



Ref: FOIA Reference 2024/25-313

Royal Stoke University Hospital
Data, Security and Protection
Newcastle Road
Stoke-on-Trent
Staffordshire
ST4 6QG

Date: 28th August 2024

Email foi@uhnm.nhs.uk

Dear Sir/ Madam

I am writing to acknowledge receipt of your email dated 13th August 2024 requesting information under the Freedom of Information Act (2000) regarding contract

On the same day we contacted you via email with:

We are informing you that the below email is not for UHNM and under the FOI Act we are not required to answer requests addressed to other organisations therefore we are closing this request.

If you wish UHNM to answer, please address directly to us.

You replied via email with:

'I correct my mistake and send this e-mail to you.'

As of 1st November 2014 University Hospitals of North Midlands NHS Trust (UHNM) manages two hospital sites – Royal Stoke University Hospital, and County Hospital (Stafford). Therefore the response below is for the two sites combined from that date where appropriate.

Q1 I am investigating performance-based contracts (outcomes-based/value-based contracts), with a particular focus on such agreements in the healthcare sector. From what I have researched, while value-based solutions are not new, there has not been a significant drive to implement them in the UK. In light of the above, I have the following questions:

Are performance-based contracts being utilized in the broadly defined healthcare sector in your entity? Timespan: no limit.

A1 In terms of the contracts where suppliers provide Healthcare Services (e.g. insourced or outsourced healthcare services to the Trust) the Conditions of contract used in almost all of the cases will be the NHS England Sub Contract for Clinical Services, we do not have outcome or performance or value based contracts (payment linked to outcomes or performance). The Conditions of contract we use are those that NHS England require the Trust to use for such Insourced and Outsourced services.

Q2 If so, what specific cases of such contracts can be identified?

A2 As answer 1

Q3 Will the number of such contracts increase, decrease, or remain the same in the future?

A3 Information not held- ICB may hold this information: <https://staffsstoke.icb.nhs.uk/>

Q4 Have there been any legal proceedings or court rulings related to such contracts?

A4 As answer 3

Q5 If so, what specific cases of such legal proceedings or court rulings can be identified?

A5 As answer 3

Q6 Do these contracts improve the quality of healthcare services? I do not mean here opinion but rather objective report/feedback/study.

A6 As answer 3

Q7 Are such contracts positively evaluated? I do not mean here opinion but rather objective report/feedback/study.

A7 As answer 3

Q8 Are these contracts available for analysis? I would like to analyse above all the specific Performance Indicators used in these contracts.

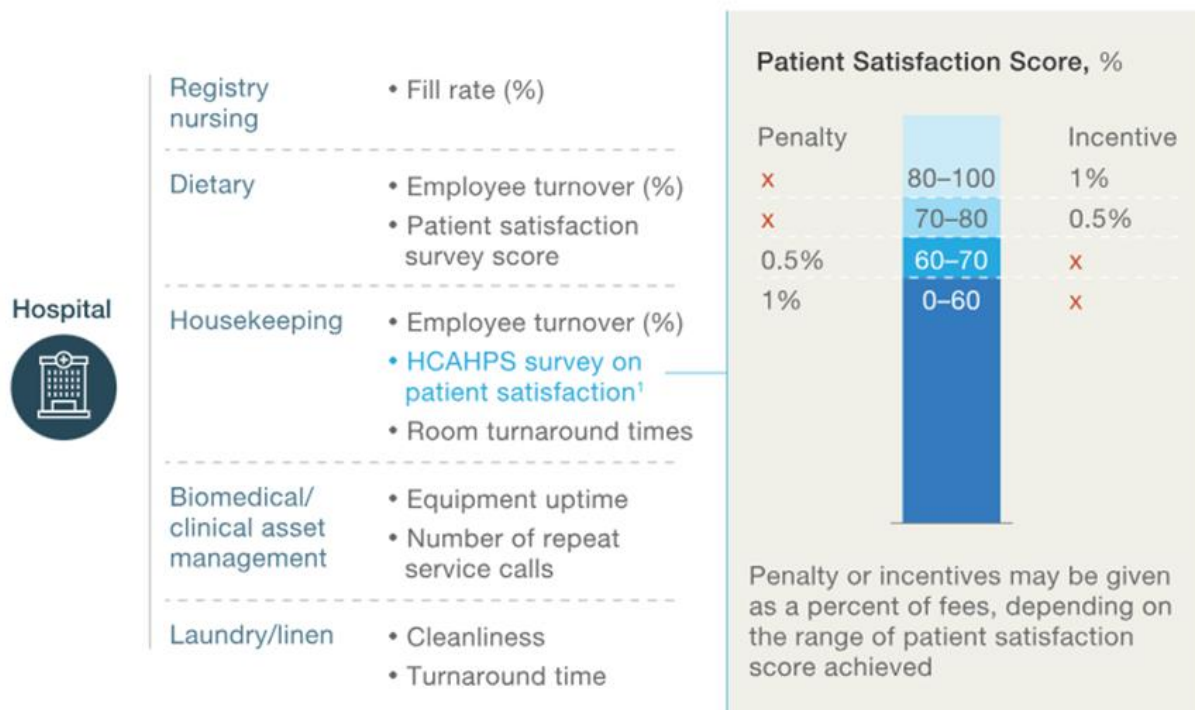
A8 No

Q9 Is there any specific legislation that provides the legal basis for entering into such contracts for healthcare services? In other words, what is the legal basis for entering into such contracts in the healthcare sector?

For further clarification:

I am interested in any performance/value/outcomes-based contracts in the healthcare sector that you can provide me with (have information about). These could include controversial contracts for providing medical services (in other words: treating people) and holding entities accountable for performance/quality/outcomes. An example of an outcome that could be used to assess a medical service provider (from a low-income country) is: "6. Average duration of waiting time before providing appropriate attention to a child (in hours and minutes from arrival to beginning of attention). The expected result is a 50 percent reduction. Full achievement of this target will represent 10 percent of the total additional award in this contract. The current baseline value for this indicator is estimated at forty minutes (as an average) in the area covered." Such contracts are the most important for me. They are in great use for example in Germany what can be surprising. Another example would be a contract similar to Exhibit 1 below.

Example incentive metrics



¹Accuracy of HCAHPS score as a metric may vary based on other factors, such as age of hospital. Client and vendor should work together to define other metrics during walkthroughs or create innovative program structures (eg, absolute survey score versus change in score).
Source: McKinsey; "Purchased services and supply management contracting strategy for hospital systems" (March 2016)

A definition of performance-based incentives: “monetary payments or other material rewards that are provided on the condition that one or more indicators of performance change, that predetermined targets are met, or both.” - R. Eichler, R. Levine, *Performance incentives for global health. Potential and Pitfalls*, Washington 2009, p. 18, <https://www.cgdev.org/sites/default/files/9781933286297-Levine-performance-incentives.pdf> [access 06.07.2024]

Elements specific to performance-based agreements include performance targets and how they will be measured and validated, payment terms that link payment to results, reasons for termination, and specific reporting requirements. – op. cit. R. Eichler, R. Levine..., p. 67.

A9 As answer 3

*Please note that any individuals identified do not give consent for their personal data to be processed for the purposes of direct marketing.

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An anonymised copy of this request can be found on the Trust's disclosure log, please note that all requests can be found at the following link: <http://www.uhnm.nhs.uk/aboutus/Statutory-Policies-and-Procedures/Pages/Freedom-of-Information-Disclosure-Log.aspx>

This letter confirms the completion of this request. A log of this request and a copy of this letter will be held by the Trust.

If you have any queries related to the response provided please in the first instance contact my office.

Should you have a complaint about the response or the handling of your request, please also contact my office to request a review of this. If having exhausted the Trust's FOIA complaints process you are still not satisfied, you are entitled to approach the Information Commissioner's Office (ICO) and request an assessment of the manner in which the Trust has managed your request.

The Information Commissioner may be contacted at:

Information Commissioner's Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF or via www.ico.org.uk.

Yours,



Rachel Montinaro
Data Security and Protection Manager - Records