

7 April 2011

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Gateway ref: 15890

Dear Colleague

### **Developing relativities, costs and prices for the Maternity PbR Pathway Project**

You may or may not be aware that the Department of Health has been running a project over the last 7 months to develop the foundations to change the funding system for maternity services in the NHS.

At the moment, NHS maternity services are commissioned using local contracts for most community antenatal and postnatal services, with PbR for hospital-based services and care provided in an environment where data can flow.

This Government's Summer 2010 White paper consultation, *Liberating the NHS*, stated that we would introduce pathway tariffs for maternity services, which would effectively bring most maternity care into PbR, with up-front payments for the whole pathway.

A large number of NHS and third sector stakeholders have been involved in taking this project forward in a manner that fits with the way the NHS works, and within the framework of guidelines set down by NICE. For both postnatal and antenatal care, three levels of casemix were developed before Christmas 2010, and tested across 15 organisations in January and February 2011.

We are now in the position to produce resource-intensity relativities across the casemix levels. One of the Trusts involved in the project has proposed a basis for determining the relativities that we would like to test across other organisations. This basis involves two aspects: agreement across clinicians in organisations that women follow a general average pathway if they have specified characteristics or factors, and finance staff then cost those pathways.

We would like to involve a number of other organisations in testing these relativities by mirroring the same process. This will allow us to test whether the characteristics and factors are in equally resource-intensive groupings initially, and also produce some prices. This will ultimately produce a weighted split of the national quantum for Maternity services between the three pathway stages (antenatal care, intrapartum care, post-discharge post-natal care) and for the casemix levels within each of these pathway stages.

It is very important that both tertiary and non-tertiary centres are involved in this costing process, because we need to ensure prices are based on the full costs of the patient pathway, and non-tertiary centres will be able to confidently contract with their tertiary partners where necessary for specific activity.

If you would like to be involved in helping to develop the relativities, costs and prices for maternity pathways, or have further questions, please contact [jean-armand.clark@dh.gsi.gov.uk](mailto:jean-armand.clark@dh.gsi.gov.uk) by April 14 2011. He will contact you with further details.

The deadline for this work to be completed and returned to Jean-Armand Clark at the Department of Health is Friday May 27<sup>th</sup>. You will need to agree average pathways for specific known factors with your obstetricians and midwives initially, and then your finance department will need to cost them.

Jean-Armand Clark will collate the information after May 27<sup>th</sup>, and the Maternity PbR Pathway Relativities Subgroup will reconvene on Monday 6<sup>th</sup> June 2011 in London to discuss the results and their implications. If you also wish someone to attend this June 6<sup>th</sup> meeting, please let Jean-Armand Clark know.

It would be of great benefit to the project if you are in a position to be able to contribute to this important phase of the project, and I look forward to hearing from those of you that are able to be involved.

Yours faithfully

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