

Specialised Rehabilitation (Level 1 and 2a services)

The Weighted bed day payment model

The PbR guidance for 2013/14 introduced a multi-level weighted bed day (WBD) commissioning currency for specialist (level 1 and 2) rehabilitation services together with a set of indicative tariffs.

- In 2014/15, the WBD currency was mandated for all specialised rehabilitation services commissioned by NHSE, but the tariff is still indicative.
- Local Area commissioning Teams (LATs) are being strongly encouraged either to apply or to work towards the indicative tariffs in their commissioning plans for 2015/16.
- However, even where local tariffs are applied, LATs are required at least to convert the contracted activity and currency to the single WBD figure based on the 5-tier multi-level weighted payment model (See Annex 1).

UKROC – the commissioning database for specialised rehabilitation services

The WBD is operationalized through the UKROC dataset.

LATs are reminded that only activity reported through UKROC is eligible for commissioning under this specification.

- From April 2014, UKROC has provided monthly reports on all eligible activity against the contracts
- Contract performance is reported alongside quarterly quality and benchmarking reports in relation to the core service standards and outcomes listed in the service specification

In order to have nationally comparable figures on contract performance it is essential that all LATs use the mandated commissioning currency, rather than some local interpretation of it.

UKROC continues to offer assistance to all providers and LATs to help them convert their existing contract currencies to the WBD currency. Alternatively, an automated spreadsheet is freely available to enable them to calculate the conversion if they would rather do it themselves ([see Annex 2](#)).

Problems

Several commissioners have asked why they should use the mandated currency, when the tariff is only indicative and they are still using local tariffs.

In addition to the need for national consistency in contract performance monitoring as described above, there are other important reasons to use the WBD currency.

1. The position we inherited at the transition point in April 2013 was one of inequitable provision. Many parts of the country had either no Level 1 services or they were under-capacity.
 - a. For this reason, level 2a services were included in the interim specification for the first 3 years. The expectation was that, with NHSE commissioning, those services would gradually extend their catchment population and increase their complexity profile, and so would meet the criteria for a level 1 services by the end of the interim period.
 - b. By that time, it is expected that the level 2a would cease to exist, leaving just Level 1 (hyper-acute, a, b and c) services commissioned by NHSE, and Level 2 services commissioned by the CCGs.

2. In other parts of the country, SCGs were already commissioning 'Level 1 services'. However, in the absence of a national tariff or service specification there was huge diversity in both service quality and commissioning currencies / rates.
 - a. Some so-called 'Level 1' services were historically commissioned at very low OBD rates.
 - b. Lacking the resources and staffing to select a highly complex case load and so meet the complexity profile of true Level 1 services, providers either took on a large proportion of simpler (category B or C) cases, or kept patients for longer after their needs had diminished, in order to meet their annual throughput targets.
 - c. As a result the more complex patients were unable to access the service and waited for prolonged periods in the acute services.

In this situation, it is evident that the standard OBD currency is counter-productive.

3. When the interim service specification for specialised rehabilitation was drawn up, it was anticipated that the indicative tariffs would be mandated from 2014/15 onwards. This would enable the transformation by Year 3 to a position where there are Level 1 services across all parts of the country, which actually take the high complexity caseload that is expected of a tertiary specialised service.

In the event, however, Monitor is still taking stock and few new tariffs were mandated for 14/15. Specialist rehabilitation tariffs therefore remain indicative.

4. In the meantime NHSE is facing a very difficult financial position. It is clear that there will be no further expansion of the service specifications. If anything they need to be tightened to ensure that only truly tertiary activity, as defined within the specification, is included within the NHSE contracts.

Solution

Fortunately the WBD currency is still mandated, and using this currency is the only way that transformation can be achieved, whilst keeping within the same financial bottom line.

In contrast to the standard OBD currency, the WBD currency supports the admission of highly complex patients by reimbursing at a higher rate – but only while they continue to have complex needs. Reduction in the level of reimbursement at lower levels of complexity discourages excessive lengths of stay and admission of non-complex patients whose needs could be met in their local services.

It is accepted that this will reduce the overall number of patients going through the service, but it will increase the proportion of patients with highly complex needs going through them, thus meeting the service specification standards, and reducing the backlog of these patients within acute services.

The solution is dependent also on pathway commissioning and working with the CCGs to ensure that they also commission the Level 2 and 3 services within the network. However this is not necessarily a shift of responsibility to the CCGs. Prior to April 2013, the large majority of Level 1 / 2a services were commissioned by the PCTs, and NHSE commissioning has, in effect, lightened that load.

It is therefore appropriate for the CCGs to continue to commission the local rehabilitation services within the network. It is also important to ensure that services are well-coordinated.

Tightening of the commissioning rules within the service specification

The service specification excludes category B activity in the level 2a services and also episodes > 180 days, which are normally classified as slow-stream rehabilitation.

Within the first year of NHSE commissioning, some laxity was allowed to avoid de-stabilising services during transition.

Given the financial pressures faced by NHSE within the coming year, it is now necessary to restrict NHSE commissioned activity to that which is included in the service specification.

In particular:

- In 2013/14, both category A and B activity in level 2a services was commissioned by the NHSE, but with a view handing back the Category B activity after year 1.
- Episodes > 180 days are only eligible under this specification, if
 - an extension request has been approved using the agreed format, and
 - an extension report has been lodged with the commissioners when the patient is eventually discharged.
- Extensions beyond 180 days are usually granted on the grounds of cost-efficiency – ie the expectation of significant gains in functional independence, or savings in the on-going costs of care predicted using the Northwick Park Dependency Scale

To support this:

Category A and B activity:

- UKROC will provide a break down of Category A and B activity as reported by the providers.
- The UKROC team is currently analyzing the data collected in 2013/14 from the Patient Categorisation (PCAT) tool to provide more precise instruction on interpretation, as well as more tightly defined criteria for distinguishing the different categories.
- If possible the data collection tools will be simplified for future use.

LOS >180 days

- UKROC will report separately the activity for episodes > 180 days.
- From 2014/15, UKROC IDs will be passed back to the Commissioning Support Units to verify whether the requirements for approval of extension have been met, in order for them to be counted as eligible activity
- Analysis of outcome (functional gains and cost-efficiency) for extensions approved in 2013/14 is already underway by UKROC to determine the extent to which this provision can be justified by the benefits derived.

Going forward, as part of the HQIP National Clinical Audit programme for specialist rehabilitation following major trauma, UKROC will be applying for Section 251 approval to enable collection of the NHS number. This will allow us to track individual patients down the pathway, to find out where they go and to evaluate outcome in different groups of patients.

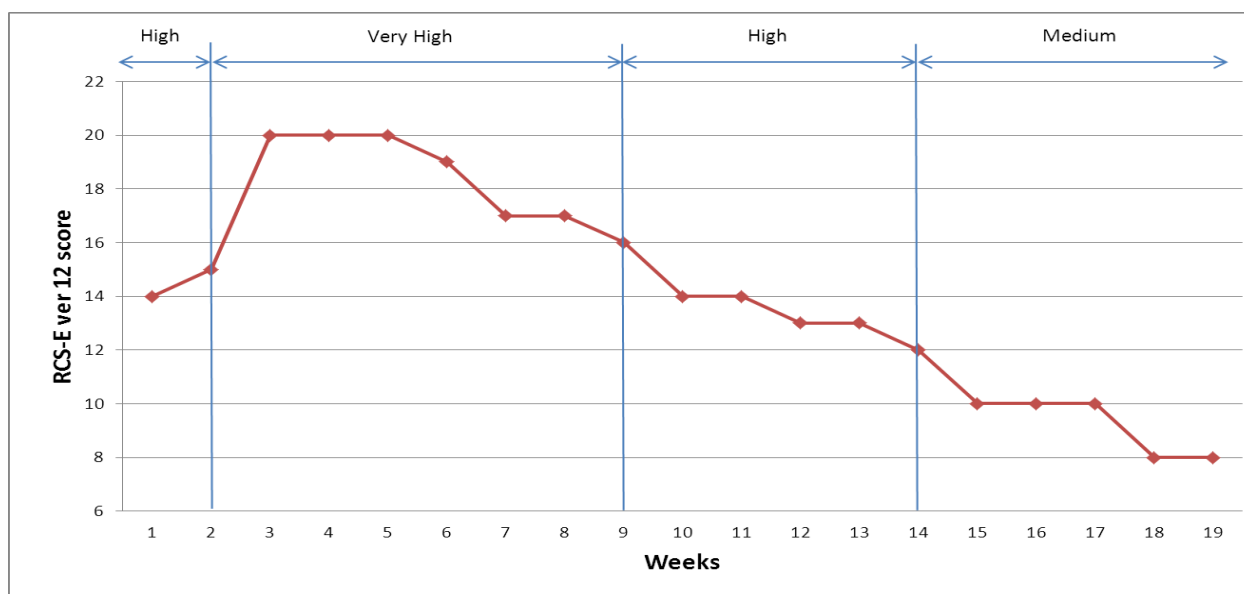
Having this 'registry' status should make it easier to log extension approvals and reporting, so that eligible activity would be automatically counted and valued in the future.

Annex 1: The multi-level weighted bed-day payment model

The multi-level weighted payment model is based on a per diem payment adjusted for complexity of rehabilitation needs.

- As the patient improves during rehabilitation, their needs may decrease over time.
- The daily tariff falls as complexity is reduced over time
- The model is designed to provide fair payment for higher cost patients but at the same time to provide an incentive to early discharge
- The model is based on serial assessment of complexity using the Rehabilitation Complexity Scale version 12, which is applied at fortnightly intervals throughout the patients stay.

Figure 1 below shows an example of the multi level tariff in a patient who stayed 133 days



Mandated Commissioning Currency – 5-tier weighted per diem model

- The commissioning currency is operationalised through the UKROC dataset.
- The currency is the weighted bed day – based on a 5-tier structure, in which a set of five weighting factors are applied to the standard per diem rate.
- The weighting factors were derived from the relative proportion of nursing and therapy staff time used by patients within the different levels of complexity¹, so that higher complexity scores attract a higher weighting
- At the level of an individual episode: The total weighted bed days are derived from the number of days the patient spent at each of the five levels of complexity, multiplied by the weighting factors for each of the levels.
- At service level, the total annual occupied bed days (OBDs) within each of the five levels are multiplied by their respective weighting factors and summed to calculate the total number of weighted bed days (WBD). The total annual cost is then divided by the total weighted bed days to calculate the weighted per diem cost
- **For simplicity, the multi-level WBD currency is expressed in terms of a single WBD figure for activity with a single WBD costs, although UKROC can provide more detailed breakdown on request.**

¹ Turner-Stokes L et al. Healthcare tariffs for specialist inpatient neurorehabilitation services: Rationale and development of a UK casemix and costing methodology. *Clin. Rehabil.* 2011;26(3):264-79

Tariffs

From 2013/14, although the currency is mandated, the tariff is indicative. The 2014/15 Indicative tariffs are listed below. These are subject to local adjustment for MFF. Please note that the below 14/15 tariffs are the 13/14 tariffs carried forward and may be subject to change by Monitor. This document will be updated should any changes occur.

	Level 1a hyper	Level 1a physical	Level 1b	Level 2a	Level 2b
Very High	655	617	601	578	521
High	509	479	466	454	409
Medium	391	368	358	331	298
Low	318	299	291	231	208
Very Low	245	231	224	206	186

Please note: Prices from the above tariff table are for use with bed day figures that have not been adjusted to include a weighting factor. If the weighting factors for each band have been applied, then the price for the Medium (standard) bed day should be used.

Figure 2 below shows a worked example is given below for a 20 bedded Level 1a service.

20 bedded Level 1a service							
Bed Base pa	20.0						
MFF for service	19.5%						
RCS Banding	Factor	OBDs pa	WBDs	%	1a Tariff (excl MFF)	1a Tariff (incl MFF)	Contract value (incl MFF)
Very High	1.68	2,500	4,200	33.3%	£617	£737	£1,843,288
High	1.30	3,500	4,550	46.7%	£479	£572	£2,003,418
Medium	1.00	1,300	1,300	17.3%	£368	£440	£571,688
Low	0.81	150	122	2.0%	£299	£357	£53,596
Very Low	0.62	50	31	0.7%	£231	£276	£13,802
		7,500	10,203	100.0%			£4,485,791
		OBD price £598	WBD Price £440				

In this example:

- The total OBD activity for the year is 7500, giving an OBD cost of £598.11
- OBD activity is broken down into activity within each of the 5 tiers
- The green column shows the weighting factors for each of the tiers
(Please note: different weighting factors are calculated separately for the different levels of service)
- The OBD activity within each tier is multiplied by the corresponding weighting factor to calculate the WBD.
- The total annual WBD is the sum of the WBD for each tier – ie 10,203.
- The total annual cost of the service is £4,485,791. This is calculated by adding the sum of multiplying the OBD's for each tier by the MFF inclusive Tariff price for each respective tier
- When the annual cost of the service (£4,485,791) is divided by the annual WBDs (10,203), the cost per WBD is £439.66.

Contract monitoring and UKROC reporting

In the above example, assuming the service is commissioned at the Level 1a tariff:

- The total contract value is £4,485,791
- The contracted annual activity is 10,203 WBD, giving a WBD tariff of £439.66

Within a cost and volume contract, any tolerance and marginal rates that are negotiated within the contract are applied to these bottom line figures, rather than to activity/ tariffs within each level.

For ease of overall contract performance monitoring, UKROC will provide a monthly performance report for each service based on:

- the total annual contracted weighted bed days (WBD)
- the WBD activity performed per month, and the cumulative month activity
- the variance of actual versus contracted performance.

These figures are converted into prices using the WBD price as the multiplier, if the contracted activity and price have been reported to UKROC.

Figure 3 shows an example of a UKROC contract monitoring table for months 1-6 of 2014/15

14/15 Cummulative Monthly Contract Monitoring (Mth01 - Mth06)

Unit ID	Units	Mth 01 (04-2014)	Mth 02 (05-2014)	Mth 03 (06-2014)	Mth 04 (07-2014)	Mth 05 (08-2014)	Mth 06 (09-2014)
Activity							
Contracted	WBDs	850	1,700	2,550	3,400	4,250	5,100
Performance/month	WBDs	850	900	847	832	825	850
Cumulutive	WBDs	850	1,750	2,597	3,429	4,254	5,104
Variance (over performance)	WBDs	0	(50)	(47)	(29)	(4)	(4)
Variance as a Percentage of Contracted							(0.08%)
Price							
Contract	£	£373,711	£747,422	£1,121,133	£1,494,844	£1,868,555	£2,242,266
Performance (cumulative)	£	£373,711	£769,405	£1,141,797	£1,507,594	£1,870,314	£2,244,025
Variance (over performance)	£	£0	(£21,983)	(£20,664)	(£12,750)	(£1,759)	(£1,759)

Contracted activity	Year	Month
WBD	10,203	850
Cost	£4,485,791.00	£439.66

As noted above, over-performance against a contract could result from either an increase in the number of occupied beds or from an increased in the proportion of more complex cases. Similarly, underperformance could denote a reduction in bed occupancy or a lower proportion of more complex cases.

In addition to the overall WBD figures, UKROC can also provide much more detailed breakdown including a) individual episode level activity and costs, b) monthly figures for the total number of bed days each complexity level, activity by CCG, provider etc.)

Increasingly, a single provider may provide several different levels of service in separate wards/units. Where UKROC is notified of this spilt, and activity is reported under separate centre codes, activity reports can be provided separately for each service.

Annex 2: Calculating local tariffs using the WBD currency

As the current PbR tariff for specialised rehabilitation services is indicative for 2014/15, some commissioners/providers may negotiate a local price for their specialist rehabilitation contract.

This still needs to be converted to the mandated WBD currency against which UKROC will provide national reporting.

UKROC has offered assistance to all LATs to convert their contracts. Alternatively a spreadsheet calculator is available to enable LAT commissioners to do this themselves.

The examples below show the exemplar 1a service in Figure 2 above with the same activity converted to a local price for bottom line contract values of A) £4,300,000 and B) £4,600,000

A) Contract value: £4,300,000

Level 1 tariff calculator						
RCS Banding	Weighting Factor	Enter annual Bed days Here OBDs pa	Weighted Bed Days	OBD Price (incl MFF)	% of total bed days	Contract value (incl MFF)
Very High	1.68	2,500	4200	£708	33%	£1,770,089
High	1.30	3,500	4550	£548	47%	£1,917,597
Medium	1.00	1,300	1300	£421	17%	£547,885
Low	0.81	150	122	£342	2%	£51,364
Very Low	0.62	50	31	£261	1%	£13,065
		7,500	10203		100%	£4,300,000
		Mean OBD price	Mean WBD Price			
	£4,300,000	£573	£421			
	(Enter total annual contract cost here)					

B) Contract value: £4,600,000

Level 1 tariff calculator						
RCS Banding	Weighting Factor	Enter annual Bed days Here OBDs pa	Weighted Bed Days	OBD Price (incl MFF)	% of total bed days	Contract value (incl MFF)
Very High	1.68	2,500	4200	£757	33%	£1,893,584
High	1.30	3,500	4550	£586	47%	£2,051,383
Medium	1.00	1,300	1300	£451	17%	£586,109
Low	0.81	150	122	£366	2%	£54,948
Very Low	0.62	50	31	£280	1%	£13,976
		7,500	10203		100%	£4,600,000
		Mean OBD price	Mean WBD Price			
	£4,600,000	£613	£451			
	(Enter total annual contract cost here)					

Level 2 Service Exemplar

A further example of an **18-bedded level 2 service** shows the tariff converted to a local price for a bottom line contract value of £3,000,000.

Once again, please note that the weighting factors are slightly different for a level 2 service. These factors were derived from systematically gathered service costing data.

Contract value: £3,000,000

Level 2 tariff calculator						
RCS Banding	Weighting Factor	OBDs pa	Weighted Bed Days	OBD Price (incl MFF)	% of total bed days	Contract value (incl MFF)
Very High	1.75	1,354	2376	£645	21%	£874,057
High	1.38	2,708	3738	£508	42%	£1,375,005
Medium	1.00	1,264	1264	£368	19%	£464,977
Low	0.70	542	379	£258	8%	£139,493
Very Low	0.63	632	398	£232	10%	£146,468
		6,500	8155		100%	£3,000,000
		Mean OBD price	Mean WBD Price			
	£3,000,000	£462	£368			
	(Enter total annual contract cost here)					

Setting the contract using the WBD currency model

Cost and volume contracts are usually based on the previous year's activity around Month 8 or 9, projected to out turn (+/- any change in activity negotiated between the commissioners and providers).

In the example below, Unit A is to be commissioned based on projected outturn at Month 9 for 2014/14. The figure shows the M9 activity in comparison with contracted figures for that year.

The service is performing slightly above the target OBD activity, but below the expected level of complexity, suggesting that the unit is taking a slightly higher number of simple cases. As a result, despite the OBD activity being over target, the contract value is under target.

- The WBD activity contracted for 2015/16 is therefore slightly lower than in 2013/14 (10,170)
- Based on the indicative tariff for this unit (after adjustment for the Marketing Forces Factor) is £4,471,430 (a £14 K reduction on the previous year.
- The new WBD price is £4,471,730 ÷ 10,170 = £439.70
- The monthly target 10,170 ÷ 12 = 848 WBDs

An example of a contract activity report for Unit A using the WBD currency is given below:

Projected out-turn activity at month 9 in 2014/15 was used to calculate the total annual weighted bed days, and a weighted bed day unit price

Unit A Activity - Month 9					Projected to out-turn		Based on indicative tariff			Total weighted bed days	Weighted Bed Day Price
		OBDs	WBDs	%	OBDs	WBDs	Unit Price	MFF	Total (Exc MFF)		
RCS group	Factor										
Very High	1.68	1,800	3,024	31.8%	2,400	4,032	£617	1.195	£1,769,556	10,170	£439.70
High	1.30	2,650	3,445	46.9%	3,533	4,593	£479	1.195	£2,022,498		
Medium	1.00	1,000	1,000	17.7%	1,333	1,333	£368	1.195	£586,347		
Low	0.81	165	134	2.9%	220	178	£299	1.195	£78,607		
Very Low	0.62	40	25	0.7%	53	33	£231	1.195	£14,722		
		5,655	7,627		7,540	10,170			£4,471,730		
		At Month 9					Projected to out-turn				
Contracted figures		5625	7652		7500	10191			£4,485,791		
Variance		30	-25		40	-21			-£14,061		