

Issue 7 preparedness letter
Published 22 December 2020

Commissioner workshops

January 2021

NHS England and NHS Improvement



Agenda

- How we're going to work together today
- Reflection on how things have been going
- Local decisions
- Exceptional circumstances
- 1 January – 31 March – UDA and UOA contracts
 - Calculations and year end positions
- 1 April – 7 June and 20 July – 31 December

Include worked examples and frequently asked questions

Commissioner workshops

- 1 of 4 commissioner workshops
- Support understanding of local decision making
- Support understanding of contractual metrics
- Support understanding of year end reconciliation

Preparedness letters

- Issue 3 preparedness letter – 25 March 2020
 - Time period 1 1 April – 7 June
 - Practices closed for face to face care (unless a UDC)
- Issue 5 preparedness letter – 13 July 2020
 - Time period 2 20 July – 31 December
 - Practices open for face to face care
 - Minimum 20% volume of patient care
- Issue 7 preparedness letter – 22 December 2020 and supporting guidance
 - Time period 3 1 January – 31 March
 - Minimum 45% / 70% target
 - Year end reconciliation

Support

Dedicated helpdesk

- Set up to support contractors with factual answers to the Issue 7 preparedness letters and the supporting guidance
- Support commissioners by providing the factual answers and the supporting guidance
- Specific queries passed back to commissioner where a local decision is required

Support (2)

- Since 22 December the helpdesk has responded to over 250 queries
 - Exceptional circumstances
 - Calculations between 1 January and 31 March
 - Calculations between 20 July and 31 December
 - Reporting
 - Carry Forward

Recorded webinars

- Series of recorded webinars being released
 - Webinar 1 - Time periods 1 and 2
 - Webinar 2 - Time period 3 UDA contracts
 - Webinar 3 - Time period 3 UOA contracts
 - Webinar 4 - Time period 3 Other contract types

Local decision making

- Preparedness letters outline how contracts will be managed
- Within process local decision making remains
 - Carry forward from 2019/20
 - UDC exceptional adjustments
 - CDS and AQP contracts
 - Local contract
- Exceptional circumstances

Carry forward 2019/20

- Section 5 of guidance
- Two options for managing carry forwards
 - Completed 1 January – 31 March
 - Carried forward into future contracting year 2021/22 contracting year
- The carry forward from 2019/20 is carried forward in full not a proportion of it, and is not subject to the 45% calculation
- Carry forward value of 250
 - $1350 + 250 = 1600$
 - $1350 - 250 = 1100$
- Decision for commissioner and contractor

UDCs – exceptional adjustment

- Time periods 1 and 2 applies to UDC
- Time period 3 as national process
 - 45% target
- UDC requirements may affect ability to achieve 45%
 - Lack of referrals
 - Higher than average level of complex cases
 - Other reasons
- Apply for exceptional adjustment to delivery level
 - Applicable to time contractor is a UDC
- Conditions must be met
 - Not been able to deliver activity that would allow them to achieve 45%
 - Level delivered is lower than what would have achieved if they weren't a UDC
 - Must demonstrate evidence as to why achievement is lower

UDCs – exceptional adjustment

- Evidence to commissioner
- Activity they believe could have delivered if not a UDC
 - Previous delivery levels using FP17/O's submitted
 - Annual achievement
 - Other relevant information
- Commissioner decision
 - Do nothing
 - Adjust to the level the contractor can demonstrate would have achieved
 - Maximum adjustment of 104% of usual activity
 - If adjustment results in deemed achievement below 45% financial recovery or carry forward is applied
- Adjustment for variable costs (16.75%) applied
 - Adjustment based on actual not deemed activity

CDS, AQP and local contracts

- Time period 1 and 2 as national process
 - Unless alternative arrangements been agreed
 - Abatement will be applied
- Time period 3
 - Managed on a local basis
 - Data collected by national team
- Revised UDA, KPI and potential financial recovery position
 - Agreed and communicated with contractor
 - Guiding principles provided for commissioners

CDS, AQP and local contracts

- Guiding principles (1)
 - Amended contractual targets reflect those contractors circumstances
 - Reflect importance of maximising access, be reasonable due to challenges in providing care to those with complex health needs
 - Fallow time, GA provision, vulnerability of patients, social distancing requirements, referral service
 - Ensure stability of services to most vulnerable people
 - Maintain regular contact to minimise chances of problems occurring and contractor is supported

CDS, AQP and local contracts

- Guiding principles (2)
 - Agree the criteria for financial recovery
 - Include cost adjustment for variable costs for undelivered activity
 - Base on principles for GDS/PDS contractors
 - Arrangements clearly documented
 - Rationale and principles noted
 - Local governance procedures followed
 - Including sign off

Exceptional circumstances

- Lockdown arrangements themselves are not exceptional circumstances
- May be specific issues which could affect achievement of targets in time periods 2 and 3
- Remains a local process
- Usual process for exceptional circumstances remains
 - Notification to commissioner of belief of exceptional circumstance
 - Work with commissioners to improve access and reduce likelihood of financial recovery at year end reconciliation
 - Management of notifications will be considered at year end once final contractual position is known

Exceptional circumstances

- Section 6 of guidance
- Some examples (not exhaustive) of circumstances
 - Covid-19 outbreak forcing practice to close (as advised)
 - Staff shortages due to self-isolation or shielding
 - Disruption to supply chain
 - Delays implementing infection prevention and control where disrupted by supplier issues
- Notifying alone won't mean exceptional circumstances are granted
- Consider in light of final year end achievement
- Practices should continue to do best to fulfil contractual obligations

1 January – 31 March 2021

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UDA example contract values

Time period	Contract value	UDAS/UOAs
2020/21	£300,000	12,000
Time period 1		3,000
Time period 2		6,000
Time period 3		3,000
Minimum 45%		1,350
Minimum 70%		2,100

N.B. Rounding in examples our own

1 January – 31 March (time period 3)

- 1 January to 31 March 2021
 - Issue 7 preparedness letter published 22 December 2020
- Practices asked to provide routine face to face care
- Contractors will receive 1/12th of contract payment per month
- Patient charge revenue taken as appropriate
- 25% of annual contract activity covered for this time period
- Adjustment applied depending on final Q4 outcome
- Delivery achieved on completed courses of treatment between 1 January and 31 March 2021
- Excludes Prototypes

Year end reconciliation

- Achievement for time period 3 calculated
 - 3,000 UDAs
- Combined with achievement for time periods 1 and 2
 - 3,000 + 6,000 UDAs
- Gives an overall year end achievement
 - $3,000 + 6,000 + 3,000 = 12,000$ UDAs
 - $12,000/12,000 * 100 = 100\%$
- Purpose of examples in this section assuming time periods 1 and 2 were met
- The overall achievement will be affected by final time period achievement

Year end reconciliation (1)

- Over 45/70%
 - Achievement >100%.
 - Carry forward into 2021/22 (over performance)
- Exactly 45/70%
 - Achievement = 100%.
 - No carry forward
- Between 36-45/56-70%
 - Achievement between 95-100%
 - Carry forward into 2021/22 (under performance) or
 - Financially recovered
- Under 36/56%
 - Achievement under 96%
 - Financially recovered

20N.B not applicable where carry forward 2019/20 applied

Exactly 45%

Worked example 1: 45% achievement

Worked example 1

- Period target 3,000 UDAs
- Achieved 1,350 UDAs

- $1,350/3,000 * 100 = 45\%$
- 45% target achieved

Deemed activity: 3,000 UDAs

Worked example 1: 45% achievement

- Achievement will be adjusted for variable costs
- Applied to actual under delivered UDAs
 - Period target 3,000 UDAs
 - Achieved 1,350 UDAs
- Under delivered actual UDAs $(3,000 - 1,350) = 1,650$ UDAs
- Adjustment applied to 1,650 UDAs
 - $1,650 * 16.75\% = 276.38$ UDAs
- Value of adjusted UDAs
 - $276.38 * £25 = £6,909.50$

Contract adjustment: £6,909.50

Worked example 1: 45% achievement

- Final year end achievement for activity
 - Combined UDA delivery for all time periods
 $3,000 + 6,000 + 3,000 = 12,000$ UDAs
- Overall % achievement $12,000/12,000 * 100 = 100\%$

- Final year end achievement for contract value
 $£300,000 - \text{adjustment } (£6,909.50) = £293,090.50^*$

* This figure is subject to PCR and other deductions. The abatement related to time period 1 will be dealt with outside of the year end process.

Over 45%

Worked example 2: >45% achievement

- Achievement over 45% will be counted in actual UDAs for whole period
- Over performance will be carried forward into delivery targets for 2021/22

Worked example 2

- Period target 3,000 UDAs
- Minimum 45% target 1,350 UDAs
- Achieved 1,440 UDAs
 - $1,440/3,000 = 48\%$ of 3,000
- 48% achieved
- Deemed activity calculated
 - 3% over period target
 - $3\% * 3,000 = 90$ UDAs
 - $3,000 + 90$ UDAs

Deemed activity: 3,090 UDAs

Worked example 2: >45% achievement

- Achievement will be adjusted for variable costs
- Applied to actual under delivered UDAs
 - Period target 3,000 UDAs
 - Achieved 1,440 UDAs
- Under delivered actual UDAs $(3000 - 1440) = 1,560$ UDAs
- Adjustment applied to 1,560 UDAs
 - $1,560 * 16.75\% = 261.3$ UDAs
- Value of adjusted UDAs
 - $261.3 * £25 = £6,532.5$

Contract adjustment: £6,532.50

Worked example 2: >45% achievement

- Final year end achievement for activity
 - Combined UDA delivery for all time periods
 $3,000 + 6,000 + 3,090 = 12,090$ UDAs
- Overall % achievement $12,090/12,000 * 100 = 100.8\%$
0.8% carried forward (96 UDAs)

- Final year end achievement for contract value
 $£300,000 - \text{adjustment } (£6,532.50) = £293,467.50^*$

* This figure is subject to PCR and other deductions. The abatement related to time period 1 will be dealt with outside of the year end process.

Between 36-45%

Time period 3 (UDA) - between 36-45%

- Achievement between 36-45% of contracted activity
- Adjustment
 - Adjustment required where carry forward of under delivery
 - No adjustment where financial recovery
 - Calculations based on % delivery against 45%

Worked example 3: 40% achievement

Worked example 3 - 40% achievement

- Period target 3,000 UDAs
- Minimum 45% target 1,350 UDAs

- Achieved 1,200 UDAs
 - $1,200/3,000 = 40\%$ achievement
 - $40/45 \times 100$ equivalent of 89% of period target
- Deemed activity calculated
 - $100/45 \times 1,200 = 2,667$

Deemed activity: 2,667 UDAs

Worked example 3: 40% achievement

- Final year end achievement for activity
 - Combined with UDA for all periods
 $3,000 + 6,000 + 2,667 = 11,667$
Overall % achievement $11,667/12,000*100 = 97\%$
- Activity carried forward to 2021/22
 - 3% of 12,000 UDAs
 - 360 UDAs

Worked example 3: 40% achievement

- Achievement will be adjusted for variable costs
- Applied for
 - Period target 3,000 UDAs
 - Achieved 1,200 UDAs
 - Under delivered activity UDAs 1,800 UDAs
 - Carried forward UDAs 360 UDAs
- Adjustment applied to 1800 UDA's
 - $1,800 * 16.75\% = 301.5$ UDAs
- Calculated adjustment for carried forward UDA's (360 UDAs)
 - $360 * 16.75\% = 60.3$ UDAs
- Final adjustment calculation
 - $301.5 - 60.3 = 241.2$ UDAs
- Adjustment value
 - $241.2 * £25 = £6,030$

Contract adjustment
£6,030

Worked example 3: 40% achievement

- Final year end achievement for activity
 - Combined with UDA for all periods
 $3,000 + 6,000 + 2,667 = 11,667$
- Overall % achievement $11,667/12,000 * 100 = 97\%$
3% carried forward (360 UDAs)
- Final year end achievement for contract value
 $£300,000 - \text{adjustment } (£6,030) = £293,970^*$

* This figure is subject to PCR and other deductions. The abatement related to time period 1 will be dealt with outside of the year end process.

Worked example 4: 36% achievement

Worked example 4 - 36% achievement

- Period target 3,000 UDAs
- Minimum 45% target 1,350 UDAs

- Achieved 1,080 UDAs
 - $1,080/3,000*100 = 36\%$ achievement
 - $36/45*100$ equivalent to 80% of Period target
- Deemed activity
 - $100/45*1,080 = 2,400$ UDAs

Deemed activity: 2,400 UDAs

Worked example 4: 36% achievement

- Achievement will be adjusted for variable costs
- Final year end achievement for activity
 - Combined UDA delivery for all time periods
 $3,000 + 6,000 + 2,400 = 11,400$ UDAs
- Overall % achievement $11,400/12,000 * 100 = 95\%$
 5% financial recovery
- UDAs not subject to full financial recovery
 - $3,000 - 2,400 = 600$
- Adjustment applied to undelivered UDAs not subject to full financial recovery
 - $3,000 - 1,080 = 1,920$
 - $1,920 - 600 = 1,320$ UDAs
- Can also be described as the difference between deemed activity minus actual delivered UDAs
 - $2,400 - 1,080 = 1,320$ UDAs
- Calculated adjustment for undelivered UDA's (1,320 UDAs)
 - $1,320 * 16.75\% = 221.1$ UDAs
- Adjustment value
 - $221.1 * £25 = £5527.50$

Contract adjustment

£5527.50

Worked example 4: 36% achievement

- Final year end achievement for activity
 - Combined UDA delivery for all time periods
 $3,000 + 6,000 + 2,400 = 11,400$ UDAs
- Overall % achievement $11,400/12,000 * 100 = 95\%$
5% financial recovery
- Final year end achievement for contract value
 $£300,000 - \text{financial recovery } (£15,000) - \text{adjustment } (£5,527) = £279,473^*$

* This figure is subject to PCR and other deductions. The abatement related to time period 1 will be dealt with outside of the year end process.

Under 36%

Worked example 5: <36% achievement

- Worked example 5 - under 36% achievement
 - Period target 3,000 UDAs
 - Minimum 45% target 1,350 UDAs
- Achieved 1,050 UDAs
 - $1,050/3,000 = 35\%$
- Deemed activity calculated
 - Achieved UDAs

Deemed activity: 1,050 UDAs

Worked example 5: <36% achievement

- Final year end achievement for activity
 - Combined UDA delivery for all time periods
 $3,000 + 6,000 + 1,050 = 10,050$ UDAs
- Overall % achievement $10,050/12,000 * 100 = 83.3\%$
16.7% financial recovery
- Final year end achievement for contract value
 $£300,000 - \text{financial recovery } (£48,600) = £251,400^*$

* This figure is subject to PCR, other deductions and the abatement related to time period 1

Carry forward

- Carry forward from 2019/2020
- Two options for managing carry forward
 - To provide between 1 January to 31 March 21
 - To provide in contract year 2021/22
- Carry forward is the whole level not 45% of carry forward activity level
 - Contracted UDAs 12,000
 - Period target 3,000
 - Minimum 45% delivery 1,350 UDAs
 - Carry forward amount of +/- 250 UDAs
 - New minimum delivery target for 1 January to 31 March
 - $1,350 + 250 = 1,600$ UDAs
 - $1,350 - 250 = 1,100$ UDAs

Foundation dentists

- Activity performed by foundation dentists between 1 January to 31 March will be counted towards overall contract achievement
 - Contracted activity 12,000 UDAs
 - Period target 3,000 UDAs
 - Minimum 45% delivery 1,350 UDAs
- Example delivery profile
 - Performer A : 450 UDAs
 - Performer B: 600 UDAs
 - Foundation dentist: 300 UDAs
 - = 1,350 UDA delivery

UOA

- Principles apply but activity is 70%

Time periods 1 & 2

UDA example contract values

Time period	Contract value	UDAS
2020/21	£300,000	12,000
Time period 1		3,000
Time period 2		6,000
Time period 3		3,000

Time period 1 - principles

- 1 April to 7 June 2020
 - Issue 3 preparedness letter published 25 March 2020
- Practices were closed for face to face treatment unless a UDC
- Contractors received 1/12th of contract payment per month
- Patient charge revenue (PCR) taken as appropriate
- 25% of annual contract activity covered for this time period
- Abatement will be applied to the contract value for this period
- Applies to all contract types including CDS, AQP and Prototypes

Time period 1 - achievement

- 25% of contract activity

Time period	Contract value	Contracted UDAs
2020/21	£300,000	12,000
Time period 1		3,000

- 100% of contract activity deemed achieved for this period if:
 - Contractor meets the expectations set out in the Issue 3 preparedness letter

Time period 1 - achievement

- Practice expectations
 - All routine, non-urgent and community outreach services cease
 - Provide remote advice and triage for those with urgent need
 - Advice
 - Analgesia
 - Antimicrobial means where appropriate
 - Referral to urgent dental centre (UDC) where appropriate
 - Activity recorded and submitted via Compass
 - Messaging updated at practices
 - Communicating changes to hours available due to staffing levels including cover arrangements
 - Staff paid at same levels
 - Staff available for redeployment
 - No other government support received

Time period 1 – achieved

- Abatement
 - 16.75% of contract value for 1 April – 7 June 2020
 - Managed outside of the year end process

Final contract achievement for time period 1

Deemed activity

3,000* UDAs

*Activity combined with activity for time period 1 and 2 to give overall % year end position

Time period 2 - principles

- 20 July to 31 December 2020
 - Urgent dental letter 28 May 2020
 - Issue 5 preparedness letter published 13 July 2020
- Practices were asked to provide face to face care
- Contractors received 1/12th of contract payment per month
- PCR taken as appropriate
- 50% of annual contract activity covered for this time period
- No abatement or adjustment for this period
- Applies to all contract types including CDS, AQP and Prototypes

Time period 2 - achievement

- 50% of contract activity

Time period	Contract value	Contracted UDAs
2020/21	£300,000	12,000
Time period 1		6,000

- 100% of contract activity deemed achieved for the period if:
 - Contractor meets the expectations set out in the urgent dental letter and Issue 5 preparedness letter

Time period 2 - achievement

- Practice expectations
 - Minimum of 20% patient care volume provided
 - E Triage continued with appropriate recording
 - FP17 data transmitted
 - Declaration re equivalence of NHS services and private services (volumes)
 - Declaration re staff engagement and payment to staff
- Contractual hours adhered to with reasonable staffing levels to perform highest level of activity possible
- Not to have increased private provision over levels of NHS provision
- Pay all staff at previous levels

Time period 2 - achievement

- Minimum of 20% of patient care volume delivered
 - E Triage count
 - Face to face appointments as reported via FP17s
 - As compared with 2019/2020 delivery for period 20 July to 31 December
- 20% calculated as activity volume across the whole period
- This has been a frequently asked question

Time period 2 - achievement

- Minimum of 20% of patient care volume delivered
 - E Triage count
 - Face to face appointments as reported via FP17/Os
 - As compared with 2019/2020 delivery for period 20 July to 31 December
- 20% calculated as activity volume across the whole period
- Historic volume of FP17s = 5,000
- E Triage 625 + FP17s 435 = 1,060
 - $1,060/5,000*100 = 21.2\%$

Time period 2 – achieved

- Abatement
 - No abatement for time period 2

Final contract achievement for time period 2 for
example A

6,000 UDAs

- Final year end achievement for activity
 - Combined UDA delivery for all time periods
 $3,000 + 6,000 + 3,000 = 12,000$ UDAs
- Overall % achievement $12,000/12,000*100 = 100\%$

