

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

NHS England and NHS Improvement





## 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 1/12<sup>th</sup> 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 1/12<sup>th</sup> 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 1/12<sup>th</sup> 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  $12,000/12,000*100 = 100\%$

