ABHI, AdvaMed, AntiCoagulation Europe, ARMA, Arrhythmia Alliance, Arthritis Care, Atrial Fibrillation Association, BD, BKPA, Bladder and Bowel Foundation, Boston Scientific, British Cardiac Patients Association, C R Bard, Cardiomyopathy Association, Diabetes UK, Eucomed, FABLE, FEmISA, Heart Research UK, ICD Group, INPUT, Insightec, International Alliance of Patients' Organizations, JDRF, Johnson & Johnson, Lindsay Leg Club, Medtronic, National Rheumatoid Arthritis Society, Pancreatic Cancer UK, Pelvic Pain Support Network, Pumping Marvellous, Roche Diagnostics, SADS UK, Smith & Nephew, Smiths Medical, St Jude Medical, STARS, Stryker, The Circulation Foundation, The Patients Association

The Medical Technology Group

MTG Tariff Consultation

General Points

- There appears to be no calculation of, or reference to, actual procedural costs. The relative pricing is grouping similar procedures together with no input on the clinical and cost differences between these procedures which means the lowest tariff is used for all making some treatments unviable and inaccessible to patients. This will result in patients being unable to access treatments and there is a need to see this data before further decisions are made. The MTG strongly recommends that this data and the procedural costs is looked at again, and published, so that all can understand the strategy behind the proposals which it is currently impossible to do and there appears to be a lack of strategy from NHS England and Monitor throughout these proposals.

- The MTG would suggest removing the reimbursement for NICE 'Do not Do's' as they are not clinically and cost effective.

- The MTG suggests that new tariffs for new procedures are implemented as soon as possible to improve patient access and outcomes to new technologies.

- The MTG understands the need to use the finite resource of the NHS more efficiently and understand that the tariff is one such mechanism for incentivising efficiency, however there are significant complexities to the calculation of the tariff – which leads us to be concerned at the arbitrary prices adjustment shown in this document. We are significantly concerned that they are in isolation of explicit commissioning volumes levels for key specialised and life extending interventions. It is key to keep in mind the population need and current demand for procedures otherwise patients will be unable to access the treatment that they need.

- The MTG would suggest that there is a possibility to reference NICE guidelines to encourage the delivery of high quality procedures within the national tariff.

- Overall there is a lack of clarity regarding the information provided to explain the new process and of the necessary data.

- There is a need to see the procedure-level costing data as part of the reference cost data publications. The lack of data means we can only identify a modest amount of inaccuracies in the costing data reported.

- The MTG believes that it is important that patient access is always considered and put first and this means that providers need to be sustainable. For this reason it is important that in some larger, tertiary multidisciplinary centres that provide a number of specialised services at high volume they should not have to treat separate treatments in different ways as it can be best for these to be considered all together.

- The MTG would comment that this is yet another year when the tariff has been drastically cut. Although this would appear to be a cost saving initiative for the NHS the implications are huge. This will force Trusts into woeful financial positions, putting them under increasing

pressure, and this will threaten services for patients and patients will no longer be able to access the services that they need.

- Overall the suggestions proposed in this document will impact what treatment will be offered to patients and may reduce access to therapies currently undertaken due to the perception of less reimbursement being available having a negative impact on patients.

- Reference costs are flawed and should be replaced with a sampling approach to costing data as used in many other countries (eg Germany).

Specific Sections of Focus

1) Introduction of HRG4+
   a) There is not enough information included within this document to explain the new process of HRG4+, nor is the necessary data available for a full assessment of the proposals. The lack of comparison procedural data means that it is impossible to compare the changes for next year which prohibits proper understanding of these changes. There is no explanation of the strategy behind some of the changes or what the impact will be for patients and patient access.
   b) The advantages of this proposal do not currently outweigh the disadvantages.
   c) There are a range of disadvantages that have not been considered. The key concern is whether the adjusted tariff prices are high enough to cover the full cost of the devices as well as the full cost of the procedures. If this is not the case there will be a significant reduction in certain procedures and a huge restriction to patient access. This will have a variety of implications, firstly patients may well miss out on life saving and life enhancing treatments which are most appropriate for them, it may also result in longer stays in hospital due to invasive procedures being used, and certain innovative technologies and procedures being entirely ignored. This will lead to a reduction in patient outcomes and an increase in cost to the NHS.
   d) Suggested changes would be to provide further information, include procedure data, and a further explanation of changes so that it can be assured that there are no arbitrary changes as to how the tariff has been calculated without proper assessment.
   e) There is a need for rewarding improved patient outcomes and looking at true payment by results not short term cost savings. There is an issue around ensuring the tariff accurately reflects demand incidence and prevalence and that any prices adjustment takes this into consideration. The MTG is concerned that some of the suggested reimbursement changes will generate perverse incentives for some providers to avoid treating the most simple of cases, due to a lack of funding to cover the procedure and the devices. Some of the current calculations are not sufficient to cover the true cost of performing the procedure. This will all have a dramatic impact on patient access to medical technology treatments.
   Tariff changes also fail to take into consideration the component parts of the process and this means that adjustments are directed to procurement efficiencies rather than procedural or care pathway redesign. This means that tariff changes have a significant impact on procedures that are medical technology resource incentive. For example if there is a fixed cost for a technology but there is a tariff reduction the provider cannot deliver the service unless they buy a lower cost technology. Often this is not possible and even when it is this

stifles innovation and general improvement of patient outcomes and cost outcomes. Patients will essentially be missing out on best treatment.

2) Changing the scope of national prices (Non-elective and elective procedures tariff and relative pricing)
   a) There is currently not enough information available within the document on this section.
   b)
   c) There are a range of disadvantages. We are concerned that for elective procedures this is a significant decline in relative pricing, and one which providers are expected to fund themselves, particularly as this decrease does not include the application of efficiency factors for 2016/17 which are yet to be announced. This could mean that providers are unwilling to offer procedures to patients e.g. Abdominal EVAR, Thoracic EVAR, TIPS, vacuum assisted percutaneous excision of benign breast legions.
   d) The 2016/17 tariff proposals should reflect the variance in resources needed for elective and non-elective surgery. The MTG would expect that the resource use for a non-elective admission would typically be higher than that of an elective admission and we would question if the relative prices for these tariffs need to be adjusted to account for this. The MTG would recommend retaining national device and drug tariffs as local negotiation is likely to commission only the cheapest, which will result in cost effective and clinically effective treatments often being underused and patients not being able to access the treatment that they need.
   e) In addition, it would be helpful if we can see the procedure-level costing data as part of its reference cost data publications. The lack of such data means we can only identify a modest amount of inaccuracies in the costing data reported. This all therefore impacts what treatment is offered to patients and may reduce access to therapies currently undertaken due to the perception of less reimbursement.

3) Removal of the Interventional Radiology Best Practice Tariff
   a) There is currently not enough information released on this section. In particular there is a lack of detail surrounding the price relativities for specific devices which means that it is not possible to assess the full impact of these proposals. There appears to be little strategy to these changes and the MTG sees a need for further data and information to be released before this can be considered any further at all.
   b) Advantages do not outweigh the disadvantages. There is a need to maintain this Best Practice Tariff as IR procedures encourage less invasive, cost effective and clinically effective treatments wherever possible which is often the best for the patient.
   c) There are a range of disadvantages to removing this BPT that do not appear to have been considered. HRG4+ will not cover the cost of the procedure and device and the profile of IR has not been sufficiently raised to warrant this removal. If this is taken forward patients would no longer have access to these safer, less invasive treatment that save the NHS, patients and wider society significant amounts of money. Many patients are currently unaware of IR procedures as a treatment option, removing the BPT will make this form of treatment unviable and restrict patient access even further, even though IR procedures have extremely good outcomes. E.g. reimbursement for the HRG YZ08 Uterine Fibroid Embolisation is set below a reasonable level that it will create a perverse incentive for providers to encourage more invasive and life-changing surgery for patients purely as a result of funding restrictions and the current IR BPT for the vacuum assisted percutaneous removal of benign breast lesions which on close examination of chapter Y procedure does

not seem to link to any of the listed descriptions and appears to have been completely absent. The MTG would encourage Monitor and NHS England to reconsider the level at which this HRG has been set so as not to limit access to proven therapies such as the example above. Patients will no longer have access to often the best treatments that they would prefer to receive if these changes are made.

d) The MTG disagrees with this policy and does not see that removing the BPT will help achieve NHS England and Monitor provide good care for patients.
e) This best practice tariff must remain for all IR procedures.

4) Changes to the high cost drugs and devices list
   a) There has not been enough information released in the document.
   b)
   c) The proposals have not adequately taken into account the cost of the devices for some cases e.g. stents, which might incentivise providers to consider less effective treatment options due to funding restrictions. Patient access should be at the heart of the NHS but these proposals seem to be ignoring the patient. The emphasis on cost cutting appears to be on the devices and their procurement rather than other elements of cost. Staff make up approximately 90% of NHS costs.
   d) Changes would need to include further consideration and explanation of why these changes are being made.
   e) In addition to this there is no clear methodology or appropriate costing or meaningful engagement has preceded these decisions which makes the consultation process flawed since so much of the necessary information is absent. We request NHS England and Monitor re-run a separate consultation related to the High Cost Device list changes ahead of the statutory consultation later in the year and ensure that all necessary information is available at that time.

5) Day Cases (under BPT)
   a)
   b) The MTG believes that the advantages outweigh the disadvantages of this policy.
   c) The MTG welcomes the intent to incentivise day case procedures in appropriate clinical situations and support the proposals to offer safer and more convenient care for patients.