



Bwrdd Iechyd
Addysgu Powys
Powys Teaching
Health Board

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Our ref: IG/FOI/24.R.312

10 September 2024

Sent via email to: [REDACTED]

Dear [REDACTED]

Request under the Freedom of Information Act 2000

I write further to your request for information, which was received on 12 August 2024, to confirm, in accordance with S.1(1)(a) of the Freedom of Information Act 2000, that Powys Teaching Health Board (PTHB) does not hold the information that you require.

For ease of reference your request is set out below and my response follows.

Your Freedom of Information (FOI) Request:

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 Wales. In light of the above, I have the following questions:

1. Are performance-based contracts being utilized in the broadly defined healthcare sector in your entity? Timespan: no limit.
2. If so, what specific cases of such contracts can be identified?
3. Will the number of such contracts increase, decrease, or remain the same in the future?
4. Have there been any legal proceedings or court rulings related to such contracts?
5. If so, what specific cases of such legal proceedings or court rulings can be identified?

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Rydym yn croesawu gohebiaeth Gymraeg
Bwrdd Iechyd Addysgu Powys yw enw gweithredd Bwrdd Iechyd Lleol
Addysgu Powys



We welcome correspondence in Welsh
Powys Teaching Health Board is the operational name of
Powys Teaching Local Health Board

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

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

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

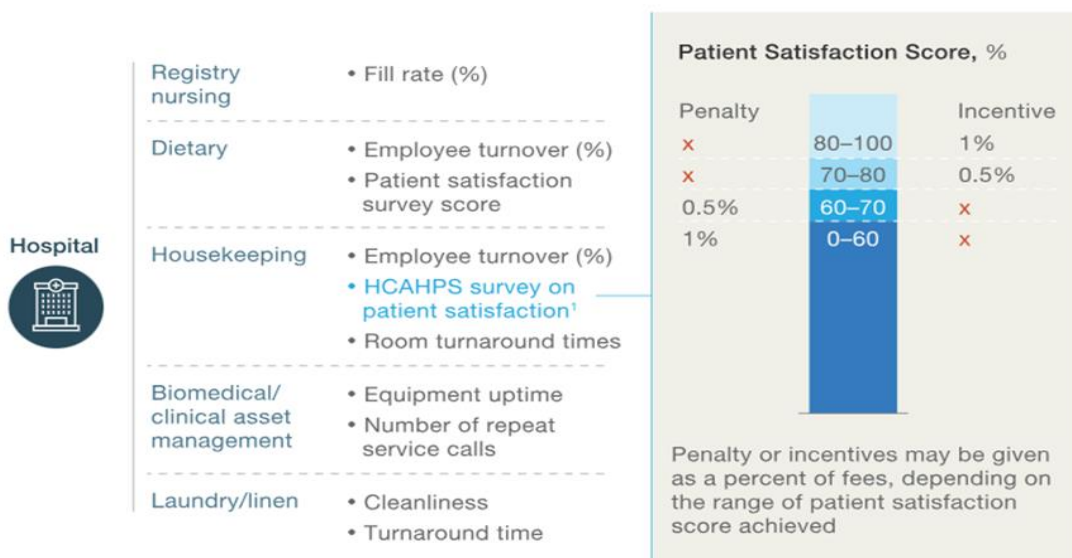
9. Is there any specific legislation that provides the legal basis for entering into such contracts for healthcare services? In other words, what is the legal basis for entering into such contracts in the healthcare sector?

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.

Powys Response:

Q1 – 9. I can confirm Powys Teaching Health Board (PTHB) does not have any performance-based contracts. Therefore, this is a nil response.

Under the terms of the Health Board's Freedom of Information procedure, individuals seeking access to recorded information held by the Health Board are entitled to request an internal review of the handling of their requests. If you would like to complain about the Health Board's handling of your request, please contact us directly at the address below or register your complaint via powysfoi.foi@wales.nhs.uk

If after Internal Review you remain dissatisfied you are also entitled to refer the matter to the information commissioner at the Information Commissioner's Office (Wales), 2nd Floor, Churchill House, Churchill Way, Cardiff, CF10 2HH. Telephone Number: 0330 414 6421.

Yours sincerely

Chris Moss
Assistant Director of Performance and Commissioning

David Farnsworth
Assistant Director, Community Services Group

Rydym yn croesawu derbyn gohebiaeth yng Nghymraeg. Byddwn yn ateb y fath ohebiaeth yng Nghymraeg ac ni fydd hyn yn arwain at oedi.

We welcome receiving correspondence in Welsh. We will reply to such correspondence in Welsh and this will not lead to a delay.