

Payment by Results Data Assurance Framework

**Supporting Contracting and Commissioning: 2011/12
Programme**

The Audit Commission is an independent watchdog, driving economy, efficiency and effectiveness in local public services to deliver better outcomes for everyone.

Our work across local government, health, housing, community safety and fire and rescue services means that we have a unique perspective. We promote value for money for taxpayers, auditing the £200 billion spent by 11,000 local public bodies.

As a force for improvement, we work in partnership to assess local public services and make practical recommendations for promoting a better quality of life for local people.

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Summary

1 The Payment by Results (PbR) Data Assurance Framework has been in place for the last four years. During that period it has delivered its aims of improving the quality of data that underpins PbR and providing national assurance of data quality for the PbR system to function robustlyⁱ.

2 On 13 August 2010, the government announced its plan to abolish the Audit Commission. While the timetable for abolition is still not definite, it is likely that the 2011/12 will be the last year of a full, Commission-managed data assurance programme.

3 Providing assurance over the quality of data remains a key issue for the NHS. The recent consultation on *An Information Revolution*ⁱⁱ in the NHS highlights data quality as a key part of delivering that revolution. We agree and are working with stakeholders to ensure that a framework for assuring the quality of data continues once the Commission has gone.

4 We will deliver a full programme of data assurance reviews in 2011/12. In the Commission's consultation on the proposed work programme and scale of fees for 2011/12ⁱⁱⁱ, we have proposed a drop in the fee for the PbR data assurance work of 10 per cent. We have tailored and set priorities in the programme to reflect this. It has been subject to consultation with the Department of Health and our external advisory group, which includes representatives of primary care trusts (PCTs), acute trusts and national bodies.

5 The 2011/12 programme will consist of the following:

- A continuation of our work on assessing the adequacy of commissioners' arrangements for ensuring the accuracy of its providers' data.
- Follow-up of all previous local work delivered by the assurance framework to ensure actions agreed are carried out locally and improvements secured.
- A national audit programme at all acute trusts that reviews not only the accuracy of coding but other data that feeds payments under PbR. This will provide commissioners and providers with an overall view on all the underpinning data that can be extrapolated within given confidence intervals.

ⁱ *An Evaluation of Three Years of the PbR Data Assurance Framework*, Audit Commission, January 2011

ⁱⁱ *Liberating the NHS: An Information Revolution*, Department of Health, October 2010

ⁱⁱⁱ *Proposed Work Programme and Scale of Fees 2011/12*, Audit Commission, December 2010

- An updated PbR National Benchmarker providing more information and support to commissioners as well as providers. It will also take into account the changes to the tariff and business rules for 2011/12.
- Continuing our work with the Department of Health, the NHS Information Centre for Health and Social Care and NHS Connecting for Health in identifying and addressing data definitional issues which cause local contracting difficulties.
- A detailed programme for identifying, sharing and publishing best practice from both providers and commissioners.
- A national report and analysis that summarises the findings from our reviews, the development of PbR and key issues for the future.

2011/12 programme

Introduction

6 Since 2007, the Audit Commission has delivered an assurance programme for PbR, the NHS tariff for paying acute hospitals. Our work comprises analysis, research, pilot reviews, benchmarking and an audit programme that has checked the accuracy of over £200 million of payments under PbR. The focus of our work is to improve the quality of data that underpins payments under PbR, but the data we review is also of wider importance to the NHS as it's used to plan and oversee healthcare provision. It also supports effective commissioning.

7 On the 13 August 2010, the Secretary of State for the Department for Communities and Local Government announced plans to abolish the Audit Commission. Although the timetable for abolition is still not yet clear, it is likely that 2011/12 will be the last year of a full data assurance programme delivered by the Commission.

8 The programme for 2011/12 has been developed in consultation with the Department of Health and our external advisory group. This contains representation from key stakeholders, such as Monitor, the Foundation Trust Network, the NHS Information Centre for Health and Social Care, NHS Connecting for Health, the Care Quality Commission, PCTs and trusts.

9 The programme is based on the following principles:

- A proposed drop in fees of 10 per cent.
- Relevance to the proposed changes to the NHS outlined by the government and transition arrangements set up by the Department of Health.
- Focus on areas where we add the most value, using the outcomes of the evaluation undertaken earlier in the year.
- Given it is likely to be the last year of the Commission's framework, the need to revisit areas and assess progress in fulfilling previous years' recommendations.
- Deliver our commitment to review other data areas that feed payment to providers but also make our work more relevant to commissioners. We intend to do this by reviewing their arrangements for ensuring the accuracy of data and providing reports from the National Benchmarker of greater value to them.
- Maximise the impact and legacy of our work by identifying, sharing and publishing a compendium of best practice from both providers and commissioners.

Commissioner arrangements

10 We will continue our work started in 2010/11 to assess commissioner arrangements to ensure the data that underpins provider contracts are of good quality. This will support the direction outlined in *The Operating Framework for 2011/12*ⁱ for stronger contracting and a smooth transition to GP consortia.

11 The work will focus on testing the quality of data used in contracting for 2011/12 by PCTs and clusters, including reviewing:

- data validation and checks on both routine and locally identified issues;
- challenge and follow up with providers over data issues;
- GP involvement in contracting and data validation;
- actions to reduce variances between flex and freeze dates; and
- use of benchmarked data in both contract setting and monitoring.

Follow-up of previous work

12 We will follow up all the previous local work delivered under the assurance framework to check whether trusts have implemented actions, made improvements and highlighted and addressed remaining issues. This will include assessing progress in clinical coding, outpatient data and reference cost submissions.

13 Our follow-up of the reference cost reviews completed last year will assess whether issues identified are addressed and corrected for 2010/11 submissions. We will review the accuracy of submissions at the trusts where auditors identified material issues to ensure that they have been corrected.

National data assurance audit programme

14 Feedback from evaluation of the framework completed towards the end of 2010 identified that our local checking of the accuracy of data, in particular clinical coding, was the most valued aspect of our work. In 2011/12, we will therefore return to delivering an audit programme checking the accuracy of clinical coding but also extend our tests to review other data that feeds payment under PbR.

15 At each NHS acute and specialist trust in England we will undertake a 200 Finished Consultant Episodes (FCEs) audit. We will select half of the episodes from an area determined locally. The audit may be used to assess progress by revisiting an area previously checked, follow up risks identified from the new National Benchmarking analysis and reports, or focus on an area freely chosen.

16 We will randomly select the other 100 FCEs to help organisational and national extrapolation. We will check the accuracy of coding, length of stay, date of birth and gender. We will also review the accuracy of admission and discharge dates given current proposals not to fund hospitals for any emergency readmissions within 30 days in 2011/12.

ⁱ *The Operating Framework for the NHS in England 2011/12*, Department of Health, December 2010

17 All sample data will be selected centrally by the Commission from the Secondary Uses Service (SUS). This will support the goal outlined in *The Operating Framework 2011/12* to use SUS as the standard repository for performance, monitoring, reconciliation and payments by April 2012.

National Benchmarker

18 We are committed to developing our award-winning PbR National Benchmarker online tool. In early 2011, we will release a new report to PCTs identifying potential risk areas. It will include brand-new analysis that identifies outliers on a PCT's expected activity levels for each healthcare resource group. The analysis and reporting functionality will be available online in early 2011/12.

19 We will work with trusts and PCTs to help them use this analysis, including developing our reporting for trusts and exploring how it supports clustering arrangements established by PCTs. The Benchmarker will also be updated for the 2011/12 tariff, PbR business rules and our resulting assurance programme.

20 The recent evaluation and survey of users showed a wish for the Benchmarker to continue once the Commission finishes. We are discussing this and exploring options to secure the longevity of the tool.

Data definitions

21 Our work on identifying, reviewing and suggesting actions to address common data definitional issues will continue. We deliver this work in partnership with the Department of Health, NHS Information Centre for Health and Social Care and NHS Connecting for Health. We've summarised this work programme in a [data definitions briefing](#) available on our website.

Best practice

22 We will set up a more thorough and detailed programme to identify, share and publish best practice identified from our programme over the last few years. This will include detailed case studies from providers and commissioners covering all the areas reviewed and the use of the National Benchmarker.

23 We will develop a compendium of best practice and share this via our website. National reports will contain a summary of case studies, with more detailed briefings prepared on specific areas.

National report

24 At the end of our 2011/12 programme we will produce a national report outlining the findings from this year's programme, detailing wider messages from delivering five years of the framework and summarising best practice. It will also set out our view on developing PbR and data quality issues that will need to be taken forward.

Next steps

25 More detailed guidance on the audit programme will be published on our website in early 2011/12. Audits will not be start until the summer of 2011 to allow reviews to focus on data for the first quarter of 2011/12.

26 For more information about the assurance framework, visit our website www.audit-commission.gov.uk/pbr or email us at pbrassurance@audit-commission.gov.uk

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