Quality Care
Clinically Led
for healthier communities in Central Manchester

NHS
Central Manchester Clinical Commissioning Group

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Marginal Rate Emergency Rule (MRET)/Re-Admissions Penalties - Investing the Retained Funds

Under the above rules, Clinical Commissioning Groups are required to publish details of our plans for the investment of retained funds and send copies of such plans to Monitor and NHS England. We are also required to publish details on our website.

The marginal rate emergency rule (MRET) was introduced in 2010/11 in response to a growth in emergency admissions in England that could not be explained by population growth and Accident & Emergency (A&E) attendance growth alone. This growth in emergency admissions was made up primarily of emergency spells (a patient's time with the provider from admission to discharge) lasting less than 48 hours.

MRET sets a baseline value for income from emergency admissions for each provider. For emergency admissions above this baseline, the provider receives 30% of the normal price under the Default Tariff Rollover (DTR) tariff. The 70% of the value of the emergency admissions above a provider's baseline that is retained by the commissioner must be spent on managing the demand for admitted emergency care.

If the Enhanced Tariff Option (ETO) has been adopted then the provider will receive the 70% of the normal price and the 30% will be reinvested in managing the demand.

The exact value will be determined by the level of non-elective activity undertaken in 2015-16 and any investment of retained funds will be done in line with the National guidance.

Emergency readmissions within 30 days – The 30 day readmission rule was introduced in 2011-12 in response to a significant increase in emergency readmissions in the previous decade. The rule aims to incentivise Trusts to reduce the number of emergency admissions by – for example – investing in more effective discharge planning, community interventions and so on.

The rule stipulates that, where a patient is readmitted within 30 days, the cost of the spell is absorbed by the original provider. In practice, there are variations to the way that this is reimbursed and significant work is undertaken annually to ensure that the correct process is being followed by all parties.

In line with guidance, CCG's must also publicise plans for reinvestment of these funds to help support Trusts in reducing emergency readmission.

Current Guidance states that, to receive the funds for reinvestment, the CCG must comply with the following;

- Properly prepared plans with clear evidence on how the scheme(s) can reduce - demand on urgent care
- Must be co-ordinated with overall commissioning decisions regarding demand management
- Must be developed with constructive engagement
- Must be communicated to all relevant stakeholders; via the CCG website, to Chief executive's at all relevant Trusts and to be shared with NHS England, Monitor and/or TDA
- Must be reviewed for effectiveness

Plans to invest the retained funds have been developed across the following schemes:

- Alternatives to Transfer (ATT)
- Manchester Pathway – Specialist Homeless Service (MPath)
- Care Homes Primary Care Model
- Home from Hospital
- ICATT
- PICT
- Homecare

If further information is required, please contact communicationsmanchester@nhs.net

Reinvestment of Penalties

In line with the NHS Standard contract, a number of penalties may be applied to provider contracts where that has been a breach in quality or performance standards – for example 18 week RTT performance.
These penalties will be published on the Central Manchester CCG website quarterly along with details of how these funds have been reinvested.