

Lay Summary

The Potential for Payment Reform to Influence Emergency Admissions: The case of blended payment in the English NHS

by

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Our project '[Analysis of purchaser-provider contracts: modelling risk sharing and incentive implications](#)' examines what happens if the NHS changes the way it pays for hospital emergency treatments. The previous system paid a fixed price for each patient according to the amount of resources (such as staff time and medicines) needed to treat them. The system closely linked payment to the number of patients treated. It has been replaced with a system called *blended payment*, which gives the hospital a lump sum and then makes more limited adjustments for the number of patients they treat.

In our previous paper '[Payment reform, purchaser and provider decisions and the performance of emergency healthcare systems: The case of blended payment in the English NHS](#)' we showed that admissions *may* be reduced by the move to blended payment. We are now concerned with understanding how big that effect could be in practice. In this paper we examine differences between hospitals in how many patients are admitted from Accident and Emergency departments (A&E) and whether changing the payment system is likely to have a substantial effect on hospital admissions.

We show that admissions vary a lot but that decreasing the price paid for an admission is likely to result in only a very small decrease in admissions. However, the effect of reform is predicted to be largest for those hospitals that have the highest admissions.

In our next paper we turn our attention towards attendances at A&E departments because our earlier work indicates that these too may be impacted by payment reform.

This research project and lay summary benefitted from the comments and suggestions of representatives of patients and the public, for which we are grateful.

Full paper available [here](#)

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