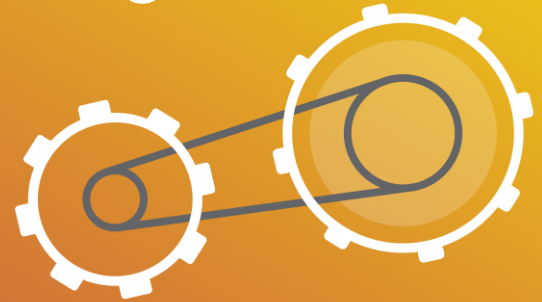


# How it works

## Specialised commissioning in England



### Introduction

The NHS treats over 54 million people in England each year<sup>1</sup>. For some, the care they need is more unique than that provided to the majority of NHS patients. In these circumstances specialised services are available.

This briefing outlines the commissioning of specialised services – what they are, how they differ from other NHS services, how they are commissioned and the process for service development. It will be of interest to anyone wishing to gain an understanding of how specialised services operate within the NHS in England.

### What are specialised services?

NHS England describes specialist services, also known as prescribed specialised services, as services which ‘support people with a range of rare and complex conditions. They often involve treatments provided to patients with rare cancers, genetic disorders or complex medical or surgical conditions. They deliver cutting-edge care and are a catalyst for innovation, supporting pioneering clinical practice in the NHS’.<sup>2</sup>

There are currently over 140 specialised services, covering a diverse range of disparate and complex services. These include services for uncommon conditions such as rare cancers, to long-term conditions such as renal (kidney) and specific mental health problems. A description of each separate specialised service can be found in Appendix 1.

In addition to specialised services, there are also highly specialised services. Highly specialised services are provided to an even smaller number of patients in comparison to specialised services;

<sup>1</sup> Source [www.england.nhs.uk](http://www.england.nhs.uk)

<sup>2</sup> NHS England, *specialist services*, January 2019

usually no more than 500 patients per year. As a result, they are typically best delivered nationally through a very small number of centres of excellence. Examples include liver transplant services, enzyme replace therapy, and proton beam therapy for specific cancer treatments.

Key information about highly specialised services including description, location, total expenditure, activity numbers and outcomes is available from NHS England in their document *Highly specialised services 2018*<sup>3</sup>

## How do specialised services differ from other services?

The majority of NHS care is planned and arranged locally by clinical commissioning groups (CCGs). Specialised services however, are one of just five areas which are planned nationally and regionally by NHS England. The other four areas are primary care (which can be shared or delegated locally with CCGs), some public health services, offender healthcare and some services for the armed forces.

The national and regional arrangements are because specialised services have to be delivered by specialist teams of doctors, nurses and other health professionals who have the necessary skills and experience, and as a result they are not available in every local hospital.

There are four factors which determine whether NHS England commissions a service as a prescribed specialised service. These are:

- the number of individuals who require the service
- the cost of providing the service or facility
- the number of people able to provide the service or facility
- the financial implications for CCGs if they were required to arrange for provision of the service or facility themselves.

## The commissioning of specialised services

Commissioning can be defined as ‘the process of assessing needs, planning and prioritising, purchasing and monitoring health services, to get the best health outcomes.’<sup>4</sup> It is not one action, such as contract negotiating or agreeing payment mechanisms, but many, also encompassing health-needs assessments, clinical design of patient pathways, service specification and continuous quality assessment.

NHS England took on responsibility for all specialised commissioning in April 2013. Prior to this, highly specialised services were commissioned by the ten strategic health authorities with all other specialised services the responsibility of local primary care trusts.

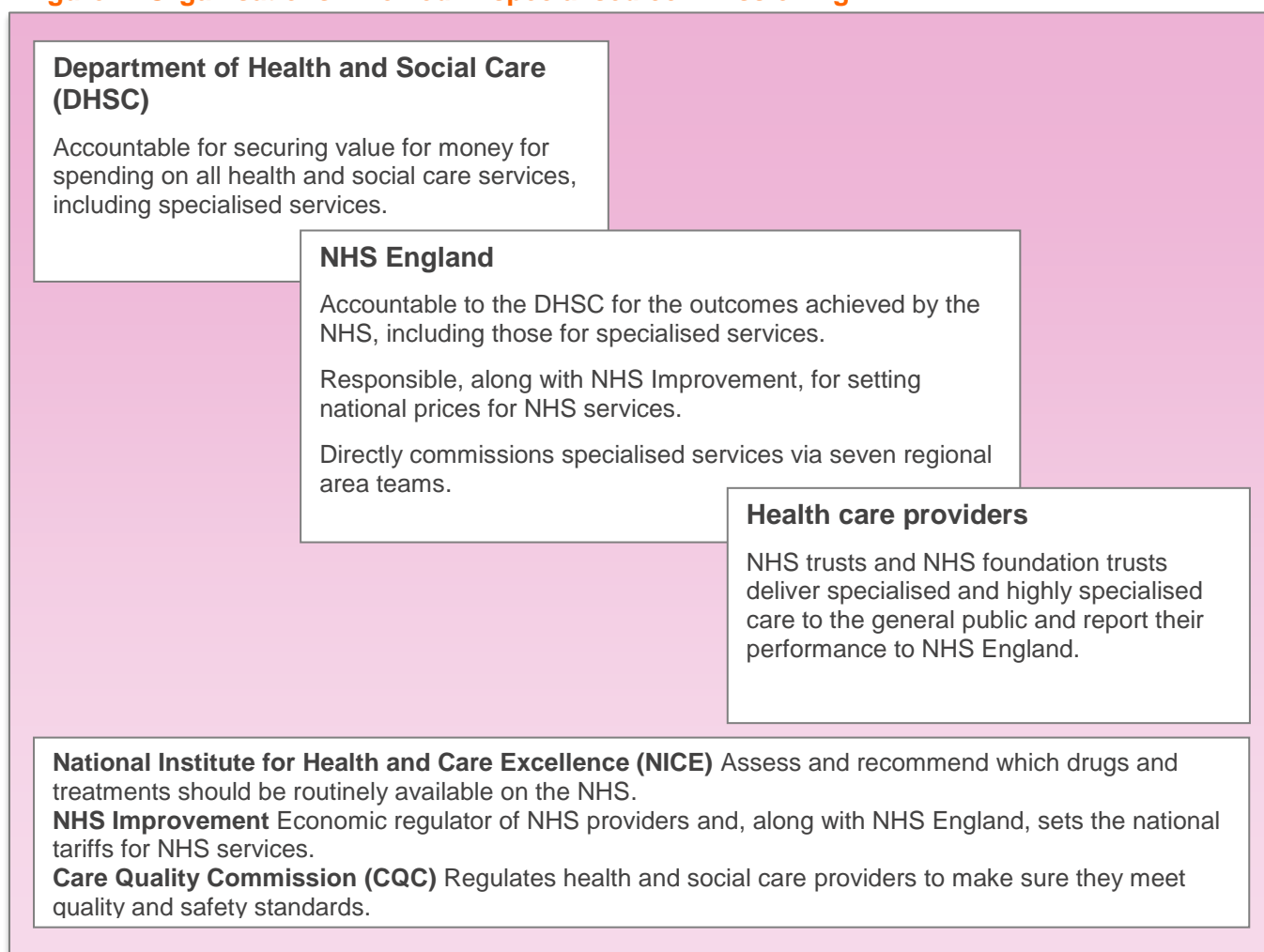
Ultimately, the responsibility for deciding which services should be commissioned as specialised services by NHS England lies with the Secretary of State and the Department of Health and Social Care. **Figure 1** outlines the organisations involved and accountability of specialised commissioning.

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<sup>3</sup> NHS England, *Highly specialised services 2018*, February 2019

<sup>4</sup> Source, NHS England website <https://www.england.nhs.uk/commissioning/>

**Figure 1: Organisations involved in specialised commissioning**



Source: National Audit Office *The commissioning of specialised services in the NHS*

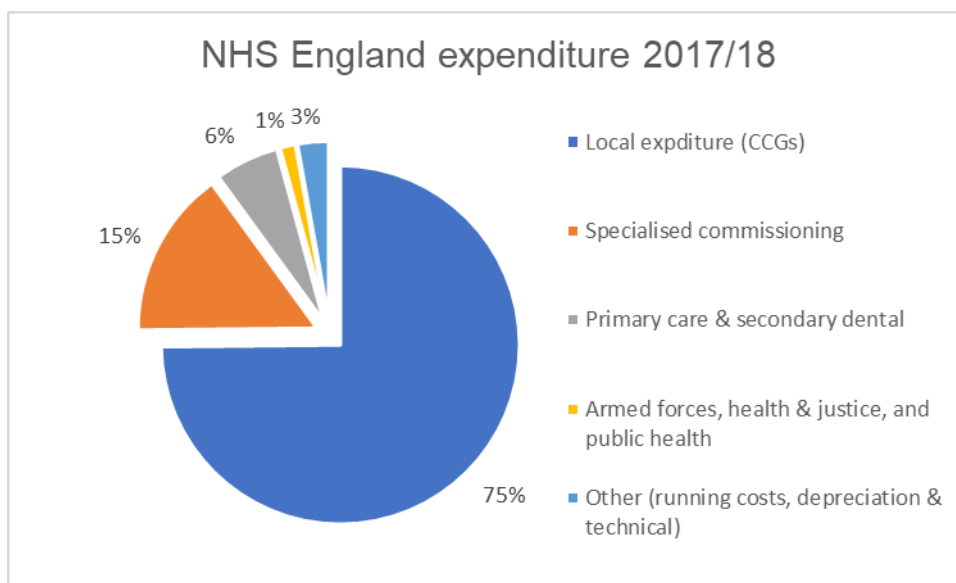
The specialised services commissioned by NHS England are grouped into six national programmes of care (NPoC). Each has an NPoC board which co-ordinates and prioritises work across the services for that programme of care. The six NPoCs are:

1. internal medicine
2. cancer
3. mental health
4. trauma
5. women and children
6. blood and infection.

In 2017/18 the expenditure on specialised services in England was £16.4 billion, representing 15% of NHS England expenditure in 2017/18 (**Figure 2**). Due to the healthcare needs of an ageing population and advances in medical technology, the number of people requiring specialised services is increasing more rapidly than in other parts of the NHS<sup>5</sup>.

<sup>5</sup> Source, NHS England website <https://www.england.nhs.uk/commissioning/spec-services/>

**Figure 2: NHS England expenditure 2017/18**



## Operating model

The *Operating model for specialised services commissioning*<sup>6</sup> sets out how a single, national system ensures patients are offered consistent, high-quality specialised services across the country.

There is an explicit difference between commissioning and contracting within the operating model. All commissioning (for example, setting priorities and strategic direction) is done nationally, while all contracting and the prime focus for local relationship management with providers is the role of the regional area teams.

Each of the regional area teams hold a single NHS England contract with providers in their area for all agreed service provision for specialised services (including highly specialised). Rather than contracting with providers for patients from a specific geographical population, as is the case with CCGs, they contract providers to offer a service for the whole population across England.

It is important though for NHS England and providers of specialised services to work closely and collaboratively with CCGs to plan and deliver a seamless service across pathways and across commissioners. Ensuring patient care is not impacted by the mechanisms by which providers are reimbursed.

## The manual, identification rules and identification tool

The *Manual for prescribed specialist services*<sup>7</sup> is the detailed technical document describing which elements of specialised services are commissioned by NHS England and which are commissioned by CCGs.

The identification rules (IR), outlined within the manual, are the system by which healthcare activities are identified as specialised. IRs describe how NHS England contracts and pays for specialised services.

<sup>6</sup> NHS England, *Securing equity and excellence in commissioning specialised services*, November 2012

<sup>7</sup> NHS England, *the manual for prescribed specialised services 2018/19*, September 2018

While the majority of IRs (the basis for contracting) align closely with the text of the manual (the basis for commissioning) there are instances where NHS England may commission services but does not contract or pay for them<sup>8</sup>.

The data flows used to support the commissioning process consist of both standard and non-standard flows of various quality and content. It is therefore not yet possible to have one single identification method for prescribed specialist activity. Instead there are four different methods of identification set out within the manual:

1. Application of technical logic against standard inpatient and outpatient data flows. The technical logic creates selection criteria based on the presence of a combination of main specialty or treatment function codes, procedure and/or diagnosis codes, age of patient and name of provider organisation
2. Comparison of service provision against a list (for example, list of high cost drugs and devices)
3. Comparison of healthcare activities against patient registries/ clinical databases
4. If none of the three previous methods of identification are possible, creation of local (to provider) data capture processes to illustrate patients who meet the criteria of being specialist.

Therefore, the IRs are a combination of all four elements. For some services, one identification method is sufficient to locate the specialist activity but, for some services, a combination of rules is required (sometimes as a cross-reference). Where possible, the IRs utilise the naming convention and data formats as detailed in the *NHS data dictionary*<sup>9</sup>.

The IRs must be read in conjunction with the guidance documents issued by NHS Digital for the *Prescribed specialised services (PSS) software tool*<sup>10</sup>. The software enables the identification of specialised services activity within standard inpatient and outpatient data flows using a technical set of logic.

## Individual funding requests

Some treatments are not routinely offered by the NHS, this is either because there is limited evidence for how well they work or because they are very high cost and do not offer good value for money for taxpayers and the NHS. In some circumstances, clinicians can make individual funding requests (or IFRs) to NHS England, but only when they believe that a patient has clinically exceptional circumstances and as a result would benefit from a particular treatment that is not routinely available on the NHS. An independent panel made up of doctors, nurses, public health experts, pharmacists, NHS England representatives and lay members consider each of the applications.

In order to ensure there is a timely and consistent approach to managing and making decisions about IFRs, NHS England developed an *Individual funding requests policy*<sup>11</sup> and *Standard operating procedure for the management of individual funding requests*<sup>12</sup>.

Healthcare professionals wishing to submit an IFR are required to send an *IFR application form*<sup>13</sup> and any supporting documents to: [england.ifr@nhs.net](mailto:england.ifr@nhs.net).

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<sup>8</sup> For example: due to national or local coding issues; where payment is part of a pathway payment system; or where funding has been found to be incorrectly aligned to the IR baseline exercise.

<sup>9</sup> NHS Digital, *Data dictionary*, March 2019

<sup>10</sup> NHS Digital, *Prescribed specialised services software tool 2017/18 and 2018/19*

<sup>11</sup> NHS England, *Individual funding requests policy*, November 2017

<sup>12</sup> NHS England, *Standard operating procedures for the management of individual funding requests*, June 2018

<sup>13</sup> NHS England, *IFR application form*, November 2017

## High-cost devices

In April 2016, a new nationwide purchase and supply system for specific categories of high-cost tariff excluded devices (HCTEDs) was established. These are devices that NHS Improvement and NHS England agree should not be paid for as part of the national tariff mechanism under which the procedure they relate to would be paid for. If they were paid for as part of the national tariff it would skew the average costs of the healthcare resource group (HRG) used to pay for the procedure.

The decision to define a device as included within tariff or excluded from tariff remains with the NHS Improvement and NHS England pricing function and is not within the remit of specialised services.

The HCTED programme is designed to improve clinical practice and device optimisation by enabling clinicians to choose the best device for the patient from a clinically-evaluated, evidence-based catalogue of devices. It is expected this will reduce pricing variation and increase transparency of costs for such devices. In doing so, it should provide value for money and accelerate consistent adoption of effective new technologies while delivering savings for the NHS from procurement opportunities via NHS Supply Chain partners.

There are two stages to the programme:

1. Migration of all NHS trusts commissioned to deliver specialised services in England to a national supply system for identified HCTED categories
2. Working groups to develop a methodology based on clinical utilisation, to reduce unwarranted variation in the extensive range of available devices and NHS Supply Chain to deliver price reductions in devices purchased. The working groups will also aim to accelerate adoption of new, value adding, devices as they become available.

A full list of the devices covered by this system is set out within the national tariff payment system supporting documents, *Annex A: The national tariff workbook*<sup>14</sup>.

## Commissioning intentions

In order to drive improved outcomes for patients and transform the design and delivery of care within the resources available, NHS England produces a *Commissioning intentions*<sup>15,16</sup> report specifically for specialised commissioning. The report sets out the changes and priorities for the coming years and is shared with all the providers of specialised services in England.

The report is designed to act as a basis for constructive engagement with between NHS England and providers to inform business plans and contracts and builds on intentions from previous years. They are supported annually by technical guidance that provides more detail regarding the specialised services commissioned by NHS England and which services remain the responsibility of local CCGs.

## Service development

NHS England's *Specialised commissioning: service development policy*<sup>17</sup> outlines the approach taken to making decisions about which new treatments and interventions to commission, and the approach for updating existing service specifications or creating new ones. It is intended to ensure that funding is allocated fairly and appropriately, while recognising the competing demands on the funding available.

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<sup>14</sup> NHS Improvement, *National tariff payment system*, Annex A: The national tariff workbook, tab 13a HC devices

<sup>15</sup> NHS England, *Commissioning intentions 2017/18 and 2018/19 for prescribed specialised commissioning*, 2016

<sup>16</sup> Due to the delay in publication of planning guidance for 2019/20, the commissioning intentions were carried out on a regional basis rather than the formal national process of recent years.

<sup>17</sup> NHS England, *Specialised commissioning: service development policy*, September 2017

The service development process is split into three phases:

1. **Clinical build** New or amended clinical commissioning policies or service specifications are proposed and developed. New policies need to be underpinned by a clinical evidence review. NHS England's specialised services clinical panel challenges and confirms whether a proposition has a sound evidence base (service specifications do not normally require consideration by the panel)
2. **Impact analysis** The financial and operational impacts of moving from current pathways of care to the proposed pathways are identified in the draft policy proposition or service specification proposition, which are then subject to stakeholder testing and public consultation
3. **Decision** Cost-neutral or cost-saving propositions the decision to approve is based on an assessment of clinical benefit. For propositions which require additional funding, and where there is not sufficient funding available to cover all proposals, the propositions are assessed on their likely relative clinical benefit and value for money. NHS England undertake a relative prioritisation process twice a year to determine which services will be routinely commissioned.

NHS England has the ability to rapidly assess policy propositions, for example where there is an urgent clinical case and it would not be appropriate to wait for a decision to be made through the full service development process. In these circumstances a policy statement can be put in place to provide an interim commissioning position which allows interim access to the service, or to make it clear that there is no access to the service until a full assessment has been undertaken. The policy may then be considered in full through the normal service development process.

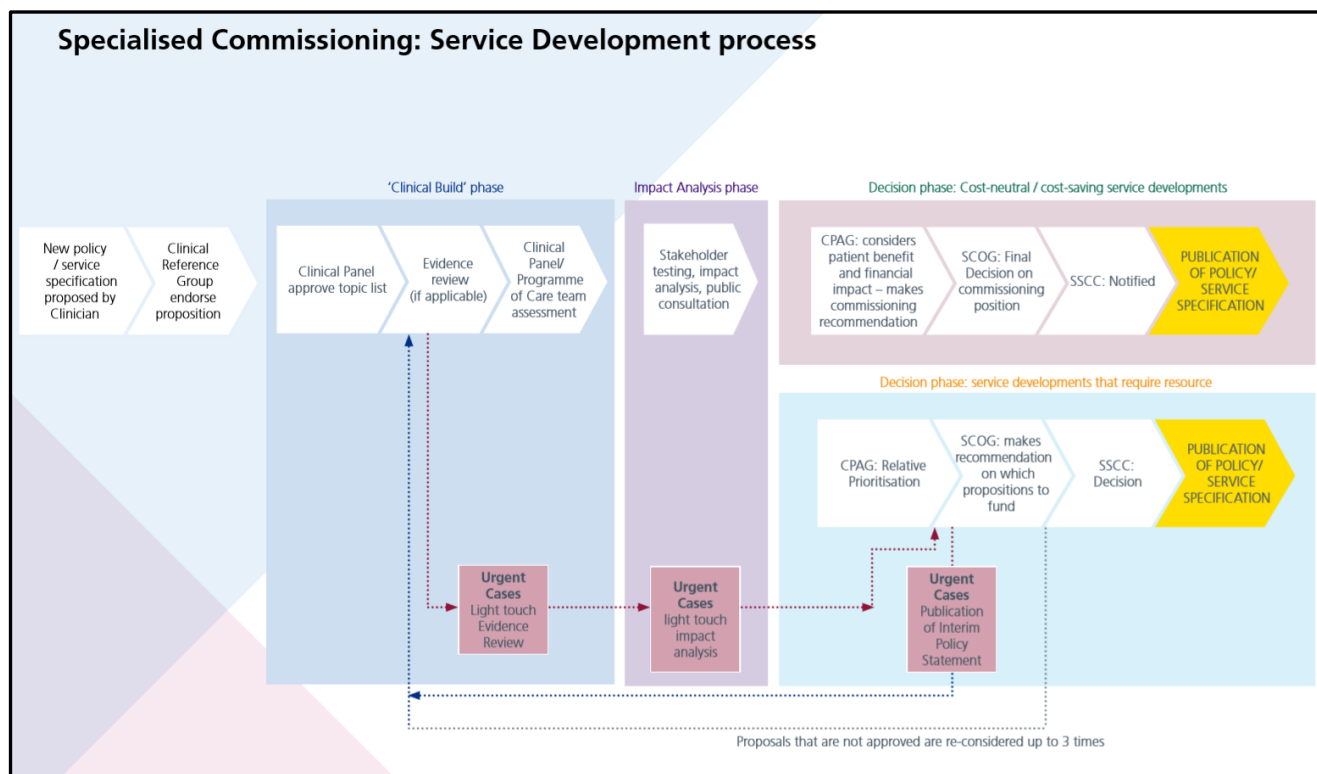
Additionally, NHS England's *Commissioning through evaluation*<sup>18</sup> programme enables a limited number of patients to access certain potentially promising new treatments which are not routinely funded.

The groups involved in the decision phase of service development process outlined in **Figure 3** are the Clinical Priorities Advisory Group (CPAG), the Specialised Commissioning Oversight Group (SCoG) and the Specialised Services Commissioning Committee (SSCC).

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<sup>18</sup> NHS England, *Methods: commissioning through evaluation*, June 2017

**Figure 3: Specialised commissioning service development process**



Source: NHS England

## Clinical Priorities Advisory Group

CPAG makes recommendations on NHS England’s approach to commissioning services, treatments and technologies, and considers which of these should be prioritised for investment. Its scope includes all specialised services of NHS England.

CPAG assess drugs (which are not subject to the NICE process), medical devices and treatments according to their clinical effectiveness, benefit for patients and value for money. It seeks to determine that commissioning approaches have:

- been developed with the engagement of clinicians from clinical reference groups or bespoke working groups
- been developed with public and patient engagement to a level proportionate with the impact of the decision
- included consideration of the need to promote equity of access and tackle health inequalities
- been informed by the evidence base
- considered consistency with other commissioning policies of NHS England.

CPAG is not a decision-making body, instead it makes formal recommendations to NHS England which are then considered by the SCOG.

## Specialised Commissioning Oversight Group

Charged with the responsibility of creating sustainable, clinically effective and affordable specialised services, the SCOG has operational oversight of specialised commissioning. A decision-making group within NHS England, SCOG ensures the national and regional specialised commissioning



teams deliver high quality services at an affordable price. SCOG also receives recommendations from the CPAG on the introduction of new clinical commissioning policies and other service developments

## Specialised Services Commissioning Committee

The final decision regarding which specialised services are commissioned lies with the SSCC. A sub-group of the NHS England board, they advise the board on development and implementation of strategy for the specialised commissioning. Agreeing the priorities and work programmes and receiving assurance that these are delivered.

## Conclusion

With both technological advances and breakthroughs in medical science likely to continue in today's rapidly progressing modern world, specialised commissioning will need to continue to play the extremely important role of ensuring a balance of affordable and effective specialised services are available to patients.

Like many parts of the NHS, the precise payment mechanisms are likely to continue to evolve (from a price per episode to a blended payment reimbursing capacity and performance for example), but the fundamental requirement of services being available to meet the demands of the few as well as the majority is embedded in one of the core values of the NHS, everyone counts.

## Further information

This briefing has made extensive use of the specialised services pages of the NHS England website, which can be found at [www.england.nhs.uk/commissioning/spec-services/](http://www.england.nhs.uk/commissioning/spec-services/)

# Appendix 1: List of the specialised services directly commissioned by NHS England as at April 2018

1. Adult ataxia telangiectasia services
2. Adult congenital heart disease services
- 2A. Adult highly specialist oesophageal gastric services in the form of gastroelectrical stimulation for patients with intractable gastroparesis
3. Adult highly specialist pain management services
4. Adult highly specialist respiratory services
5. Adult highly specialist rheumatology services
6. Adult secure mental health services
7. Adult specialist cardiac services
8. Adult specialist eating disorder services
9. Adult specialist endocrinology services
10. Removed
11. Adult specialist neurosciences services
12. Adult specialist ophthalmology services
13. Adult specialist orthopaedic services
14. Adult specialist pulmonary hypertension services
15. Adult specialist renal services
16. Adult specialist services for patients infected with HIV
17. Adult specialist vascular services
18. Adult thoracic surgery services
19. Alkaptonuria service (adults)
20. Alström syndrome service (adults and children)
21. Ataxia telangiectasia service for children
- 21A. Atypical haemolytic uraemic syndrome services (adults and children)
22. Autoimmune paediatric gut syndromes service
23. Autologous intestinal reconstruction service for adults
24. Bardet-Biedl syndrome service (adults and children)
25. Barth syndrome service (male adults and children)
26. Beckwith-Wiedemann syndrome with macroglossia service (children)
27. Behçet's syndrome service (adults and adolescents)
28. Bladder exstrophy service (children)
29. Blood and marrow transplantation services (adults and children)
30. Bone conduction hearing implant service (adults and children)
31. Breast radiotherapy injury rehabilitation service (a discrete cohort of adult females)
32. Tier 4 child and adolescent mental health
33. Choriocarcinoma service (adults and adolescents)
34. Chronic pulmonary aspergillosis service (adults)
35. Cleft lip and palate services (adults and children)
36. Cochlear implantation services (adults and children)
37. Complex childhood osteogenesis imperfecta service
38. Complex Ehlers Danlos syndrome service (adults and children)
39. Complex neurofibromatosis type 1 service (adults and children)
40. Complex spinal surgery services (adults and children)
41. Complex tracheal disease service (children)
42. Congenital hyperinsulinism service (children)
43. Craniofacial service (adults and children)
44. Cryopyrin associated periodic syndrome service (adults and children)
45. Cystic fibrosis services (adults and children)
46. Diagnostic service for amyloidosis (adults and children)
47. Diagnostic service for primary ciliary dyskinesia (adults and children)

48. Diagnostic service for rare neuromuscular disorders (adults and children)
49. Encapsulating peritoneal sclerosis treatment service (adults)
50. Epidermolysis bullosa service (adults and children)
51. Extra corporeal membrane oxygenation service for adults with respiratory failure
52. Extra corporeal membrane oxygenation service for neonates, infants and children with respiratory failure
53. Ex-vivo partial nephrectomy service (adults)
54. Fetal medicine services (adults and adolescents)
55. Gender identity development service for children and adolescents
56. Gender identity services
- 56A. Hand and upper limb transplantation service (adults)
57. Heart and lung transplantation service (including mechanical circulatory support) (adults and children)
58. Highly specialist adult gynaecological surgery and urinary surgery services for females
- 58A. Highly specialist adult urological surgery services for men
59. Highly specialist allergy services (adults and children)
60. Removed
61. Highly specialist dermatology services (adults and children)
62. Highly specialist metabolic disorder services (adults and children)
63. Highly specialist pain management services for children
64. Highly specialist palliative care services for children and young adults
65. Highly specialist services for adults with infectious diseases
66. Hyperbaric oxygen treatment services (adults and children)
67. Insulin-resistant diabetes service (adults and children)
68. Islet transplantation service (adults)
69. Liver transplantation service (adults and children)
70. Lymphangiomyomatosis service (adults)
71. Lysosomal storage disorder service (adults and children)
72. Major trauma services (adults and children)
73. McArdle's disease service (adults)
74. Mental health service for Deaf children and adolescents
75. Mitochondrial donation service
76. Neurofibromatosis type 2 service (adults and children)
77. Neuromyelitis optica service (adults and adolescents)
78. Neuropsychiatry services (adults and children)
79. Ocular oncology service (adults)
80. Ophthalmic pathology service (adults and children)
81. Osteo-odonto-keratoprosthesis service for corneal blindness (adults)
82. Paediatric and perinatal post mortem services
83. Paediatric cardiac services
84. Paediatric intestinal pseudo-obstructive disorders service
85. Pancreas transplantation service (adults)
86. Paroxysmal nocturnal haemoglobinuria service (adults and adolescents)
87. Positron emission tomography-computed tomography services (adults and children)
88. Primary ciliary dyskinesia management service (adults and children)
89. Primary malignant bone tumours service (adults and adolescents)
90. Proton beam therapy service (adults and children)
91. Pseudomyxoma peritonei service (adults)
92. Pulmonary hypertension service for children
93. Pulmonary thromboendarterectomy service (adults and adolescents)
94. Radiotherapy services (adults and children)
95. Rare mitochondrial disorders service (adults and children)
96. Removed
97. Retinoblastoma service (children)
98. Tier 4 specialist secure forensic mental health services for young people
99. Severe acute porphyria service (adults and children)

100. Severe combined immunodeficiency and related disorders service (children)
101. Severe intestinal failure service (adults)
102. Severe obsessive compulsive disorder and body dysmorphic disorder service (adults and adolescents)
103. Small bowel transplantation service (adults and children)
104. Specialist burn care services (adults and children)
105. Specialist cancer services (adults)
106. Specialist cancer services for children and young people
- 106A. Specialist colorectal surgery services (adults)
107. Specialist dentistry services for children
108. Specialist ear, nose and throat services for children
109. Specialist endocrinology and diabetes services for children
110. Specialist gastroenterology, hepatology and nutritional support services for children
111. Clinical genomic services (adults and children)
112. Specialist gynaecology services for children
113. Specialist haematology services for children
114. Specialist haemoglobinopathy services (adults and children)
115. Specialist immunology services for adults with deficient immune systems
- 115A. Specialist immunology services for children with deficient immune systems
- 115B. Specialist maternity care for women diagnosed with abnormally invasive placenta
116. Specialist mental health services for Deaf adults
117. Removed
118. Specialist neonatal care services
119. Specialist neuroscience services for children
120. Specialist ophthalmology services for children
121. Specialist orthopaedic services for children
122. Specialist paediatric intensive care services
123. Specialist paediatric liver disease service
124. Specialist perinatal mental health services (adults and adolescents)
125. Specialist plastic surgery services for children
126. Specialist rehabilitation services for patients with highly complex needs (adults and children)
127. Specialist renal services for children
128. Specialist respiratory services for children
129. Specialist rheumatology services for children
130. Specialist services for children with infectious diseases
131. Specialist services for complex liver, biliary and pancreatic diseases in adults
132. Specialist services for haemophilia and other related bleeding disorders (adults and children)
133. Specialist services for severe personality disorder in adults
134. Specialist services to support patients with complex physical disabilities (excluding wheelchair services) (adults and children)
135. Specialist paediatric surgery services
136. Specialist paediatric urology services
137. Spinal cord injury services (adults and children)
138. Stem cell transplantation service for juvenile idiopathic arthritis and related connective tissue disorders (children)
139. Stickler syndrome diagnostic service (adults and children)
- 139A. Specialist morbid obesity services for children
- 139AA. Termination services for expectant mothers with significant comorbidities that require either or both critical care and medical support
- 139B. Uterine transplantation services (adult women)
140. Vein of Galen malformation service (adults and children)
141. Veterans' mental health complex treatment services
142. Wolfram syndrome service (adults and children)
143. Xeroderma pigmentosum service (adults and children)