

Issue 7 preparedness letter published, 22 December 2020 - webinar

January 2021

Webinar 2 – Time period 3 (UDA contracts)

NHS England and NHS Improvement





Welcome to webinar 2 of 4 which provide support for the understanding of the Issue 7 preparedness letter and related guidance.



Introduction

- Dental contracts will be managed over three time periods
 - 1 April to 7 June 2020 (Time period 1)
 - 20 July to 31 December 2020 (Time period 2)
 - 1 January to 31 March 2021 (Time period 3)
- Series of recorded webinars to explain
 - 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

2 |

NHS England and NHS improvement has been providing regular updates to the dental profession regarding the Coronavirus situation over the past 11 months. Electronic copies of the updates and all other relevant guidance can be found at www.england.nhs.uk/coronavirus/primarycare

Through out these webinars we are describing the three time periods as 1st April to 7 June being Time period 1, the 20th July to 31st December time period 2 and time period 3 is the current period 1 January to 31 March 2021.

The latest of the update letters is issue seven "preparedness letter for primary dental care" which was published on the 22^{nd} of December 2020 and dealt with the way in which contract arrangements from 1^{st} of January to 31 March, 2021 are to be dealt with.

This, alongside the accompanying "guidance to support dental contract management arrangements for the 202021 year-end reconciliation", details the way in which dental contracts are being managed over the three time periods.

To support contractors in understanding how the contract is going to be reconciled at year end, a series of recorded webinars have been released.

This is webinar two and will be looking at time period 3 and is aimed specifically at UDA contracts. Webinar 3 covers OUA contracts and webinar 4 deal deals with other contracts. Webinar 1 covers time periods 1 & 2 and applies to all contract types.



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

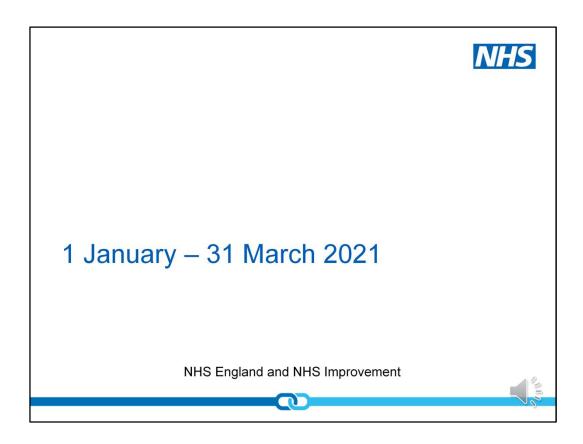
3 |



In this workshop we will be using an example contract of £300,000 and 12,000 UDAs.

This slide shows how the requirements related to the contract are split across the three time periods and will be the values we will use for the worked examples within this webinar.

Please note that we have used rounding throughout the calculations and this accounts for any variation you may find when following the examples yourself.



We are now going to start looking at the final time period for this year.



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 (submitted within 60 days following completion)
- Excludes Prototypes

5 |



Period 3 covers the 1st of January, to the 31st of March, 2021. The details about how this time is to be managed are contained in issue 7 preparedness letter for primary dental care which was published on the 22nd of December 2020 and this letter remains the position during the national lockdown that was announced on the 4th of January, 2021. Following the announcement of the national lockdown, the advice within the supporting government information and within the dental bulletin issued at the time was that dental practices are to remain open and accessible to patients. Access to Dental services are one of the reasons why people are specifically allowed to leave their homes.

Key principles behind the way in which this time is being dealt with involve contractors providing routine face to face care to patients for which they will continue to receive their monthly payments adjusted for PCR.

25% of the contract activity is covered during time period 3.

An adjustment will be made at year end for variable costs not incurred during this time period based on the amount of activity not delivered. Importantly contractors should be aware that activity will be based on courses of treatment that are completed and submitted to NHSBSA within 60 days following the completion of treatment, from the 1st of January to the 31st of March, 2021.

These arrangements apply to all contract types except for practices who are providing services under the dental contract reform programme. Details for these contractors

will be released shortly.



Year end reconciliation

- · Achievement for time period 3 calculated
 - 3.000 UDAs
- Combined with deemed 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%
- For the examples in this webinar we are assuming expectations in time periods 1 and 2 were met
- The overall achievement will be affected by final time period achievement



6

Before we start looking at how Period 3 is worked out, we want to show how the achievement in this last quarter will combine together with the achievement from both the earlier time periods to give a final year end position.

All of the time periods will be managed in UDAs to provide their final position. So as we show here if a contractor achieved 45% they will be deemed to have achieved 3000UDAs, and this is then combined with the 9000 UDAs deemed to have been delivered from the other two periods to give a final position, so in this example 100%.

Throughout the examples today we are going to make an assumption that the contractor achieved all of the expectations for these two periods.



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%
 - Achievement between 95-100%
 - · Carry forward into 2021/22 (under performance) or
 - · Financially recovered
- Under 36%
 - Achievement < 95%
 - Financially recovered
- 7 N.B not applicable where carry forward 2019/20 applied

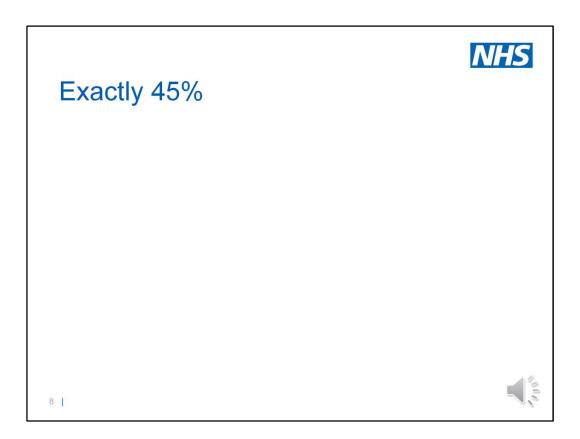


This slide gives a summary of four year end positions.

So you can see that if it's greater than 45% it will result in above 100% and a carry forward for over performance. If it is exactly 45% then it is exactly 100%. Where they achieve somewhere between 36-45% then whether they are in a position of carry forward or financial recovery will depend on their final % achievement

Where a contractor does not achieve 36% then it means achievement will be under 95% and measurement moves from being deemed to actual activity

Please be aware though that this isn't the position where a contractor has carry forward applied to their minimum target.



The first example we are going to look at is where a practice achieves exactly 45% of their target



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

9 |



So, as we saw previously, the 45% target is 1350 out of a period target of 3000 udas.

As 45% has been achieved, 100% of the contracted activity is deemed to have been achieved and therefore 3000 UDAs are awarded towards the year end reconciliation. In terms of the adjustment that will then be applied, this will be based on the number of UDAs under delivered and we will go on to look at how this is calculated on the next slide.



- Achievement will be adjusted for variable costs
- Applied to actual undelivered UDAs
 - Period target 3,000 UDAs
 - · Achieved 1,350 UDAs
- Undelivered 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

10



So, the achievement is awarded in activity which is then adjusted for the variable costs that are not incurred and converted to a monetary value.

To calculate the adjustment we look at how many udas were actually achieved and calculate the balance against the whole quarter target, so in this example we take 1350 from 3000 udas. This gives us a balance of 1650 UDAs.

It is these undelivered UDAs that are subject to an adjustment of 16.75% to reflect the variable costs that are not incurred as a result. In this case that gives a total of 276.30 UDAs and this figure is then multiplied by the contract uda value, which in this example is £25.00 and gives an adjustment figure of £6,909.50 which will be applied at year end .



- 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 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.

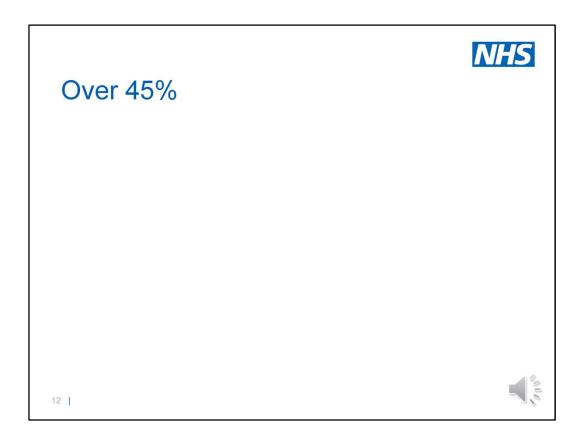
11 |



To bring this together to show the effect of 45% achievement in this time period, we will now combine this with the achievement from the other two time periods.

An assumption has been made throughout this webinar that full uda activity has been deemed to be achieved for the first 2 time periods, equating to 75% of the contract value and which is discussed in the first webinar.

The UDAs achieved from each of the time periods are combined, so in our example this is 3,000 plus 6,000 plus 3,000, giving a total of 12,000 udas that are deemed to have been achieved. This then gives an overall position of 100% meaning there is no carry forward or financial reconciliation. The final year end position will therefore be the total contract value minus the adjustment worked out on the last slide, PCR and other deductions. The abatement related to time period 1 will be dealt with outside of the year end process.



We will now look at worked example two where a contractor delivers over 45% of the target $\,$



- Achievement >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



Once the deemed activity has been awarded (using the calculations as set out), any over delivery is then calculated against the whole period target, to reflect the level of over delivery.

In this example 1,440 UDAs have been delivered in period 3. As the number of UDAs achieved exceeds the 45% target, then we need to calculate the percentage of achievement to be applied to the contracted activity. This % is then used to calculate the UDAs that have been over performed and will be added to the 3000 contracted activity.

As we see, in our example the contractor delivered 1440 udas between 1st of January, and 31st of March. This is 48 per cent of the total contract target for the period which is 3% above 45%. It is this 3% that is applied to the total contract target for the period to work out the number of UDAs deemed to have been achieved. In this example that is works out to be 90 UDAs and therefore number of UDAs deemed to have been achieved in the period is 3090.



- 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 = £6,532.50

Contract adjustment: £6,532.50

14



The next stage is to calculate the adjustment related to variable costs as we did before. The process here is the same as previously explained and for our example the adjustment equates to 261.3 UDAs which gives us an adjustment figure of £6532.50.

As you can see, by achieving over 45% a contractor will always reduce the adjustment that is applied to the contract.



- 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 =100.75%
 0.75% carried forward (90 UDAs)
- Final year end achievement for contract value £300,000 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.

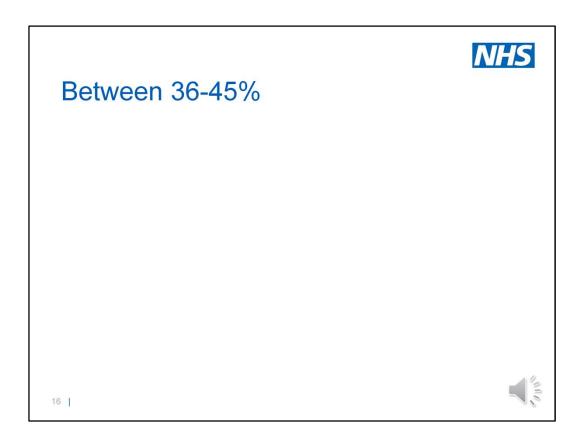
15



So to show how this translates to the final year end achievement, we again take the deemed activity for the three periods which gives us a total of 12,090 UDAs.

This figure is 100.75 per cent of the annual contract target and the 0.75 per cent over performance is converted to UDAs and carried forward into 2021/22.

The final year end position will therefore be the total contract value minus the adjustment worked out on the last slide, PCR and other deductions. The abatement related to time period 1 will be dealt with outside of the year end process.



We are now going to look at two examples where a contractor achieves between 36 and 45% of the contracted activity for this time period.



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%

17



The achievement here is important as the final position for this time period will affect whether an adjustment is made to the contract value or not and we will look at this over the next two examples.



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
- Deemed activity calculated
 - 100/45*1,200 = 2,667

Deemed activity: 2,667 UDAs

18



The first example we will look out here is where a practice has delivered 40% of the period 3 target.

As delivery is above 36% we first work out what the deemed activity figure is. The way we do this is by using the deemed delivery calculation which is 100/45* UDAs delivered. As you can see this is 2,667 UDAs



- 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

19



Now we have the deemed activity figure, we need to calculate the final year end activity position.

Again, we add the deemed activity from periods 1 and 2 to the deemed activity for period 3. We then work this out in terms of the overall percentage achievement and this example 40% delivery gives the year end position of 97 per cent.

The percentage of under delivered UDAs is then converted into udas to provide the carry forward figure for 2021/22, which is 360UDAs.



- · Achievement will be adjusted for variable costs
- · Applied for
 - Period target 3,000 UDAs
 - Achieved 1,200 UDAs
 - Undelivered activity UDAs 1,800 UDAs
 - · Carried forward UDAs 360 UDAs
- · Adjustment applied to 1,800 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



20

As before the achievement needs to be adjusted for variable costs. However, because there is a carry forward of activity into 2021/22, the adjustment needs to reflect that this activity will be carried out to next year and therefore should not be subject to the adjustment.

To do this we first apply the adjustment to the number of undelivered UDAs, which is 1800 and 16.75% of this gives us 301.5 UDAs .

We then calculate the adjustment related to the carry forward UDAs which is 16.75% of 360 UDAs which makes 60.3 UDAs.

This figure is then taken from the full adjustment of 301.5 UDAs to leave us with 241.2 UDAs.

We then multiply this by £25.00 to give a contract adjustment of £6,030.



- · Final year end achievement for activity
 - Combined with UDA for all periods 3,000 + 6,000 + 2,667 = 11,667

21 |

- Overall % achievement 11,667/12,000*100 = 97%
 3% carried forward (360 UDAs)
- Final year end achievement for contract value £300,000 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.



We now bring this altogether and, as we have seen, we have established the deemed activity for all periods as being 11,667 UDAs which gives us a percentage delivery of 97% overall.

Therefore we have a 3% carry forward which is 360 UDAs and the final year position will be the full contract value less the adjustment, 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

- Period target 3,000 UDAs
- Minimum 45% target 1,350 UDAs
- Achieved 1,080 UDAs
 - 1,080/3,000*100 = 36% achievement
- Deemed activity
 - 100/45*1,080 = 2,400 UDAs

Deemed activity: 2,400 UDAs

22

We will now look a contractor that has delivered 36% of the period 3 target.

Again, as delivery is above 36% we first work out what the deemed activity figure is. The way we do this is by using the deemed delivery calculation which is 100/45* UDAs delivered. As you can see this is 2,400 UDAs



- · 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

23

As before the achievement needs to be adjusted for variable costs. However, because there is full financial reconciliation, the adjustment needs to reflect only the activity that has not been accounted for.

To do this we first calculate the number of UDAs that this applies to by taking the deemed UDAs awarded from the full period target which is 600 UDAs. This figure is then taken away from the total number of undelivered UDAs to give a figure of 1,320 UDAs.

We then apply the adjustment and 16.75% of this gives us 221.1 UDAs.

We then multiply this by £25.00 to give a contract adjustment of £5527.50.



- 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 financial recovery (£15,000) 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.

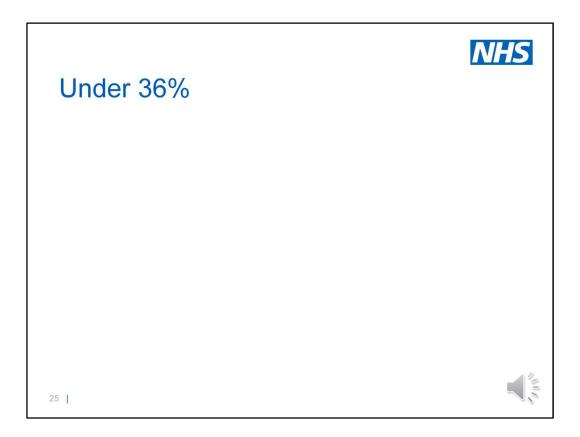


Now we need to calculate the final year end activity position.

We add the deemed activity from periods 1 and 2 to the deemed activity for period 3. We then work this out in terms of the overall percentage achievement and this example 36% delivery gives the year end position of 95 per cent.

As this is below 96%, the whole contract is subject to the 5% recovery.

Because the contract is subject to full financial recovery, the final year end achievement for contract value is the full contract value of £300,000 pounds less the financial recovery, less the adjustment, PCR and other deductions. The abatement related to time period 1 will be dealt with outside of the year end process.



The last worked example is that of a contractor that achieves under 36% of its contract target for the period. $\,$



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%
- Activity calculated
 - · Achieved UDAs

Activity awarded: 1,050 UDAs

26

There is a significant difference here between the way in which the UDA activity during the period is treated compared to when 36% or more is achieved. In this situation, the activity for year end reconciliation is calculated using the actual UDA s delivered.

Therefore in this example the contractor has delivered 1,050 UDAs which is 35% of the target achievement for the period, and it is these 1,050 UDAs that are taken forward as the activity.



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 financial recovery (£48,600) = £251,400*
- * 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.

27

The effect of this in the final year end achievement for activity shows that when added to the deemed activity for periods 1 and 2, the contractor has an overall contract achievement of 83.3%, which means a 16.7% financial recovery.

Because the contract is subject to full financial recovery, no further calculation of an adjustment is required and the final year end achievement for contract value is the full contract value of £300,000 pounds less the financial recovery, PCR and other deductions. The abatement related to time period 1 will be dealt with outside of the year end process.



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



28

We will now move on to talk about how carry forward from 2019/20 is dealt with.

Two options have been set out for how these can be managed. The first is for it to be taken into account in period 3 for this year. Alternatively it can be taken forward into a future contractual year. The options will need to be discussed and agreed with the commissioner, but which ever option is agreed the figure used will be the whole amount of the carry forward.

If it is decided to deal with the carry forward in period 3, it will be necessary to undertake some further calculations to period 3. The way this works is that you first establish the delivery target for the period and then either add or subtract the number of carry forward UDAs. As you can see in the last line of this example, if over delivery of 250 UDAs is being carried forward, then our target of 1,350 UDAs will be reduced to 1,100UDAs.



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

29

We now move onto the way in which activity delivered by foundation dentists is dealt with. It has been agreed that for the period of time $1 \, \text{Jan} - 31 \, \text{March only}$, all activity delivered by FDs will count towards the practice UDA activity. Practices do not need to alter the way in which they submit claims, as all this activity will be picked up and accounted for by NHS BSA.

How this activity is then dealt with by the practice from an attribution point of view is up to each practice to decide.



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

30



The final area we are going to look at is exceptional circumstance requests.

Being in lockdown is not in itself being seen as an exceptional circumstances, but there maybe specific circumstances that will affect the contractors ability to meet their targets. These could affect the earlier time periods as well as time period 3.

Exceptional circumstances remain a process for local management and continues to be managed through the usual process,, but it is recognised that this year there maybe a lot more requests than usual.

Normal process requires contractors to notify their commissioner that they believe there is an exceptional circumstance and Contractors and commissioners should liaise early to improve access and reduce the likelihood of financial recovery being required.



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
- Contractors should continue to do their best to fulfil contractual obligations, recording measures undertaken
- Normal dispute resolution process as per the contract

31

Section 6 of the guidance contains some examples that may be considered as exceptional circumstance, but it should be made clear that notification alone does not guarantee award.

All cases will be considered in the light of the final year end position and contractors should continue to make best attempts to meet with contract targets and should document what measures they have taken to mitigate the exceptional circumstances and meet their obligations.

Where a dispute arises in terms of the process this should be first handled through informal local discussions as per the dental services policy book, before moving to the local dispute resolution process should it be needed. If this is unsuccessful then the next stage is the NHS resolution process which acts as arbiter.



- This webinar will remain available on the NHSBSA website
- Please watch the remaining webinars
 - Webinar 1 Time period 1 & 2
 - Webinar 3 Time period 3 UOA contracts
 - Webinar 4 Time period 3 Other contract types
- Other guidance available on the NHSBSA website
- If you have any queries regarding the content of this webinar, they can be submitted to:

yearend@pcc-cic.org.uk

32

This concludes this webinar.

Please do watch the other webinars available for you.

If you have any queries regarding the content of this webinar please contact yearend@pcc-cic.org.uk