



# Independent sector treatment centres: the evidence so far

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## Introduction

In July 2007, we published a review of the quality of care provided by independent sector treatment centres (ISTCs) in response to concerns expressed by clinicians and the Health Select Committee about the quality of care offered by ISTCs and at the request of the Secretary of State for Health.

Our review had been hampered by poor quality data. Although we did look at outcomes (mortality, readmissions, length of stay) for a number of procedures, we found that the quality of routine statistics was poor, and insufficient to allow a full assessment of processes and outcomes of care in ISTCs. A number of our recommendations were directed at the need to improve the quality and coverage of a common set of patient-level data to be available for all NHS patients, regardless of where they were treated.

Today, the need for information that can be compared across the healthcare sector is stronger than ever before. Changes in government policy and the radical transformation underway in the way that services are provided are increasingly making the distinction between provision of healthcare by the NHS and the independent sector irrelevant. Although the independent sector has historically always provided a share of NHS-funded care, recent changes in government policy are accelerating this process.

From April 2008, NHS patients needing elective care have been able to choose any provider – NHS or approved independent – in England. The extent of NHS-funded healthcare provided by the independent sector is increasing, and the range of services is widening. Care that is commissioned by the NHS is also a growing source of business for the private sector. Furthermore, with commissioning from the independent sector increasingly moving to local organisations, and with the introduction of 'free choice', the number and range of independent sector establishments providing services to NHS patients is likely to increase significantly. Lord Darzi's review has highlighted the need for personalised services. For this to become a reality, it will be critical to have information about all the components of care received by patients, irrespective of provider.

The introduction of choice of provider for patients on the one hand, and competition between providers of services on the other, therefore make the need for comparable information across providers imperative. If patients are to make informed choices between providers, and if commissioners are to achieve the challenging aims of World Class Commissioning, comparable information about performance in crucial areas such as quality and safety must be available to the public in the case of all providers.

There are also other important reasons why this should happen. The Healthcare Commission at present has a statutory duty to review performance of NHS services and public health and award an annual performance rating; we also regulate independently provided care through a process of registration and inspection. The Government is moving to align the regulatory requirements across both sectors, as reflected in the proposed legislation to create the Care Quality Commission. It is therefore necessary

that information that can be compared across both sectors is available to support assessments of performance by the regulator on a consistent basis.

### **Progress so far**

Our review of ISTCs in 2007 commented, in particular, on the poor quality of Hospital Episode Statistics (HES), a dataset about admitted patients, submitted by ISTCs. We said then that we would publish an update when more current data were available. This update provides an analysis of data for the year 2006/07, and the first half of the year 2007/08 (to September 2007). There have been some important improvements in the quality of HES data submitted by ISTCs since then.

The coding that describes the nature of the procedure undertaken and patients' diagnoses has improved. However, although improving, it is still poor. This also prevents the construction of healthcare resource groups (HRGs) – the mechanism by reference to which costs, and therefore payments, are calculated. This means that reliable adjustment of the data on outcomes cannot be carried out to take account of the mix of cases at ISTCs. This is important because, as our report noted, there are differences in the mix of cases as between ISTCs and the NHS. Also, the ethnicity of patients cared for in ISTCs is still very poorly coded. Reports published by the Information Centre on the quality of HES data from providers of independent healthcare also show the need for improvements in data quality<sup>1</sup>.

Much more needs to be done, therefore, to accelerate this improvement. Clear opportunities now exist to make this happen. The Department of Health has recently been reviewing its information strategy. And the Department of Health's standard contract for the commissioning of services by acute hospitals published in December 2007 included stipulations for submission of information that apply across all bodies that provide care that is funded by the NHS. Forthcoming contracts relating to other services should also include a requirement for comparable information, including patient-level data.

The Healthcare Commission has undertaken several initiatives to promote the progress of information that can be compared across the NHS and independent sectors:

- We established a Joint Agency Working Group, with representatives from the Department of Health, Connecting for Health, the Information Centre and the independent sector. The aim of the group is to promote information that is aligned across the NHS and independent sectors, and identify ways of addressing some of the obstacles to making this happen.
- In addition, we are beginning to apply our risk-based methods of regulation to independent sector establishments, in order to target our inspections. Although the current quality of ISTC patient-level data is not good enough for monitoring

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<sup>1</sup> <http://www.ic.nhs.uk/about-us/our-priorities-for-2007/08/independent-sector-information-programme/news>

outcomes of treatment, we intend to use measures of quality of data as part of our risk-based regulation of ISTCs – as we do for the NHS.

Good quality of data from all bodies that provide healthcare – both in the NHS and independent sectors – is essential for routine comparisons of the quality of care. While our updated analysis of data covering the period up to September 2007 found that there have been some improvements, the quality of data is still insufficient for comparative analysis. We acknowledge the progress that ISTCs have made in improving the quality of data, and we are continuing to work with the Department of Health and the Information Centre on initiatives to improve it further.

Despite this progress, the Government and supporting agencies must resolve to ensure that information is fit for its purpose to support the needs of patients, commissioners, providers, regulators, auditors and the many other potential users of such data.

We recommend that:

- The Department of Health should, with the Information Centre, Connecting for Health, the Healthcare Commission and the independent sector, agree and specify a common, patient-level data set, to be submitted for all patients treated in the independent sector, including those whose care is funded privately or by insurers.
- The Information Centre and Connecting for Health should facilitate and support the flow of this information and validate the quality of the data.
- Independent sector providers should provide high quality data for all their patients. This should be a registration requirement under the Care Quality Commission when it comes into being.

## **Annex – Updated analysis of Hospital Episode Statistics**

This annex contains our analyses of updated Hospital Episode Statistics (HES) data (2006/07 and first half of 2007/08 – to September 2007). The results show some improvement in data quality (see table 1).

### **Data analysis**

This report examines the quality of HES data submitted by 42 ISTCs listed by the Department of Health as being operational as of January 2008. Of these 42 ISTCs, 24 were in Wave 1 and 18 are listed as being in operation during Phase 2.

The quality of data was assessed by analysing the proportion of records in which data from selected HES fields were either missing or invalid.

### **Data coverage**

- For the time period quarter 2 2007/08 there is evidence of HES submission from 32 ISTCs. Twenty-seven ISTCs provided HES submission for the time period 2006/07.

### **Data quality**

- There is evidence of good recording by ISTCs for 23 of the 30 HES fields (see table 2), however coding was poor for 4 important fields – for example, diagnosis, ethnicity, and HRG.
- Diagnosis coding: in the first half of 2007/08, 42.6% of ISTC records had a missing/invalid primary diagnosis code. This is better than for 2006/07, where over 59.5% of diagnosis coding was missing/invalid but, overall, this level of coding is poor.
- Ethnicity coding: 64.1% of records had missing/invalid coding. This is better than for 2006/07 where 77% of records contained missing/invalid ethnicity codes but, overall, this level of coding is poor.
- Procedure coding has improved across ISTCs, with many submitting very low proportions of missing/invalid records. However across all ISTC submissions, 10.2% of records contained missing/invalid procedure codes.
- Poor recording of the diagnosis field explains the high proportion of invalid HRG classifications (HRGs are derived from several HES fields including diagnosis).
- A few ISTCs had low levels of missing/invalid codes across all the HES fields examined.

- For the first half of 2007/08 there were 19 ISTCs who did not submit data to HES. Of these, 18 were phase 2 ISTCs who had come into operation only recently.

### Comparisons with the NHS

- Comparing ISTCs with NHS acute and NHS treatment centres illustrates where ISTC and other independent provider coding is deficient, for example in areas such as ethnicity and diagnosis. However ISTCs have improved their coding of the primary procedure field.

**Table 1: Number of episodes and percentages of selected Hospital Episode Statistics (HES) fields with missing or invalid data, for independent sector treatment centres submitting HES data for financial years 2005/06, 2006/07 and Q2 2007/08**

Invalid/ Missing HES codes	Independent sector treatment centres					
	Count of episodes (2005/06)	%	Count of episodes (2006/07)	%	Count of episodes (Q2 2007/08)	%
Total episode	16,387[1]	-	68,597	-	39,164	-
Admission date	0	0	0	0.00	0	0.00
Admission method	0	0	0	0.00	0	0.00
Admission source	6	0	0	0.00	0	0.00
Primary diagnosis (invalid field)	12,516	76.4	40,803	59.48	16,666	42.55
Primary diagnosis (blank field)	0	0	0	0.00	0	0.00
Diagnosis given as unknown	12,516	76.4	40,802	59.48	16,666	42.55
2 <sup>nd</sup> diagnosis (2nd field invalid)	0	0	1	0.00	0	0.00
Discharge date	0	0	0		0	0.00
Discharge destination	7	0	199	0.00	209	0.53

Discharge method	24	0.2	348	0.51	241	0.62
DOB (blank/invalid dummy codes used, or less than 01/01/1885)	12	0.1	12	0.00	7	0.02
DOB0101 (use of 01/01 of any yr)	52	0.3	240	0.00	141	0.36
Episode start	0	0	0	0.00	0	0.00
Episode end	0	0	0	0.00	0	0.00
Episode order	0	0	0	0.00	0	0.00
Ethnicity	11,305	69	52,814	76.99	25,111	64.12
Home address (invalid code)	432	2.6	912	1.33	648	1.65
Home address (invalid format)	322	2	580	0.85	420	1.07
HRG (calculated by HES)	12,516	76.4	41,021	59.80	16,961	43.31
HRG (trust provided)	47	0.3	8,447	12.31	4,941	12.62
Intended management	6	0	6,509	9.49	2,298	5.87
Main specialty	1,442	8.8	3,388	4.94	1,807	4.61
NHS number denominator	16,363	-	68,493	-	39,140	-
NHS number (invalid code)	82	0.5	67	0.10	84	0.21
Invalid primary procedure	1,251	7.6	858	1.25	1,081	2.76
Primary procedure (blank)	7,103	43.4	12,908	18.82	4,126	10.54
Sex	148	0.9	194	0.28	89	0.23
Start age (invalid)	16	0.1	19	0.03	8	0.02
Start age (blank)	16	0.1	19	0.03	8	0.02
Treatment specialty	1,173	7.2	2,840	4.14	1,528	3.90

**Note on shading:**

Red: more than 25% missing or invalid.

Amber: 5% to 25% missing or invalid.

Green: less than 5% missing or invalid.

**Table 2 – Data quality in Hospital Episode Statistics in independent sector treatment centers (ISTCs), NHS treatment centres, and NHS acute providers for time periods 2006/07 and Q2 2007/08: % of records that were missing/invalid (elective episodes only)**

Treatment group	Total episode	Admission date %	Admission method %	Admission source %	Primary diagnosis %	Primary diagnosis (blank field) %	Primary diagnosis (unknown)	Diag 2 (2nd field invalid) %	Discharge date %	Discharge destination %	Discharge method %	DOB invalid %	DOB0101 %	Episode start %	Episode end %	Episode order %	Ethnicity %	Home address (invalid) %	Home address (format) %	HRG calculated by HES%	HRG submitted by trusts%	Intended management %	Main specialty %	NHS number denom	NHS number invalid %	Prim procedure (invalid) %	Prim procedure (blank) %	Sex %	Start age %	Start age (blank) %	Treatment specialty %
<b>2006/07</b>																															
ISTC	68,597	0.0	0.0	0.0	59.5	0.0	59.5	0.0	0.0	0.0	0.5	0.0	0.0	0.0	0.0	0.0	77.0	1.3	0.8	59.8	12.3	9.5	4.9	68,493	0.1	1.3	18.8	0.3	0.0	4.1	
NHS TC	70,663	0.0	0.0	0.0	0.2	0.0	0.2	0.1	0.0	0.0	0.0	0.4	0.0	0.0	0.0	0.0	21.1	0.1	0.1	0.2	0.2	0.1	0.1	70,639	0.8	0.0	3.4	0.0	0.0	0.4	
NHS trust	7,012,266	0.0	0.0	0.9	0.3	0.0	0.3	1.1	0.0	0.1	0.0	0.3	0.7	0.0	0.0	0.0	16.5	0.3	0.2	0.6	8.6	0.4	0.9	6,968,736	1.7	0.0	11.5	0.0	0.2	0.9	
<b>Q2 2007/08</b>																															
ISTC	39,164	0.0	0.0	0.0	42.6	0.0	42.6	0.0	0.0	0.5	0.6	0.0	0.4	0.0	0.0	0.0	64.1	1.7	1.1	43.3	12.6	5.9	4.6	39,140	0.2	2.8	10.5	0.2	0.0	3.9	
NHS TC	12,340	0.0	0.0	0.0	0.1	0.0	0.1	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.0	16.8	0.0	0.0	0.6	0.2	0.0	0.0	12,336	0.5	0.9	4.9	0.0	0.0	0.0	
NHS trust	3,534,832	0.0	0.0	1.0	1.5	0.0	1.5	1.4	0.0	0.0	0.0	0.3	0.7	0.0	0.0	0.0	15.1	0.3	0.2	2.8	8.4	1.3	0.5	3,512,883	1.4	1.7	12.3	0.0	0.3	0.8	

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