>4. one follow-up<br>5. 18 week RTT waiting times | 1. assessment<br>2. fit<br>3. device(s)<br>4. 16 working day assessment, fitting within 20 working days of assessment<br>5. individual management plan (IMP)<br>6. follow-ups (person centred)<br>7. on-going aftercare and equipment maintenance for three years (e.g. tips, domes, wax filters and tube replacement service). Aftercare accessible within two working days of requesting it (person centred)<br>8. three year review<br>9. data collection (outcomes measured using GHABP, COSI or IOI-HA tools)<br>10. targets and penalties<br>11. continuous quality improvement (e.g. CQUIN)<br>12. batteries included for free - postage etc. *not* charged for |

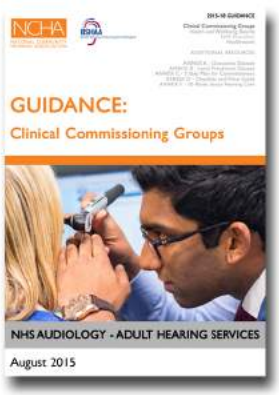
5. *How much would it cost a CCG to purchase BPG using the non-mandated tariff system?*

- **Additional** aftercare appointments alone would cost at least £78 more over three years[iii] per patient (note: without these aftercare visits hearing aids will end up in drawers)
- In addition to this CCGs would carry the risk of paying for additional follow-up visits, funding batteries and repairs separately and other variable costs

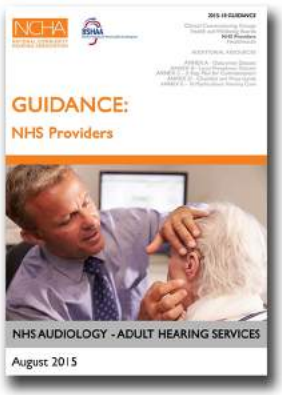
**It is estimated that CCGs would save between 20% and 25% by using the BPG compared to the non-mandated tariff system**. In some areas CCGs have also not adjusted local prices for MFF and therefore made savings in excess of 25% per patient (i.e. in some cases 10x the efficiency savings required in the *Five Year Forward View)*.

[iii] *Estimated one aftercare per year at £26 per visit, but it is important to note that patients typically have more than one aftercare appointments per year. Each year hospitals report c. 1.1 million aftercare (hearing aid repair) appointments at a cost of c. £26 each. If all CCGs implemented BPG then they would no longer be paying for hearing aid repairs each year and this cost would have to be absorbed by providers within the all-inclusive BPG price – i.e. all providers would have to do more for less.*

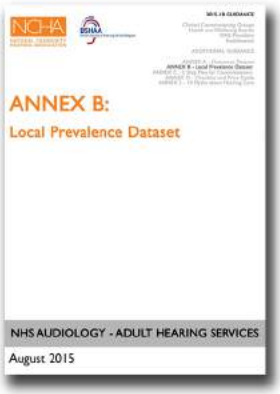
# GUIDANCE IN THIS SERIES

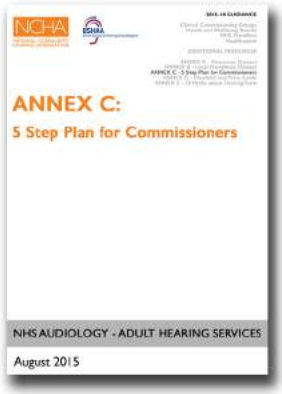


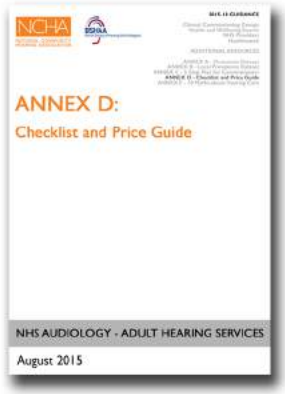


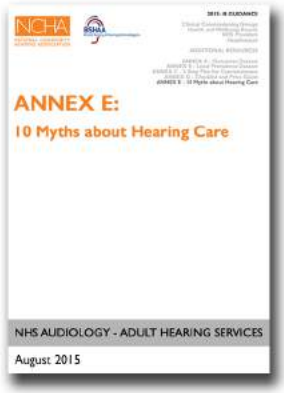


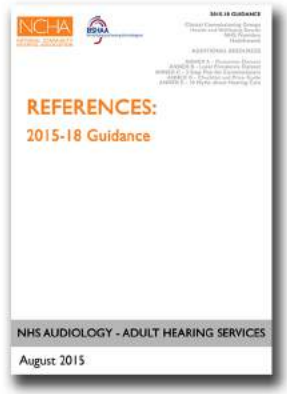



Digital copies of all the reports are available at www.the-ncha.com/guidance2015-18