Survey for the 2025/26 NHS Payment Scheme consultation

Final response submitted via online survey -- 2025/26 NHS Payment Scheme consultation - NHS England - Citizen Space

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Organisation name	NCHA – The Association for Primary Care Audiology Providers and FODO – The Association for Eye Care Providers
Organisation code (if known)	NA
Organisation type	Membership organisation

Accepting or rejecting the proposed NHS Payment Scheme

Do you accept or reject the proposed 2025/26 NHS Payment Scheme?

Accept

Reject

Please explain the reasons for your answer, particularly if you have chosen to reject the method:

Not answered – we are not an authorised responder for this question.

If they were implemented, what impact do you feel the policies outlined are likely to have on equality and addressing health inequalities?

Strong positive impact	Positive impact	Neither positive or negative impact	Negative impact	Strong negative impact	Don't know

Do you have concerns that there are distinct groups with protected characteristics that our policies may impact negatively?

Yes, people with a hearing disability are more likely to be negatively impacted because of proposals in the NHSPS 2024/25.

Please note, hearing loss is one of the most common disabilities in England. The NHSPS impact assessment has missed this because it has relied on easily accessible NHS data and therefore not considered disability as a protected characteristic. This could have been avoided by a basic literature search on leading causes of years lived with disability in England.

Other groups that also depend on similar services to adult audiology will also be impacted negatively. This is because the workarounds proposed to impose payment limits without sufficient safeguards are more likely to result in explicit/implicit rationing of essential Cinderella services which people are less likely to speak up for.

Please explain the reasons for your answers

Firstly, it is important to note that some key proposals in this consultation had not previously been shared or discussed with stakeholders for operability by the NHS pricing team – e.g. the concept of paying for activity (without a minimum guaranteed income) while capping total expenditure but not the number of patients a provider will have to see. This means patient groups are unlikely to be aware of the sorts of impacts these proposals could have directly on patients in terms of equality and health inequalities.

Secondly, in the usual course of events, NHSPS pricing principles, if implemented and adhered to, are welcomed as having a strong positive impact on equality and health inequalities. However, NHSPS 2025/26 includes new proposals which run contrary to principles, hence it is likely there will be a strong negative impact.

Third, the NHS pricing team's impact assessment focuses on easily accessible data and makes little to no attempt to assess the impact of these new proposals on people with other protected characteristics – e.g. people with a disability.

We would therefore ask the team to review the proposals more rigorously in the context of the Public Sector Equality Duty (PSED), because it is not clear that the NHS has done enough to secure reasonable checks and balances for patients with protected characteristics.

For example, the consultation risks misleading those less familiar with commissioning into thinking planned activity equates to safe levels of activity; this is seldom the case. NHS commissioners, in our experience, rarely understand local needs and do not plan local services based on a joint strategic needs assessment (JSNA) etc as they should. This means "planned activity" is often nothing more than a best guess based on last year's budget. In the past this "best guess" approach has resulted in an unscientific indicative activity plan (IAP) which can easily be wide of the mark of actual need for many reasons, including:

- patients choose a provider based on quality indicators, family and friends recommendations, waiting times, location etc. If a given provider exceeds its IAP for these reasons, this is likely to be a very positive signal about quality of care, outcomes and meeting local needs. A provider should not suffer losses because of this

- if an ICBs sets the IAP at unrealistic low levels and ignores providers warning them of this, challenging the IAP might be in the best interest of patients and the NHS

- ICBs have not reviewed block contracts with a Trust/FT, then started to pay out of hospital providers on an activity basis to reduce waiting lists and improve standards. When patients choose providers who offer more convenient and timely care closer to home, instead of reviewing IAPs, commissioners might claim "over performance". ICBs should instead focus on reforming block contracts to make ensure they deliver the NHS mandate.

- etc

In all cases, to date, the NHS Standard Contract, procurement regulations and Nolan principles have allowed providers to make objective representations on behalf of patients when commissioners have tried to use the IAP as a blunt tool to restrict access on the assumption this is how best to control total costs. If an NHS commissioner cannot justify its r IAP assumptions, it is forced to find the root cause of the issue and, in doing, stands the best chance to effecting genuine efficiencies/systems changes. The current pricing proposals will inadvertently remove this safeguard, putting patient at risk.

Put simply, we all know there are better ways for ICBs to understand how much activity to commission, from which providers and at which price to maximise population access and outcomes whilst controlling total cost. The NHSPS should provide leadership/nudge in this direction rather than providing tools which build in inertia, higher overall costs and hence waste.

We would be happy to share examples of when NHS commissioners have been on the verge of cutting access to NHS care for people with a disability based on setting hard budget targets without understanding local need/services, and how objective engagement has instead enabled the NHS to deliver more care for less cost. We would also be happy to explain why NHSPS 2025/26 proposals as they stand would have made that sort of

engagement and local solution-finding impossible to achieve with a loss for patients, the NHS and taxpayers.

The following sections ask for feedback on individual policy areas. The question numbers match the sections in the consultation notice document.

5. Proposals applying to all payment mechanisms

Details of these proposals are set out in Section 5 of the consultation notice

5.1 Duration

To what extent do you support the proposed one-year NHSPS?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					
We agree with setting a one-year NHSPS given the expectation of a Spending Review settlement and NHS 10 Year Health Plan later this year. It is to be hoped that these will require reform of the payment system to deliver the government's three big shifts for the NHS. That said, we are still strongly opposed to some proposals in the current NHSPS because they will block/delay much needed progress in delivering the government's three big shifts this year and undermine the NHS mandate for 2025/26 which mandates those shifts.					

5.2 Payment principles

To what extent do you support the proposed payment principles?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					
We support the payment principles which are usually supportive of longer-term government policy for the NHS and largely unchanged in this version. However, we are greatly concerned that some of the proposals set out in the NHSPS for 2025/26 do not follow these principles. For example, they would allow an ICB to ignore legitimate concerns about a flawed IAP and enforce a payment limit, without regard for the impact on patient care and service sustainability.					

5.3 Cost adjustment: 2025/26 cost uplift factor

To what extent do you support the proposed cost uplift factor?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					
Provided other proposals are reviewed (see our responses to questions above and below), we feel the CUF factor for 2025/26 is reasonable. However, it is important to note that ICBs, and CCGs before them, often failed or refused to apply CUF to locally agreed prices. This left many providers struggling to provide contacted services. It is important ICBs are given clearer advice about the need also to uplift locally agreed prices by CUF to stabilise the local NHS health economy.					

5.4 Cost adjustment: 2025/26 efficiency factor

To what extent do you support the proposed efficiency factor?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					
This is applied universally, but in reality providers which deliver NHS care under local pricing arrangements have seen ICBs fail or refuse to apply CUF during periods of high inflation. It would be invidious to apply an efficiency factor to providers who are still absorbing historical inflation and awaiting a correction to fees. Applying CUF without the efficiency factor applied, for providers who have not had a fee uplift for some time, would help mitigate this.					

5.5 Excluded items

To what extent do you support the proposed approach to excluded items in the NHSPS?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					
No comment					

5.6 Excluded items: ustekinumab

To what extent do you support the proposal to move reimbursement of ustekinumab to fixed payment?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					

No comment

5.7 Best practice tariffs

To what extent do you support the proposed approach to best practice tariffs (BPTs)?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					
No comment					

Do you have any other comments on the proposals that apply to all payment mechanisms?

Comments
We think there is a fundamental flaw in proposing to apply different payment systems in the way proposed to different provider types. Within the context of meeting clinical needs and delivering choice, the NHSPS should be a tool for driving innovation and change, delivering the government's three big shifts for the NHS and thus controlling total cost in a more sustainable and more strategic way. This year's approach in contrast seems fragmented and non-strategic and centred solely around controlling total costs and a move backwards. Without revision as suggested above and below, it risks doing more damage than good to NHS patients who need local access to vital but less headline grabbing services.

6. Elective and activity-based payments

Details of these proposals are set out in Section 6 of the consultation notice.

6.1 Elective and activity-based payments

To what extent do you support the proposal to require commissioners to set payment limits for elective activity, and all services paid for on an activity basis?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					

In our view, the proposals as they stand are confusing and unworkable in the context of the NHS Constitution, NHS mandate for 2025/26 and Provider Selection Regime.

While we appreciate that NHS England has focused on total cost control, there are insufficient safeguards for patients within the proposals. For example, the proposal to set payment limits must be more sophisticated and take account of other factors such as

- IAPs are often based on unvalidated assumptions at an ICB level, so activity assumptions required to set payment limits are often flawed
- the need to adjust payment limits to reward high quality providers – i.e. if more patients choose a high-quality provider the current proposals will see this provider suffer financially and/or see a patient required to pick a provider which they did not choose in the first instance for a reason
- while NHS trusts might have to continue to accept referrals without payment and run a large deficit as a result, they will be bailed out. Other local providers who cannot depend on government bailouts will be unable to absorb the impacts of the proposals set out in the NHSPS consultation and essential local services will close.

It is to be hoped that the pricing team will engage urgently with a wider range of providers/organisations to explore more sustainable and safer ways to drive total cost control. We are ready to engage positively and help find solutions which better deliver the government's aims, if that door is opened.

7. Payment mechanism: Aligned payment and incentive

Details of these proposals are set out in Section 7 of the consultation notice.

7.1 Scope

To what extent do you support the proposed scope of the API payment mechanism?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					
Using the API model for NHS Trusts/Foundation Trusts and activity-based pricing for other providers, in the context of the Provider Selection Regieme and NHS Constitution, has distorted the health economy. It is also likely the API model will make it more difficult for the government to deliver its goals for the NHS because money does not easily follow the patient.					

7.2 Design: Fixed element

To what extent do you support the proposed design of the API fixed element?					
Strongly support	Tend to support	**Neither support or oppose**	Tend to oppose	Strongly oppose	Don't know

To what extent do you support the proposal to require providers and commissioners to review their fixed payments?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answers					
As is widely known, the fixed element of the API (and effective block contract) risks locking in inefficiency and provides very weak incentives for providers to seek cost efficiencies.					

7.3 Design: variable element – elective activity

To what extent do you support the design of the elective variable element?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					
Given plans also to impose a payment limit on the variable element, it is not clear whether the original design concept behind the API will hold. It also seems odd to suggest a provider will be paid for additional patients but then allow ICBs to cap this payment irrespective of the number of additional patients a Trust sees. This uncouples the key link between activity and funding. There are better methods to discourage historical and inappropriate volume gearing.					

7.4 Design: specialised services

To what extent do you support the proposed payment rules for specialised services?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					
No comment					

7.5 Design: abortion services

To what extent do you support the proposal to move to variable payment for abortion services?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					
No comment					

7.6 Design: community diagnostic centres

To what extent do you support the proposal to set NHSPS unit prices to be used for community diagnostic centre activity?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					
No comment					

7.7 Design: teledermatology

To what extent do you support the proposal to move to variable payment for teledermatology for patients on the urgent suspected skin cancer pathway?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					
No comment					

7.8 Design: Variations from API design

To what extent do you support the design of the proposed approach to variations from the default API design?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					
No further comments on the API					

Tools and products to support API

No further comments on the tools re API

Do you have any other comments on the proposed API payment mechanism?

Comments
No further comments on the API

8. Payment mechanism: Low volume activity (LVA) block payments

Details of these proposals are set out in Section 8 of the consultation notice.

8.1 LVA scope

To what extent do you support the proposed scope of LVA arrangements?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					
No comment					

8.2 LVA design

To what extent do you support the proposed LVA design?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					
No comment					
Do you have any suggestions for a consistent way to understand activity flows between ICBs and distant mental health and community providers?					
There is a general problem with the use of "activity" in NHS commissioning as it measures what is being done, not what should be done. It also means commissioners seldom stop to consider whether they are in fact meeting population needs in the most efficient/effective way. It might therefore be best to involve public health experts when trying to better understand need and the flow of patients and the costs associated with packages of care.					

Do you have any other comments on the proposed LVA payment mechanism?

Comments
The LVA model cannot be analysed in isolation. Given the major changes proposed to other payment systems in this consultation, there are likely to be many unintended consequences for services commissioned using the LVA payment mechanism too.

9. Payment mechanism: Activity-based payments

Details of these proposals are set out in Section 9 of the consultation notice.

9.1 Activity-based payments scope

To what extent do you support the proposed scope of activity-based payments?

Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know

Please explain the reasons for your answer
We support the need for funding to follow the patient in a system that puts the patient first. We also think the API model has not delivered and there is a case to revisit Trusts/Foundation Trusts moving to activity-based payments. This would also arguably make delivering the government's three big shifts for the NHS more likely as money would more clearly follow the patient in a more transparent way.

9.2 Activity-based payments design

To what extent do you support the proposed activity-based payment design?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know

Please explain the reasons for your answer
The way in which the consultation sets out payment limits means that, in our view, the proposals will simply not work (see our additional feedback below)

Do you have any other comments on the proposed activity-based payment mechanism?

Comments
It is not possible to support an activity-based payment design that is not in fact an activity-based payment design. The model proposed asks providers to offer NHS care without any guaranteed minimum income, but then allows ICBs to impose a payment limit but requires a provider to create artificial waiting lists in order not to go bankrupt by delivering unfunded care. This makes no practical sense and it is regrettable that more innovative and sustainable solutions to total cost control have not been explored.

10. Payment mechanism: Local payment arrangements

Details of these proposals are set out in Section 10 of the consultation notice.

10.1 Local payment arrangements scope

To what extent do you support the proposed scope of local payment arrangements?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know

Please explain the reasons for your answer
While we support the payment principles and understand the scope of local payment arrangements, we do think opportunities are being lost to drive quality and efficiency by not

exploring new national tariffs for services which are delivered both in and out of hospital. This is because there are services which cost less to deliver out of hospital, and by setting a NHSPS price for such services they are more likely to shift from hospital to community and save taxpayers money in the long run, and more importantly allow the NHS to treat more people for the same spend. We would be happy to share further evidence based on NHS data, to demonstrate this.

10.2 Local payment arrangements design

To what extent do you support the proposed local payment arrangements design?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					
We oppose this based on a payment limit being imposed without safeguards for patients (see answers to other questions in the consultation which set out more detail).					

Do you have any other comments on the proposed local payment mechanism?

Comments
We oppose this based on a payment limit being imposed without safeguards for patients (see answers to other questions in the consultation which set out more detail).

11. Prices: role, calculation and related adjustments

Details of these proposals are set out in Section 11 of the consultation notice.

11.1 The role of prices

To what extent do you support the proposed role of prices in the 2025/26 NHSPS?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					

10.2 Calculating 2025/26 prices

To what extent do you support the proposed approach to calculating 2025/26 NHSPS prices?

Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					

10.3 Price adjustments

To what extent do you support the proposed price adjustments?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					

10.4 Market forces factor

To what extent do you support the proposal to update the data used to calculate MFF values?					
Strongly support	Tend to support	Neither support or oppose	Tend to oppose	Strongly oppose	Don't know
Please explain the reasons for your answer					

Do you have any other comments on prices and related adjustments?

Please explain the reasons for your answer
Too often ICBs cherry pick NHSPS principles and guidance. For example, many refuse to apply CUF uplifts to local pricing arrangements and refuse to discuss MFF being applied to local providers across an economically diverse ICB etc. There needs to be a more consistent/fair/transparent approach to setting NHS prices. The NHS has monopsony power which, rightly, should be used to drive efficient cost/prices. However, when the NHS uses this to pay below costs, the impact will be poorer standards of care and other market distorting factors which are best avoided in a healthcare system. Until the NHS pricing team rethinks the approach and uses payment systems as a lever for genuine and sustainable change, NHS inefficiencies are being baked in which will make the government's reforms even harder to deliver.

Mental health and community services currency development

Please note: We particularly welcome responses to these questions from providers of mental health and community services

No comment

Any other comments

Do you have any other comments on our proposals for the 2025/26 NHS Payment Scheme?
As highlighted in our responses to other questions, we have serious concerns about some proposals in this year's NHSPS consultation. For reasons set out in our response, we feel there is an urgent need to ensure there are additional safeguards in place for patients before such proposals are explored further.

Do you have any comments or suggestions on how we could improve how we engage with you on our proposals?
It is regrettable that the concept of payment limits being applied in the way set out in this consultation was not widely socialised prior to this consultation and stakeholders who participated in events last year were not made aware sooner of the very material changes proposed in this consultation. It would be helpful in the future for the pricing team to more openly advertise material changes and to engage more actively with stakeholders who might bring alternative and better solutions. In this case, we do not think there has been sufficient time to engage the third sector on the potential impacts of what is being proposed.
How could we improve the information you are given as part of the statutory consultation and its impact assessment?
The impact assessment should be more comprehensive when making fundamental changes to the NHSPS.