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3rd October 2017

Dear Sarah Wilkinson

**NHS I's Mandatory Request to NHS Digital – PLICS Mental Health Pilot**

I am writing to the Health and Social Care Information Centre (now known as and referred to in this letter as "NHS Digital") on behalf of Monitor (referred to in the rest of this letter as "NHS Improvement"). Further to the collection of Patient Level Costing Information Systems ('PLICS') Acute data carried out by NHS Digital pursuant to NHS Improvement's mandatory request dated 11 April 2017, we are writing to make a further mandatory request under section 255 of the Health and Social Care Act 2012 ("HSCA") that NHS Digital establish and operate a system for the collection and analysis of PLICS Mental Health data.

I've set out below full details of the relevant functions of NHS Improvement and the data collection required.

**NHS Improvement's functions**

Under Chapter 4, Part 3 of the HSCA, NHS Improvement, working with NHS England, is responsible for developing, publicising and enforcing the national tariff, which sets out the price payable by commissioners for NHS services.

NHS Improvement is also responsible for licensing providers of NHS services under Chapter 3, Part 3 of the HSCA. The licence includes a set of standard licence conditions, including:

- conditions applicable to foundation trusts relating to governance arrangements (e.g. there is a requirement for licensees to establish and implement systems and/or processes to ensure compliance with licensee's duty to operate efficiently, economically and effectively); and
- conditions that enable us to fulfil our duties in partnership with NHS England to set prices for NHS care by requiring providers to collect costing information.

Three licence conditions relate to costing:

**Pricing condition 1: Recording of information.** Under this licence condition, we can require licence holders to record information, including cost information, in line with our published guidance. Such information must be recorded using our ‘approved reporting currencies’ and in accordance with our *Approved costing guidance*.

**Pricing condition 2: Provision of information.** Having recorded the information in line with pricing condition 1, licence holders can be required to submit this information to us, as well as other information and reports we may require for our pricing functions.

**Pricing condition 3: Assurance report on submissions to NHS Improvement.** It is important for price setting that the information submitted is accurate. This condition allows us to require licence holders to submit an assurance report confirming that the information they have provided is accurate.

Although NHS trusts do not have to hold a provider licence, they too must comply with the requirements of these licence conditions under the NHS Trust Development Authority’s regime for NHS trusts.

NHS Improvement has a general power under paragraph 15 of Schedule 8 to the HSCA to do anything which appears to it to be necessary or expedient for the purposes of, or in connection with, the exercise of our function.

### **Costing Transformation Programme**

Understanding how providers spend money is essential in tackling short-term deficits; supporting the development of new models of care and reducing the variation in resource utilisation.

Benchmarking using current Reference Cost data cannot identify precisely where there is potential for efficiency gains. Such data is limited in its ability to reflect the complexity of patient care and identifying cost variation between individual patients. By introducing a standardised method of reporting cost information at patient level this can be rectified. This is known as Patient Level Costing Information Systems (PLICS).

NHS Improvement’s Costing Transformation Programme (CTP), was established to implement PLICS across Acute, Mental Health, Ambulance and Community providers. The programme entails:

- Introducing and implementing new standards for patient level costing;
- Developing and implementing one single national cost collection to replace current multiple collections;
- Establishing the minimum required standards for costing software and promoting its adoption; and

- Driving and encouraging sector support to adopt Patient Level Costing methodology and technology.

The information gathered from this programme will be used to enable NHS Improvement to perform its pricing and licensing functions under the HSCA more effectively. It will:

- inform new methods of pricing NHS services;
- inform new approaches and other changes to the design of the currencies used to price NHS services;
- inform the relationship between provider characteristics and cost;
- help trusts to maximise use of their resources and improve efficiencies, as required by the provider licence;
- identify the relationship between patient characteristics and cost; and
- support an approach to benchmarking for regulatory purposes.

### **Mandatory request**

Under section 255 of the HSCA, we hereby request that NHS Digital establishes and operates a system for the collection and analysis of PLICS Mental Health data. This system will build on those System Requests for PLICS Acute data undertaken by NHS Digital from June 2016 that concluded in October 2016 and further undertaken from June 2017.

The system to be established and operated under this request will need to have the following functionality:

- Data collection - ability for providers to submit PLICS Mental Health data direct to NHS Digital;
- Potential to link PLICS data with data from Mental Health Services Data Set (MHSDS) (NIC- 15814 -C6W9R) already held by NHS Digital;
- Data Quality and validation; and
- Data Supply – the functionality to provide pseudonymised PLICS Mental Health data to NHS Improvement for onward processing and analysis, including a consistently pseudonymised NHS Number for linking patient costs across Acute and Mental health services in the collection year.

NHS Digital is requested not to publish the data collected as part of this Mandatory Request.

The below summarises the data types and tables requiring collection by NHS Digital as part of the Costing Transformation programme; collectively these will form the data extract requested by NHS Improvement:

- **Reconciliation table<sup>1</sup>**
  - Message header
  - Final audited accounts table
  - Cost group main table
  - The cost group sub table
  
- **Patient level table**
  - Message Header
  - Activity Records; and
  - Activity Cost Records

The detail of what is included for each of the above is found at **Annex A**.

To build on the system established by those System Requests for PLICS Acute data, NHS Improvement would like to investigate further the PLICS Mental Health data set. Volunteer provider trusts who have agreed to participate in this data collection exercise expected to take place over the period of October 2017 to March 2018 (inclusive) are listed at **Annex B** ('Volunteer Provider Trusts'). In the event any of the Volunteer Provider Trusts are not able to participate in this data collection, then NHS Improvement shall provide an updated **Annex B** to NHS Digital at the earliest opportunity.

The collection year begins on 1 April 2016 and ends on 31 March 2017. All mental health referrals completed within the collection year or still open at the end of the collection year, with any associated hospital provider spells or contacts in the year are in scope of this collection.

Only those activity cost records for resources used and activities undertaken within the collection year should be included, regardless of when the referral started or ended.

Unless it is deemed by the NHSI Costing Director that the system for the collection and analysis of PLICS Mental Health data established and operated pursuant to this request is deemed ineffective at any point during this programme of works, NHS Improvement shall continue to request NHS Digital to collect and analyse PLICS Mental Health data from any of those Volunteer Provider Trusts in accordance with this request.

We have set out above how the collection of PLICS Mental Health data is relevant to our pricing functions. We consider that the information which could be obtained by complying with the request is information which it is necessary or expedient for NHS Improvement to have in relation to its discharge of its duties:

- (a) in relation to the pricing of health care services provided for the purposes of the NHS; in particular, its duty to prepare and publish the national tariff (section 116 and 118 of the HSCA);

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<sup>1</sup> These tables are not final and are subject to change. Any changes shall be notified to NHS Digital and updated tables provided to NHS Digital as soon as practicable.

- (b) in relation to the licensing of providers of NHS services; in particular, its duty to oversee and enforce the licence (see Part 3 of Chapter 3 of the HSCA); and
- (c) generally in relation to the exercise of its functions, in particular its duty under section 62(1) of HSCA in exercising its functions to protect and promote the interests of people who use health care services by promoting provision of health care services which is economic, efficient and effective, and maintains or improves the quality of the services.

“Monitor” is listed as a “principal body” under section 255(9) of the HSCA. This request therefore meets the requirements for a mandatory request under section 255(4) of the HSCA and is a confidential collection request in accordance with section 256(2)(a) of the HSCA. Prior to making this request, NHS Improvement has liaised and worked with NHS Digital as required by 257(4) of the HSCA and recognises this request must go through an established system of approvals within NHS Digital.

In making this mandatory request, NHS Improvement also requests that, pursuant to section 262(4) and (5) of the HSCA that NHS Digital does not exercise the power conferred by section 261(4) of the HSCA in relation to the information which it obtains by complying with this request, other than to disseminate information to such persons, for such purposes and at such times as may be agreed between NHS Digital and NHS Improvement.

NHS Improvement hereby recognises that in submitting this request under section 255 of the HSCA, NHS Digital is entitled to charge a reasonable fee pursuant to section 257 (3) in respect of the cost of complying with this request from NHS Improvement.

Yours sincerely

Colin Dingwall (Costing Improvements Director)

A handwritten signature in blue ink, reading "Colin Dingwall". The signature is written in a cursive style and is positioned above a horizontal blue line that extends to the right.

# Annex A

## Costing Transformation Programme Data Extract Requirements

NHS Digital is being asked to collect the below information, which collectively form the extract requested by NHS Improvement:

- **1) Reconciliation table**
  - The message header
  - The final audited accounts table
  - The cost group main table
  - The cost group sub table
  
- **2) Patient level table**
  - The message header
  - The activity records
  - The activity cost records

### 1) Reconciliation table

#### Message Header

Field Name	Description
ORGANISATION CODE (CODE OF SUBMITTING ORGANISATION)	This is the ORGANISATION CODE of the ORGANISATION acting as the physical sender of a Data Set submission.
REPORTING PERIOD START DATE	The reporting period start date to which this file refers
REPORTING PERIOD END DATE	The reporting period end date to which this file refers
Extract Creation Date Time	The date and time the extract was created
Feed Type	The PLICS data set type the extract covers (i.e. MH to denote Mental Health)

**Final audited accounts table**

Field Name	Description
Final audit accounts ID	Identifier which describes the financial transactions charged to the statement of comprehensive income
Cost or Income value	Financial transaction value

**Cost group main table**

Field Name	Description
Cost group ID	Identifier to report costed activities
Total Cost	The unit costs on a full absorption basis, which should equal the sum of patient facing and support costs (department and organisation) for each resource reported
Other operating income	Income from non-patient-care services

**Cost group sub table**

Field Name	Description
Cost group ID	Identifier to report costed activities
Service ID	Identifier to report services within a cost group
Other operating income	Income from non-patient-care services
Total Cost	The unit costs on a full absorption basis, which should equal the sum of patient facing and support costs (department and organisation) for each resource reported
Activity	The number of Hospital Provider Spells, Care Contacts or other activity (if not attributable at patient level) during a reporting year for a service

## 2) Patient level Table – Care Contacts

### Message Header

Field Name	Description
ORGANISATION CODE (CODE OF SUBMITTING ORGANISATION)	This is the ORGANISATION CODE of the ORGANISATION acting as the physical sender of a Data Set submission.
REPORTING PERIOD START DATE	The reporting period start date to which this file refers
REPORTING PERIOD END DATE	The reporting period end date to which this file refers
Extract Creation Date Time	The date and time the extract was created
Feed Type	The PLICS data set type the extract covers (i.e. MH to denote Mental Health)
Number of Activity Records	The total number of activity records included in the extract
Total Costs	The total sum of the costs within the extract

### Activity Records

Field Name	Description
ORGANISATION CODE (CODE OF PROVIDER)*	This is the ORGANISATION CODE of the ORGANISATION acting as a Health Care Provider.
SERVICE REQUEST IDENTIFIER*	The unique identifier for a SERVICE REQUEST.  This ID will be used to link PLICS data to MHSDS data already submitted to NHS Digital.
CARE CONTACT IDENTIFIER*	The CARE CONTACT IDENTIFIER is used to uniquely identify the CARE CONTACT within the Health Care Provider.  This ID will be used to link PLICS data to MHSDS data already submitted to NHS Digital.
CARE CONTACT DATE*	The date on which a Care Contact took place, or, if cancelled, was scheduled to take place.

\* These data items are described in the national data standard [SCCI0011 Mental Health Services Dataset version 1.1](#) and will be records already submitted in monthly MHSDS submissions during 2016/17.

	This date supports the validation of PLICS data according to the start and end date of the collection year.
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### Activity Cost Records

Field Name	Description
Collection Activity ID	Unique identifier to report activities, which are measurable amount of work, performed using resources to deliver elements of patient care. Patient activity can be recorded and reported through various feeding systems.
Collection Resource ID	Unique identifier to report resources, which are components used to deliver activities, such as staffing, supplies, systems and facilities.
Collection Activity count	The number or duration of activities undertaken, e.g. number of tests or duration in theatre
Total cost	The unit costs on a full absorption basis, which should equal the sum of patient facing and support costs (department and organisation) for each resource reported

### 3) Patient level Table – Provider Spells

#### Message Header

Field Name	Description
ORGANISATION CODE (CODE OF SUBMITTING ORGANISATION)	This is the ORGANISATION CODE of the ORGANISATION acting as the physical sender of a Data Set submission.
REPORTING PERIOD START DATE	The reporting period start date to which this file refers
REPORTING PERIOD END DATE	The reporting period end date to which this file refers
Extract Creation Date Time	The date and time the extract was created
Feed Type	The PLICS data set type the extract covers (i.e. MH to denote Mental Health)
Number of Activity Records	The total number of activity records included in the extract
Total Costs	The total sum of the costs within the extract

#### Activity Records

Field Name	Description
ORGANISATION CODE (CODE OF PROVIDER)*	This is the ORGANISATION CODE of the ORGANISATION acting as a Health Care Provider.
SERVICE REQUEST IDENTIFIER*	The unique identifier for a SERVICE REQUEST.  This ID will be used to link PLICS data to MHSDS data already submitted to NHS Digital.
HOSPITAL PROVIDER SPELL NUMBER*	A unique identifier for each Hospital Provider Spell for a Health Care Provider.  This unique number will be used to link PLICS data to MHSDS data already submitted to NHS Digital.
START DATE (HOSPITAL PROVIDER SPELL)*	The start date of a Hospital Provider Spell.  This date supports the validation of PLICS data according to the start and end date of the collection year.

\* These data items are described in the national data standard [SCCI0011 Mental Health Services Dataset version 1.1](#) and will be records already submitted in monthly MHSDS submissions during 2016/17.

DISCHARGE DATE (HOSPITAL PROVIDER* SPELL)	The discharge date from a Hospital Provider Spell.  This date supports the validation of PLICS data according to the start and end date of the collection year.
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### Activity Cost Records

Field Name	Description
Collection Activity ID	Unique identifier to report activities, which are measurable amount of work, performed using resources to deliver elements of patient care. Patient activity can be recorded and reported through various feeding systems.
Collection Resource ID	Unique identifier to report resources, which are components used to deliver activities, such as staffing, supplies, systems and facilities.
Collection Activity count	The number or duration of activities undertaken, e.g. number of tests or duration in theatre
Total cost	The unit costs on a full absorption basis, which should equal the sum of patient facing and support costs (department and organisation) for each resource reported

## Annex B

### Volunteer Provider Trusts

Trust Name
Central and North West London NHS Foundation Trust
North Staffordshire Combined Healthcare NHS Trust
Oxford Health NHS Foundation Trust
West London Mental Health trust