

Official



NHS England Publications Gateway Reference 06088

11th November 2016

To: CCG Clinical Leads and Accountable Officers
Provider Organisation Chief Executive Officers

Dear Colleague,

INTRODUCING THE NEW INNOVATION AND TECHNOLOGY TARIFF

Last week, NHS England set out plans to fast-track the introduction of seven new types of medical technology products and apps, during 2017/18.

Six will be covered by the new “innovation and technology tariff”, subject to consultation on the proposals for the 2017/19 national tariff. In parallel, but separately from the tariff, NHS England has also decided to support a seventh type of innovation covering mobile ECG technology.

The new Innovation and Technology Tariff is intended to help cut the difficulties experienced by innovators and clinicians in getting uptake and spread of these technologies and services across the NHS. It will remove the need for multiple price negotiations between providers and suppliers, and instead guarantee automatic reimbursement when an approved innovation is used, whilst at the same time allowing NHS England and DH to negotiate national “bulk buy” discounts on behalf of hospitals, GPs and patients.

NHS England’s ambition is to achieve full adoption of these technologies during 2017/18 wherever clinically appropriate, and in ways that also improve the efficiency of the NHS locally and avoids waste. The innovation types within the Innovation and Technology Tariff would offer commissioners savings in a variety of ways including reducing outpatient visits, inpatient length of stay and additional treatment/

procedure costs. A number of the innovation types address patient safety and all would improve both outcomes and experience.

The following six innovation types will be included in the Innovation and Technology Tariff (subject to the outcome of the statutory consultation);

- Guided mediolateral episiotomy to minimise the risk of obstetric anal sphincter injury
- Arterial connecting systems to reduce bacterial contamination and the accidental administration of medication
- Pneumonia prevention systems which are designed to stop ventilator-associated pneumonia
- Web based applications for the self-management of chronic obstructive pulmonary disease
- Frozen faecal microbiota transplantation for recurrent *Clostridium difficile* infection rates
- Prostatic urethral lift systems to treat lower urinary tract symptoms of benign prostatic hyperplasia as a day case

Further details on these six, and also on mobile ECG technology, are set out in the attached annex.

For five of the six innovation categories providers would be reimbursed through local pricing. NHS England will then reimburse commissioners for this cost in addition to its commissioner allocations. The sixth category, treatment of lower urinary tract symptoms of benign prostatic hyperplasia as a day case, is already included in national prices.

NHS England is proposing to agree fixed prices with manufacturers for the five of the six products covered by the Innovation and Technology Tariff. We expect that these prices will be the basis for local agreement between providers and commissioners so there should be no need for further negotiation of the price. This approach is the same as currently exists for high cost drugs and devices which are subject to the local pricing rules

The 15 Academic Health Science Networks have collectively agreed to support and drive rapid and consistent adoption of these technologies, and will be a source of local advice and help.

We would be grateful if you could start considering now how you can secure the full benefits.

The Innovation and Technology tariff forms an important part of a wider plan for the NHS to commission, adopt and spread new technologies, including critically medtech - as part of a more coherent innovation landscape backed by AHSNs. 2017/18 marks the first year of this approach. To get started, this year we developed a

Official

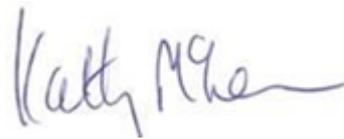
pragmatic process, linked to the NHS Innovation Accelerator programme. For 2018/19, we intend to develop the programme further and will work this up with industry partners such as ABHI, NHS organisations and AHSNs. We will set out further details early in the New Year.

If you require any further information please do not hesitate to contact the Innovation and Research Unit at NHS England at england.innovation@nhs.net, or your local AHSN.

Yours sincerely,

A handwritten signature in blue ink that reads "Bruce Keogh". The signature is written in a cursive style with a long horizontal line extending from the bottom of the name.

Professor Sir Bruce Keogh
National Medical Director
NHS England

A handwritten signature in blue ink that reads "Kathy McLean". The signature is written in a cursive style with a long horizontal line extending from the end of the name.

Dr Kathy McLean
Executive Medical Director
NHS Improvement

ANNEX

Guided mediolateral episiotomy to minimise the risk of obstetric anal sphincter injury

<i>Innovation Detail</i>	<p>Approximately 15% of births in England require an episiotomy. Of these, around 25% experience obstetric anal sphincter injuries (OASIS). OASIS repair, litigation and elective caesarean sections cost the NHS £57 million annually. The angle of the cut is important and NICE Guidance recommends that cuts need to be between 45 and 60 degrees to reduce the incidence of poor patient outcomes, reconstructive surgery and litigation costs. The use of angled scissors in episiotomies therefore should improve patient experience and outcomes and reduce OASIS repair and litigation.</p> <p>Recent published evidence shows using angled scissors can lead to a reduction in OASI between 18-50%.</p>
<i>Payment / price detail</i>	<p>For the purposes of reimbursement the cost is not covered by national prices. Before adopting this service, providers and commissioners should agree the price and terms of use in accordance with the rules for setting local prices in Section 6 of the national tariff.</p> <p>We suggest that where adopted this should be charged to the commissioner per patient use.</p> <p>The price for this, which is based on an estimate of 20 uses, is £16.00 per use.</p>
<i>Procurement route</i>	<p>The Department of Health have centrally procured a number of angled episiotomy scissors which are available via the NHS Supply Chain</p>
<i>Further Information</i>	<p>Further information is available at: https://www.nice.org.uk/advice/mib33/chapter/introduction https://www.nice.org.uk/guidance/cg190/chapter/1-recommendations#thirdstage-of-labour</p>

Reduction of bacterial contamination and accidental administration of medication

<i>Innovation Detail</i>	<p>Arterial line placement is a common procedure in various critical care settings. Intra-arterial blood pressure (BP) measurement is more accurate than measurement of BP by non-invasive means, especially in the critically ill. Although rare, when wrong route drug administration occurs, it has the potential to cause serious damage to the vessel and surrounding tissue. Arterial cannulation is associated with complications including bacterial contamination, accidental intra-arterial injection and blood spillage.</p> <p>Needle-free connectors prevent blood spillage and through a one-way valve allow aspiration only thus preventing accidental administration of medication to the arterial line.</p>
<i>Payment / price detail</i>	<p>For the purposes of reimbursement the cost is not covered by national prices. Before adopting this service, providers and commissioners should agree the price and terms of use in accordance with the rules for setting local prices in Section 6 of the national tariff.</p> <p>We suggest that where adopted this should be charged to the commissioner per patient use, with the cost being met by NHS England.</p> <p>The price for this, which is £2.00 per use, is based on the purchase price. As critical care is a locally-priced service, it is expected that the innovation will be reimbursed separately.</p>
<i>Procurement route</i>	<p>Current volumes are not sufficient to justify a national procurement at this stage. Usage will continue to be assessed and once volumes are sufficient national procurement will be re-considered.</p> <p>Providers can locally procure a non-injectable arterial connector from the Papworth Trust.</p>
<i>Further information</i>	<p>Further information can be found at the Eastern Academic Health Science Network.</p>

Prevention of Ventilator Associated Pneumonia in critically ill patients

<p><i>Innovation Detail</i></p>	<p>Ventilator-associated pneumonia (VAP) is defined as pneumonia that occurs 48-72 hours or thereafter following endotracheal intubation, characterised by the presence of a new or progressive infiltrate, signs of systemic infection (fever, altered white blood cell count), changes in sputum characteristics, and detection of a causative agent.</p> <p>Approximately 100,000 patients are admitted for ventilation in critical care units in the UK each year. The risk for patients is highest during early ICU stay when it is estimated to be 3% per day during days 1–5 of ventilation, 2% per day during days 5–10 of ventilation and 1% per day thereafter (Masterton, 2008).</p> <p>On average 10 - 20% (10,000- 20,000) patients will be diagnosed with Ventilator Associated-Pneumonia (VAP) resulting in an attributable mortality rate of about 30% or between 3,000 and 6,000 deaths. Each episode of VAP has an estimated cost to the NHS of between £10,000 and £20,000. Using products that prevent VAP could save the NHS over £100 million per annum.</p> <p>Improved airway management in critically ill patients who are having mechanical ventilation can prevent ventilator-associated pneumonia by minimising the risk of pulmonary aspiration and micro-aspiration in patients having ventilation for 24 hours or more. This could see a reduction in the length of time spent on ventilation and length of stay in ICU.</p> <p>There are available pneumonia prevention systems which are designed to stop ventilator-associated pneumonia through the use of a cuffed ventilation tube and an electronic cuff monitoring and inflating device which prevents leakage of bacterial laden oral and stomach contents to the lung – a problem associated with standard tubes.</p>
<p><i>Payment / price detail</i></p>	<p>For the purposes of reimbursement the cost is not covered by national prices. Before adopting this service, providers and commissioners should agree the price and terms of use in accordance with the rules for setting local prices in Section 6 of the national tariff.</p> <p>We suggest that where adopted this should be charged to the commissioner per patient use, with the cost met by NHS England.</p> <p>The price for this is £150.00, based on the purchase price. As critical care is a locally-priced service, it is expected that the innovation will be reimbursed separately.</p>
<p><i>Procurement route</i></p>	<p>Current volumes are not sufficient to justify a national procurement at this stage. Usage will continue to be assessed and once volumes are</p>

Official

	<p>sufficient national procurement will be re-considered.</p> <p>Providers can locally procure direct from manufacturers.</p>
Further information	<p>NICE have produced a Medtech Innovation Briefing (MIB) which identified 3 studies including 1 RTC and 2 retrospective cohort studies.</p>

Application for the self-management of Chronic Obstructive Pulmonary Disease

<p><i>Innovation Detail</i></p>	<p>Managing Chronic Obstructive Pulmonary Disease (COPD) costs the NHS more than £1bn each year. However, treatment is complex, with different inhalers needing to be used in different ways. Compliance with treatment is often extremely low, leading to poor outcomes and wasted prescribing. For this reason, improving self-management for patients with COPD is a key priority for the NHS.</p> <p>There is no cure for COPD and good symptom management is essential to stabilise disease and prevent recurrent flare-ups or exacerbations. Exacerbations often require intensive treatment and can be severe enough to require hospital admission.</p> <p>There is evidence from recent studies that disease-specific self-management improves health status and reduces hospital admissions in COPD patients. It is critical to implement health education programs in the continuum of care aimed at behaviour modification. Studies in COPD have shown that self-management increases knowledge and skills the patients require to treat their own illness. It gives patients the ability to manage their condition by more effective use of their inhalers, support self-care, and complements face to face pulmonary rehabilitation programmes.</p> <p>A number of a web-based and iOS applications that help patients manage their condition more effectively are available. These platforms can interface with clinical dashboards to monitor and manage their patients remotely at an individual and population level.</p> <p>These platforms can also be used by local health care providers and CCGs to monitor exacerbation burdens in real-time and review potential inequalities in health care to plan support services effectively.</p>
<p><i>Payment / price detail</i></p>	<p>For the purposes of reimbursement the cost is not covered by national prices. Before adopting this service, providers and commissioners should agree the price and terms of use in accordance with the rules for setting local prices in Section 6 of the national tariff.</p> <p>We suggest that where adopted this should be charged to the commissioner per unique patient registration on the application. The cost will be met by NHS England.</p> <p>The price for this is £20.00 per patient.</p>
<p><i>Procurement route</i></p>	<p>Providers can locally procure this service. NHS England is pursuing an exemplar local procurement.</p>
<p><i>Further Information</i></p>	<p>NICE have produced guidance on the management of COPD.</p>

Frozen Faecal microbiota transplantation (FMT) for recurrent Clostridium difficile infection rates

<p><i>Innovation Detail</i></p>	<p>Clostridium difficile infection rates are climbing in frequency and severity, and the spectrum of susceptible patients is expanding beyond the traditional scope of hospitalized patients receiving antibiotics. There are over 3,000 new cases of chronic CDI across England per annum. Faecal microbiota transplantation (FMT) is becoming increasingly accepted as an effective and safe intervention in patients with recurrent disease, likely due to the restoration of a disrupted microbiome. Cure rates of > 90% are being consistently reported from multiple centres. FMT is the provision of a screened specially prepared stool administered via a nasal tube into the intestine to restore the balance of bacteria in the gut. FMT is a NICE recommended treatment for Chronic CDI.</p> <p>FMT is an effective alternative to antibiotic treatment for CDI at a comparable cost and has been shown to reduce length of stay.</p> <p>To date nine trusts have performed FMTs on their own site via the frozen service.</p>
<p><i>Payment / price detail</i></p>	<p>For the purposes of reimbursement the cost is not covered by national prices. Before adopting this service, providers and commissioners should agree the price and terms of use in accordance with the rules for setting local prices in Section 6 of the national tariff.</p> <p>We suggest that where adopted this should be charged to the commissioner per patient use. The cost will be met by NHS England.</p> <p>The price for this, which is £95.00, is based on the cost of service provision.</p>
<p><i>Procurement route</i></p>	<p>Current volumes are not sufficient to justify a national procurement at this stage. Usage will continue to be assessed and once volumes are sufficient national procurement will be re-considered.</p> <p>Providers can contact one of the FMT centres for further information regarding this service.</p>
<p><i>Further Information</i></p>	<p>NICE has produced interventional procedures guidance for this technology as part of the pathway for gastrointestinal conditions.</p>

Treatment of lower urinary tract symptoms of benign prostatic hyperplasia as a day case

<p><i>Innovation Outcome</i></p>	<p>Benign prostatic hyperplasia (BPH) is a common and chronic condition where the enlarged prostate can make it difficult for a man to pass urine, leading to urinary tract infections, urinary retention, and in some cases renal failure. Existing treatments TURP (transurethral resection of the prostate) involve cutting away or removing existing tissue, require an average hospital stay of 3 days and often catheterisation for many days post-surgery.</p> <p>In people with benign prostatic hyperplasia, the prostate becomes enlarged. A prostatic urethral lift system uses adjustable, permanent implants to hold the enlarged prostate away from the urethra so that it isn't blocked. In this way, the device can relieve lower urinary tract symptoms (such as pain or difficulty when urinating).</p> <p>A prostatic urethral lift system is a less complex and invasive procedure performed as a day case and, increasingly carried out under a local anaesthetic. There will be savings from reductions inpatient stay and general anaesthesia costs. There are significantly fewer side effects (notably 0% risk of permanent sexual dysfunction) and post-operative complications.</p> <p>Healthcare teams may want to use a prostatic urethral lift system as an alternative to transurethral resection of the prostate (TURP) and holmium laser enucleation of the prostate (HoLEP).</p>
<p><i>Payment / price detail</i></p>	<p>For the purposes of reimbursement this cost is included in tariff and reported via SUS and charged per spell.</p> <p>Providers should use combination code M678 (Other specified other therapeutic endoscopic operations on prostate) + Y022 (Therapeutic endoscopic implantation of prosthesis into prostate) which will group to the LB70 Complex Endoscopic, Prostate or Bladder Neck Procedures (Male and Female) HRG Root.</p>
<p><i>Procurement route</i></p>	<p>Providers can locally procure direct from manufacturers.</p>
<p><i>Further Information</i></p>	<p>NICE has developed medical technology guidance on prostatic urethral lift systems (MTG26).</p>

INNOVATION GROUP FOR PRIMARY CARE – EXCLUDED FROM THE INNOVATION AND TECHNOLOGY TARIFF

<i>Identification and measurement of atrial fibrillation through mobile ECG technology</i>	
<i>Innovation Outcome</i>	<p>Atrial fibrillation (AF) is the most common heart rhythm disturbance, affecting about 2 million people in the UK and Ireland and is responsible for a third of all strokes. Many cases of AF go undetected, and the current process for diagnosis can be lengthy, particularly as waiting times for services are often long.</p> <p>Mobile ECG devices provide a portable electrocardiogram (ECG) recorder. Monitors work with a compatible mobile device and use an app or equivalent platform to analyse the ECG recording and send it to a healthcare professional for analysis.</p>
<i>Payment / price detail</i>	<p>This device is not part of the Innovation and Technology Tariff. Instead NHS England, working with DH, will procure centrally based on stated demand from CCGs. We will work with NHS Clinical Commissioners and AHSNs to match reasonable demand with potential supply in a way that maximises utilisation and avoids waste.</p>
<i>Further Information</i>	<p>NICE has developed guidance on the management of Atrial Fibrillation</p>