

Assessing resource impact process manual

2023

# Contents

[Contents 2](#_Toc127175351)

[1 Introduction 4](#_Toc127175352)

[1.1 About this process manual 4](#_Toc127175353)

[1.2 What is resource impact assessment? 4](#_Toc127175354)

[1.3 Purpose of this process manual 4](#_Toc127175355)

[1.4 Overview of the resource impact assessment team 5](#_Toc127175356)

[1.5 Assessing resource impact for different types of guidance 6](#_Toc127175357)

[2 Resource impact principles and perspectives 6](#_Toc127175358)

[2.1 Timeframes 6](#_Toc127175359)

[2.2 General principles for assessing resource impact 6](#_Toc127175360)

[2.3 Perspectives 9](#_Toc127175361)

[2.4 Sensitivity analyses 10](#_Toc127175362)

[3 Developing the resource impact tools 10](#_Toc127175363)

[3.1 Background 10](#_Toc127175364)

[3.2 Population sources 11](#_Toc127175365)

[3.3 Incidence and prevalence data 11](#_Toc127175366)

[3.4 Data sources to establish current activity 12](#_Toc127175367)

[3.5 Data sources to establish future practice 13](#_Toc127175368)

[3.6 Activity and unit costs 14](#_Toc127175369)

[4 Assessing the resource impact of Centre for Health Technology Evaluation guidance 16](#_Toc127175370)

[4.1 Process overview 16](#_Toc127175371)

[4.2 Specifics relating to technology appraisals and highly specialised technologies 18](#_Toc127175372)

[4.3 Specifics relating to medical technology guidance 21](#_Toc127175373)

[4.4 Specifics relating to diagnostics guidance 21](#_Toc127175374)

[4.5 The MedTech funding mandate 22](#_Toc127175375)

[5 Assessing the resource impact of NICE guidelines 22](#_Toc127175376)

[5.1 Process overview 22](#_Toc127175377)

[5.2 Full and partial updates of guidelines 24](#_Toc127175378)

[6 Resource impact products 24](#_Toc127175379)

[6.1 Resource impact reports 25](#_Toc127175380)

[6.2 Resource impact templates 25](#_Toc127175381)

[6.3 Resource impact statements 26](#_Toc127175382)

[6.4 Resource planner 26](#_Toc127175383)

[7 Quality assurance process and publication 27](#_Toc127175384)

[7.1 Resource impact reports and templates 27](#_Toc127175385)

[7.2 Resource planner 29](#_Toc127175386)

[7.3 Approval for publication 29](#_Toc127175387)

[8 Making post-publication amendments 30](#_Toc127175388)

[8.1 New technologies for the same condition 30](#_Toc127175389)

[8.2 Guideline updates 30](#_Toc127175390)

[8.3 Other circumstances in which amendments are needed 30](#_Toc127175391)

[9 Terms used in this manual 32](#_Toc127175392)

[Resource impact 32](#_Toc127175393)

[Significant 32](#_Toc127175394)

[National tariff 33](#_Toc127175395)

[National cost collection 33](#_Toc127175396)

1. Introduction
	1. About this process manual
		1. NICE produces guidance through 2 centres: the Centre for Health Technology Evaluation and the Centre for Guidelines. The [resource impact assessment team](https://www.nice.org.uk/about/what-we-do/into-practice/resource-impact-assessment) estimates the cost or saving of guidance produced by both centres. Any other areas needing a [resource impact](#ResourceImpactDefinition) assessment will also be covered, for example, evidence summaries, quality standards and indicators.
	2. What is resource impact assessment?
		1. A resource impact assessment is an evaluation of the expected cost or saving that results from implementing guidance. It can also be called the budget impact.
		2. It shows whether the cost or saving is expected to have a cash or non-cash impact for both providers and commissioners. A non-cash impact may arise, for example, from capacity benefits that do not result in cash (money) being saved.
		3. It also covers wider issues such as capacity and demand, changes to patient flows, workforce, training implications and facilities.
	3. Purpose of this process manual
		1. This process manual describes how the resource impact team:
* estimates the resource impact resulting from implementing new NICE guidance or a change to existing NICE guidance
* develops products to help organisations implement the guidance
* works with the NICE teams that produce the guidance
* consults with stakeholders.
	+ 1. It is written to help:
* external stakeholders understand the role and outputs of NICE’s resource impact team
* the resource impact team work effectively with NICE guidance-producing teams.
	+ 1. This process manual should be read alongside other manuals, specific to each guidance type, that can be accessed via [NICE's guidance programmes page](https://www.nice.org.uk/about/what-we-do/our-programmes/nice-guidance).
	1. Overview of the resource impact assessment team
		1. The team estimates the resource impact of implementing NICE guidance.
		2. The team follows guidance development from an early stage. It informs relevant stakeholders (for example, NHS England and Improvement strategic finance and relevant programme teams) to help the NHS make financial plans about guidance that may have [significant](#SignificantDefinition) cost.
		3. As well as costs and savings, the team advises committees on expected changes in:
* capital costs (as well as revenue costs) when appropriate
* capacity and demand
* patient flows
* workforce
* training needs
* facilities.
	+ 1. It can also advise on:
* where responsibility for implementation rests by identifying the commissioners and providers
* whether the costs or savings are for the commissioner or provider.
	+ 1. The resource impact assessment team takes into account where services are delivered, for example, primary care, secondary care, community, social care and mental health settings.
		2. The team also gives strategic advice and information about the resource impact of guidance to national partner organisations including:
* the Department of Health and Social Care
* NHS England and Improvement
* Health Education England
* the National Institute for Health Protection
* the Department for Education
* NHS Clinical Commissioners.
	1. Assessing resource impact for different types of guidance
		1. The approach taken to estimate the resource impact is similar for all types of guidance, but issues specific to each guidance type also need to be taken into account. These are further detailed in the sections on [assessing resource impact of Centre for Health Technology Evaluation guidance](#Section4) and [assessing resource impact of NICE guidelines](#Section5).
1. Resource impact principles and perspectives
	1. Timeframes
		1. NICE’s resource impact tools cover a period of 5 years after the guidance is published, and indicate when maximum implementation is assumed to be achieved.
	2. General principles for assessing resource impact

The principles described in this section apply to assessing the [resource impact](#ResourceImpactDefinition) for all guidance types.

### Using standard accounting principles

* + 1. Standard accounting principles are applied.
		2. These principles are similar to health-economic principles used in the cost-effectiveness calculations underpinning NICE guidance but there are some differences. The main 4 are highlighted in [table 1](#Table1DifferencesBetweenRIandHEA).

Table Key differences between resource impact and health-economic analysis

| Resource impact | Health-economic analysis |
| --- | --- |
| Includes events avoided for the first 5 years after the guidance is published | Includes events avoided over lifetime of patient |
| Would only take into account costs or savings resulting from increased or decreased staff time if:* it would result in more or less staff being employed or
* the impact of increased or decreased staff time was already captured within any tariffs or unit costs used to calculate the resource impact
 | Takes into accounts costs or savings resulting from any increase or decrease in staff time |
| Uses the most relevant unit cost, which may be different from a commissioner or provider perspective | Currently (in May 2022) uses the [national cost collection](#_Reference_costsNational_cost), which are the average costs to provide activity |
| Consider impact on the population of England, Wales and Northern Ireland | Considers impact on individuals |

### Only including direct consequences

* + 1. Only direct consequences of implementing individual guidance recommendations are included. Direct consequences are the changes in practice that will result from implementation, and the follow-on impact from these changes. For example:
* changes in practice could include a change in prescribing practice or a change in the number of patient admissions
* the follow-on impact could include preventing adverse events and avoiding future admissions.
	+ 1. Indirect consequences cannot be considered in the resource impact work. As an example, a person who has an intervention that prevents them from dying could later develop other diseases that are costly to treat. The person could develop any disease unrelated to the guidance recommendation for their original condition. This would be an indirect consequence.

### Only including what is in scope

* + 1. Savings from reduced admissions in the future are included in the resource impact assessments. However, it is recognised that, even when admissions are avoided as a result of implementing NICE guidance, the commissioner may not save money because the bed may be used for alternative activity. The cost of using this spare capacity is considered outside the impact of guidance. So, it is not included in the resource impact assessment, although it may be discussed in the tools.
		2. Resource impact only covers changes funded by the Health and Social Care system. This includes the funding of services provided by the public, private, third party and charity sectors.
		3. Value added tax is included within a resource impact assessment when payable by the NHS.
		4. Homecare service costs are included when payable by the NHS.
		5. Costs are not discounted over time.

### Matching time periods for costs and savings

* + 1. Costs and savings relate to the same time period, usually a financial year. Differences may arise if costs are incurred earlier on that will result in savings in the future. It is not acceptable to combine costs and savings to produce a ‘net’ cost or saving if time periods do not match.

### Providing detailed information

* + 1. Both the resource impact report and template separately identify the resource impact for each of the next 5 financial years. The report indicates the timeframe in which maximum implementation is assumed to be achieved.
		2. National estimates are provided wherever possible, with local estimates also provided when relevant. Where national estimates are not possible, or the resource impact is likely to vary significantly at a local level, a short summary report may be produced.

### Quality

* + 1. Data used is accurate and credible and its source is referenced.
		2. The best available datasets are used and supplemented with expert opinion.
		3. All relevant stakeholders are consulted.
	1. Perspectives
		1. The costs of commissioning, and providing care and services, are different. This is because contractual prices set between a commissioner and provider may differ to costs incurred by providers. Resource impact tools can therefore be written from a commissioner or provider perspective. The resource impact at an integrated care system/sustainability and transformation partnership, regional or national level is shown when appropriate.
		2. In the resource impact tools, the resource impact team:
* uses the perspective that it considers most relevant for the guidance covered
* clearly shows which perspective the tool uses.
	1. Sensitivity analyses
		1. Several assumptions are made when estimating resource impact, for example, the eligible population and potential uptake. These are subject to uncertainty, particularly predictions about future practice after the recommendations are implemented.
		2. Sensitivity analysis highlights the variables that have most effect on the total resource impact. To find out which they might be, reasonable minimum and maximum values of variables are recorded when gathering evidence.
		3. Results are presented in tables. They include a short description of the variables to which resource impact analysis is most sensitive.
1. Developing the resource impact tools
	1. Background
		1. To prepare [resource impact](#ResourceImpactDefinition) tools, the resource impact team needs to identify:
* the population affected by the guidance
* the likely change in activity resulting from following the guidance
* the [unit cost](#UnitCostDefinition) associated with the recommended activity.
	+ 1. Resource impact processes meet information governance standards. This includes requesting, receiving, storing, sharing and destroying data in line with NICE’s information governance requirements.
	1. Population sources
		1. Resident populations, sourced from the latest Office for National Statistics published data, are used in resource impact tools because the registered population may be overstated. The main reasons for this are:
* people leaving the country or area and not notifying their GP
* the delay between a patient registering with a new GP and being removed from the register of their previous GP.
	+ 1. Resource impact estimates build in population growth (or decline) over the time period modelled in the assessments. Forecast population changes for various age groups sourced from the latest Office for National Statistics data are built into the resource impact templates. If increases (or decreases) in prevalence or incidence specific to particular conditions (for example, diabetes) can be robustly estimated, these population changes are also built into resource impact models.
	1. Incidence and prevalence data
		1. Incidence and prevalence measure different aspects of disease or care need in a population, although they are related.
		2. The incidence rate is the rate at which new events occur in a population.
		3. The prevalence of a condition is the number of people in a given group or population who are reported to have the condition at a given time.
		4. It is important to understand the basis on which data on incidence and prevalence are gathered and presented.
		5. Examples of incidence and prevalence types include:
* annual incidence – the number of people who will develop a disease or have a care need over the course of a year; this is the most common way of expressing incidence
* point prevalence – the burden of disease or care need in a population at a particular point in time; this is the most common way of expressing prevalence
* lifetime prevalence – a measure of how many people may be affected by a disease or have a care need within their lifetime.
	+ 1. Incidence or prevalence data may be used in resource impact tools. For example:
* we use the prevalence of a chronic condition lasting many years to determine its resource impact, but
* using the annual incidence would be more appropriate to calculate the resource impact of a technology used to treat, for example, newly diagnosed lung cancer.
	+ 1. Both prevalence and incidence data may need to be considered within a single resource impact tool, so that the resource impact of different recommendations can be calculated accurately.
	1. Data sources to establish current activity
		1. Data used to establish current practice vary depending on the guidance topic. In some cases, multiple sources may be needed.
		2. Commonly used types of data and sources used to establish a baseline may include:
* hospital data, such as [Hospital Episode Statistics](https://digital.nhs.uk/data-and-information/data-tools-and-services/data-services/hospital-episode-statistics)
* primary care data, such as GP medical databases (provided through [NHS Digital](https://digital.nhs.uk/))
* [NHS Digital](https://digital.nhs.uk/)
* [Personal Social Services Research Unit](http://www.pssru.ac.uk/)
* prescribing data, such as the [electronic prescribing analysis and cost tool](https://www.nhsbsa.nhs.uk/epact2) (ePACT2) system
* [systemic anti-cancer therapy (SACT) activity](http://www.chemodataset.nhs.uk/home)
* [National Institute for Health Protection](https://www.gov.uk/government/publications/the-future-of-public-health-the-nihp-and-other-public-health-functions/the-future-of-public-health-the-national-institute-for-health-protection-and-other-public-health-functions)
* [Healthcare Quality Improvement Partnership (HQIP)](https://www.hqip.org.uk/)
* hospital pharmacy audit index (provided by IQVIA, through [NHS Digital](https://digital.nhs.uk/))
* pharma (industry or company submission)
* publications that measure uptake of NICE guidelines<https://www.nice.org.uk/about/what-we-do/into-practice/measuring-the-uptake-of-nice-guidance>.
	+ 1. Current activity may be particularly difficult to define for public health and social care topics because data are sparse. When this is the case, the resource impact team works with committees to identify the best available data.
	1. Data sources to establish future practice
		1. Predicting future practice after implementing a recommendation is challenging. Predictions of future uptake should not rely on a single source, when possible.
		2. Assumptions made are documented and fully referenced, and checked with topic experts, who may be involved in the guidance development. Experts could include:
* committee members involved in guidance development
* non-committee experts in the area the guidance relates to
* commissioners from specialised commissioning or from a clinical commissioning group
* NICE guidance-producing team members.
	+ 1. Sources used for estimating future practice include:
* company submissions
* previous uptake of similar drugs, technologies or other interventions
* NICE’s [Medicines and Prescribing Associate Programme](https://www.nice.org.uk/about/nice-communities/medicines-and-prescribing/nice-medicines-and-prescribing-associates)
* information used to inform related economic models
* committee members
* areas that have already implemented the recommended practice ahead of the guidance being issued.
	1. Activity and unit costs
		1. The resource impact team checks the estimated activity for care and services resulting from recommendations to see whether:
* there is an identifiable cost assigned to the activity
* there are specific unit costs that can be used.

### Healthcare

#### Links between activity and cost

* + 1. In healthcare, there are several sources for which activity and cost are linked.
		2. Secondary care hospital acute activity has [national tariffs](#_National_tariff), [national cost collection](#_Reference_costs) and patient level cost collection data that can be used when assessing the resource impact. However, it is important to recognise where local flexibility is possible in respect of national tariffs.
		3. If it is not possible to use national tariffs, national cost collection costs or patient level cost collection data, unit prices may be obtained from NHS organisations currently providing the service. This is useful for very new procedures that have not yet been included in the tariff. It also applies to high-cost procedures that are specifically excluded from the scope of the tariff.
		4. For technologies, in some instances, the Department of Health and Social Care and the company agree that the technology will be available to the NHS with a discount. The size of the discount may be commercial in confidence. If this is the case, any agreed confidential discount prices are always used in the cost-effectiveness model, but the reduced confidential cost of the technology is not included in the published resource impact products. However, commissioners and providers will have the option to input confidential discount prices into published resource impact templates.

#### Prices used in the cost-effectiveness model

* + 1. The technology price, comparator technology prices and other drug prices are used in the cost-effectiveness model. The economic models used in guideline development may also be referenced.
		2. The [NICE medicines and prescribing team](https://www.nice.org.uk/about/nice-communities/medicines-and-prescribing) advises on the source of the latest prices available. If prices are not confidential but have changed since the cost-effectiveness model was produced, this is noted in the resource impact tools.

### Public health and social care

* + 1. The primary data sources for preparing resource impact products for public health or social care guidelines are:
* [NHS Digital](https://digital.nhs.uk/)
* the [National Institute for Health Protection](https://www.gov.uk/government/publications/the-future-of-public-health-the-nihp-and-other-public-health-functions/the-future-of-public-health-the-national-institute-for-health-protection-and-other-public-health-functions)
* the Personal Social Services Research Unit
* the Local Government Association
* the economic models used in guideline development.
1. Assessing the resource impact of Centre for Health Technology Evaluation guidance
	1. Process overview
		1. To help the NHS plan for the [resource impact](#ResourceImpactDefinition) of technology appraisals and highly specialised technologies guidance, the resource impact team forecasts the resource impact from initial referral to NICE through to publication of guidance.
		2. The resource impact assessment looks only at the population recommended in the guidance. When the technology is for multiple indications (for example, paediatric and adult) within the same technology appraisal, this is clearly identified.
		3. The resource impact team also estimates the national cost for England of implementing positive guidance recommendations, alongside the draft guidance document or appraisal consultation document (when produced). This is reported in the resource planner if prices are not confidential.
		4. The resource impact of guidance is considered [significant](#SignificantDefinition) if, at a national level, in any of the first 5 years, there is a cost or saving of:
* £5 million for technology appraisals
* £1 million for medical technology guidance and diagnostics guidance (either of which may include digital health technologies).

If the net position is below these figures but the cost or saving of 1 area or element is above these levels, it is still considered significant.

* + 1. For draft guidance with a significant resource impact, and all medical technology guidance and diagnostics guidance (either of which may include digital health technologies) with an estimated saving, a draft resource impact report and resource impact template are shared with stakeholders. For technology appraisals, they are shared when the draft guidance (appraisal consultation document or final appraisal document) is published. For medical technology guidance and diagnostics guidance, they are shared during guidance consultation.

No costs or savings are quantified in the resource planner until after this consultation with stakeholders.

* + 1. Stakeholders for technology appraisals include:
* the Department of Health and Social Care
* NHS England and Improvement
* the company
* companies for comparator technologies as defined in the scope (if they have completed the confidentiality agreement form)
* commissioners.
	+ 1. Stakeholders for medical technology guidance and diagnostics guidance include:
* the [Department of Health and Social Care](https://www.gov.uk/government/organisations/department-of-health-and-social-care)
* [NHS England and Improvement](https://improvement.nhs.uk/)
* the company
* commissioners
* providers.
	+ 1. Only data that are not confidential are published as part of the resource impact assessments.
		2. For all final guidance with a significant resource impact, and all medical technology guidance and diagnostics guidance with an estimated saving, the resource impact team produces a resource impact report and template. These documents are published alongside the final guidance.
		3. If costs or savings are not considered to be significant at final guidance, and, for medical technology guidance and diagnostics guidance, a saving is not anticipated, a resource impact statement is issued on the NICE website.
		4. If the guidance does not recommend use of the technology in the NHS, NICE does not produce any resource impact tools.
	1. Specifics relating to technology appraisals and highly specialised technologies
		1. Our page on [NICE technology appraisal guidance](https://www.nice.org.uk/About/What-we-do/Our-Programmes/NICE-guidance/NICE-technology-appraisal-guidance) explains how this type of guidance relates to the NHS Constitution and the Cancer Drugs Fund.
		2. NICE does not produce resource impact tools for highly specialised technologies, which reflects the [criteria](https://www.nice.org.uk/about/what-we-do/our-programmes/nice-guidance/nice-highly-specialised-technologies-guidance) for these technologies. However, the budget impact test (see sections [4.2.3 to 4.2.6](#_The_budget_impact)) does apply to highly specialised technologies.

### The budget impact test

* + 1. If a ‘budget impact test’ shows that the impact of a technology recommended by NICE will exceed a set threshold, NHS England and Improvement may start discussions with the companies producing that technology. These discussions aim to agree special arrangements to better manage the introduction of the technology. This is anticipated to apply to a relatively small number of technologies that, once determined as cost effective by NICE, would have a high-cost impact on the NHS budget.
		2. NICE assesses the potential budget impact by estimating the net annual cost to the NHS. The test threshold is regarded as exceeded if the budget impact shows potential to be greater than £20 million in any of the first 3 years of a technology’s use in the NHS (that is, the first 36 months from funding). For multiple technology appraisals, the test threshold is regarded as exceeded if the appraised technologies’ joint budget impact exceeds the threshold. This is the case even if none of them have a budget impact that individually exceeds the threshold.
		3. The budget impact test is undertaken by comparing the ‘world with’ and the ‘world without’ the technology for all assessments.
		4. Projected population changes are also built into budget impact tests when appropriate, as described in section 3.2.
		5. At key milestones, the resource impact team notifies the Centre for Health Technology Evaluation of those technologies that will exceed the budget impact test threshold (see [table 2](#Table2) for further details).

Table 2 Times in the process and timeframes for the resource impact team to notify the Centre for Health Technology Evaluation of technologies that will exceed the budget impact test threshold

| Milestone | Maximum timescale |
| --- | --- |
| Company submission | 10 working days from notification by the technology appraisal or highly specialised technology team that the company submission is available to review |
| Evidence Review Group (ERG) report | 10 working days from notification by the technology appraisal or highly specialised technology team that the ERG report is available |
| Appraisal consultation document (ACD)  | 10 working days from the committee meeting |
| Final appraisal document (FAD)  | 10 working days from the committee meeting |

* + 1. The company is consulted at each stage when it is identified that technologies will exceed the budget impact test threshold.

### Estimating resource impact significance

* + 1. To estimate whether the resource impact of technology appraisal guidance is significant, the resource impact team reviews:
* the company submission, including the section on impact on NHS resources
* the topic selection and block scoping work
* professional, patient and commissioning group submissions
* the Evidence Review Group report
* the appraisal consultation document (when produced) and the final appraisal document.

It also discusses the technology with:

* the company
* clinical experts
* commissioners
* NICE’s technical team.

### Confidential prices

* + 1. Technologies being appraised or a comparator technology may have a confidential price, usually a patient access scheme. If so, a procedure is put in place between the Centre for Health Technology Evaluation and the resource impact team to protect the confidentiality of the price. This includes allowing restricted access to the confidential price within the resource impact team.
		2. Under no circumstances is a confidential price shared by a member of the resource impact team, either within the team or externally, other than as specified in the procedure described in 4.2.8.

### The Cancer Drugs Fund

* + 1. When technologies are recommended for use within [the Cancer Drugs Fund](https://www.nice.org.uk/about/what-we-do/our-programmes/nice-guidance/nice-technology-appraisal-guidance/cancer-drugs-fund), a short resource impact statement is published on the NICE website alongside the final guidance.
		2. For technologies exiting the Cancer Drugs Fund, the usual approach to calculate the resource impact for routine commissioning is followed. Cancer Drugs Fund activity data are used. This may lead to publication of a resource impact report and template when appropriate.
	1. Specifics relating to medical technology guidance
		1. Because medical technologies are not supported by health-economic models, particular scrutiny is given to the cost models that support the guidance. Resource impact tools are consistent with the underpinning cost models whenever possible. When there are differences, these are fully explained withing the resource impact tools.
		2. For medical technology guidance (which may include digital health technologies) expected to generate a saving (this can be a cash or capacity saving), a resource impact report and template are published on the NICE website alongside the guidance.
	2. Specifics relating to diagnostics guidance
		1. Diagnostic technologies guidance may look at health outcomes over a patient’s lifetime. However, the resource impact tools for diagnostics focus on the costs or savings for the first 5 years after the guidance is published.
		2. For diagnostics guidance (which may include digital health technologies) expected to generate a saving (this can be a cash or capacity saving), a resource impact report and template are published on the NICE website alongside the guidance.
	3. The MedTech funding mandate
		1. The [MedTech Funding Mandate](https://www.england.nhs.uk/aac/what-we-do/how-can-the-aac-help-me/the-medtech-funding-mandate/) (MTFM) launched on 1 April 2021 and in its first year, 2021/22, supported four NICE-approved, cost saving technologies. Support for these technologies is continued in 2022/23 (supported technologies are reviewed annually to ensure that they meet the policy criteria).

To be considered for the MTFM 2022/23 policy, technologies needed to be:

* effective: demonstrated through positive NICE Medical Technology Guidance or Diagnostic Guidance published by 30 June 2021.
* cost-saving within three years of implementation: as demonstrated by NICE modelling and published in a NICE resource impact template.
* are affordable to the NHS: the budget impact should not exceed £20 million, in any of the first three years.
	+ 1. Further information about how the 2022/23 policy links to NICE guidance and the associated resource impact of medical technologies and diagnostics guidance can be found [here](https://www.england.nhs.uk/publication/medtech-funding-mandate-policy-2022-23-guidance-for-nhs-commissioners-and-providers-of-nhs-funded-care/).
1. Assessing the resource impact of NICE guidelines
	1. Process overview
		1. To assess [resource impact](#ResourceImpactDefinition), the team identifies guideline recommendations that individually or cumulatively have a [significant](#SignificantDefinition) impact on resources. They consider the resource impact for each of the first 5 years of implementing the guideline in England after its publication. It is defined as significant if it is more than:
* £1 million per year for a single recommendation, or
* £5 million per year for the whole guideline.
	+ 1. When significant costs and savings may be incurred or made in different settings, but the net impact across both settings is not significant, this shift is still highlighted in the resource impact tools. For example, a local authority may invest in an area of public health, which leads to savings for the health sector from reduced hospital admissions.
		2. The resource impact team begins its work alongside the preparation of the health-economic plan and attends, in agreement with guideline developers, committee meetings at which the plan is discussed.
		3. For each guideline, the resource impact work is adapted to reflect the needs of the individual committee. This may involve:
* discussion with the health economists, the guideline commissioning manager, technical lead or programme manager at NICE
* attending a scoping meeting or the first committee meeting.
	+ 1. The team:
* advises the guideline committee on areas where resource impact is likely to be significant, when possible
* attends committee meetings in which the health-economic plan is discussed
* supports the prioritisation of review questions for economic modelling
* provides information on costs for all recommendations that are anticipated to substantially increase costs
* asks stakeholders during guideline consultation to comment on the recommendations identified as likely to substantially increase costs or lead to significant savings.
	+ 1. If there are areas of significant resource impact, the team:
* carries out further analysis after the first committee meeting in which the health-economic plan is discussed and
* makes a presentation to the committee alongside the health-economics work, when possible.

The resource impact work could be in the same areas as the health-economic focus or different ones.

* + 1. When a significant resource impact is unlikely, the team revisits the resource impact around the time of consultation on the draft guideline. This is usually committee meeting 11 or 12 for clinical and social care guidelines, and committee meeting 6 for public health guidelines.
	1. Full and partial updates of guidelines
		1. For updates, the resource impact assessment team follows a similar process as for new guidelines. For partial updates of guidelines, the team only examines the aspects of the guideline that have been updated.
1. Resource impact products

The key outputs of the [resource impact](#_Resource_impact) team are:

* resource impact reports
* resource impact templates
* resource impact statements
* the resource planner.

Resource impact tools do not form guidance to the NHS. They aim to support implementation of NICE guidance.

* 1. Resource impact reports
		1. A resource impact report is a document that sets out the estimated resource impact of implementing the NICE guidance. The report provides national estimates if possible and explains the assumptions made to estimate the resource impact.
		2. If the resource impact cannot be estimated accurately or is likely to vary locally, a short resource impact summary report may be produced which will highlight the areas of costs and savings, or the key cost drivers, to be considered at a local level.
	2. Resource impact templates
		1. A resource impact template is a spreadsheet that enables users to estimate the local cost or saving of implementing guidance using NICE’s national assumptions or by inputting their own assumptions.
		2. In some instances, for technologies, the Department of Health and Social Care and the company agree that a technology will be available to the NHS with a patient access scheme. This makes the technology available with a discount. The size of the discount may be commercial in confidence. If this is the case, the resource impact template is designed to allow those who have access to the confidential price (usually commissioners and providers) to input the confidential price locally, so estimating the resource impact of the guidance.
		3. The resource impact template is based on the population of England. Projected population changes are also built into resource impact estimates as described in section 3.2. However, local commissioners such as integrated care systems can amend the template to their local population to estimate the local resource impact. The template can also be amended to estimate the resource impact for the populations of Wales and Northern Ireland.
		4. Resource impact templates are produced if it is possible to quantify the resource impact and this impact is considered to be [significant](#SignificantDefinition), and for all medical technology guidance and diagnostics guidance (either of which may include digital health technologies) with an estimated saving. In rare instances, when costs cannot be quantified accurately but which are still considered to be significant, a resource impact template is prepared with the major cost drivers identified for completion by users in their own local settings.
	3. Resource impact statements
		1. A resource impact statement is produced instead of a resource impact report if costs and savings are not considered to be significant.
	4. Resource planner
		1. Each month, the resource impact team publishes the [NICE resource planner](https://www.nice.org.uk/about/what-we-do/into-practice/resource-planner) on the NICE website. It is also sent to chief financial officers and other people who request it. The resource planner contains information on guidance published in the previous financial year, and guidance publishing in the current and next financial years.
		2. The aim of the resource planner is to help organisations plan and implement NICE guidance by:
* summarising the resource implications of published guidance
* listing forthcoming guidance with indicative resource impact for England, based on draft guidance.
1. Quality assurance process and publication

[Resource impact](#ResourceImpactDefinition) products are all subject to a quality assurance process before both consultation and publication. The processes and timelines that this section refers to are defined in manuals specific to each guidance type. These manuals can be accessed via [NICE’s guidance programmes page](https://www.nice.org.uk/about/what-we-do/our-programmes/nice-guidance).

* 1. Resource impact reports and templates
		1. Senior members of the resource impact team advise business analysts on producing resource impact reports and templates.
		2. Senior members of the resource impact team ensure the quality of products ahead of a formal internal review. They do so by checking:
* patient pathways
* that assumptions are reasonable
* which sources of evidence and costing data the products use.
	+ 1. Before resource impact data are shared with external stakeholders, an internal review takes place.

### Internal review

* + 1. The process for an internal review involves:
* planning meetings in advance to allow full attendance
* distributing papers before the meeting
* inviting representatives from both the resource impact assessment team and the relevant guidance-producing team to the internal review.
	+ 1. The internal review is an opportunity for the business analyst to check the assumptions used in the resource impact report and template. This includes receiving comments from colleagues within NICE to make sure that all relevant factors have been included in the products.

### Consultation and sign off

* + 1. The documents are shared with the consultees, including:
* the company (for technologies)
* companies for comparator technologies who are participating stakeholders (when applicable)
* committee members, including patient experts and clinical experts
* NHS England for [NHS England commissioned services](https://www.england.nhs.uk/commissioning/who-commissions-nhs-services/nhs-england/)
* the [Department of Health and Social Care](https://www.gov.uk/government/organisations/department-of-health-and-social-care)
* relevant public health organisations, for example, the [National Institute for Health Protection](https://www.gov.uk/government/publications/the-future-of-public-health-the-nihp-and-other-public-health-functions/the-future-of-public-health-the-national-institute-for-health-protection-and-other-public-health-functions) or the [Local Government Association](https://www.local.gov.uk/) (when applicable)
* the [Department for Education](https://www.gov.uk/government/organisations/department-for-education) (when applicable)
* other contacts who have informed development of the products, such as health and social care economists
* a minimum of 3 representatives from the NICE adoption and impact reference panel.
	+ 1. A resource impact statement is only produced when implementing the guidance does not have any [significant](#SignificantDefinition) resource impact. Consultation on a resource impact statement includes supporting evidence that clearly shows how NICE reached the conclusion that the guidance would not have a significant resource impact.
		2. External consultation takes place in a timeframe that ensures the tools publish alongside the publication of the guidance.
		3. Once consultation has closed, all comments are collated using a standard table and passed onto the business analyst for review. The business analyst notes their response in the table alongside each comment in preparation for final sign off.
		4. If a consultee’s comment needs further clarification the business analyst contacts the consultee.
		5. The process for final sign off includes:
* planning meetings in advance to allow full attendance
* distributing papers before the meeting
* inviting the same people as those invited to the internal review
* discussing all points raised during consultation and agreeing actions
* concluding the meeting with the associate director for resource impact or the resource impact assessment manager signing off the products to proceed to the publication executive
* the associate director for resource impact or the resource impact assessment manager advising whether any key issues need to be shared with the programme director before submission to the publication executive.
	1. Resource planner
		1. The resource planner is published once a month. Before submission for publication, senior business analysts review the work of business analysts within the team. Once this process is complete, the resource planner is submitted to the associate director for resource impact.
		2. The accuracy of the planner is checked against the NICE website for consistency, and the resource impact forecasts are checked to ensure that the conclusions are supported by the evidence.
		3. The associate director for resource impact then approves the resource planner for publication on the NICE website.
	2. Approval for publication
		1. The resource impact reports, templates and statements are approved for publication by the NICE publication executive group, which meets weekly. Products are approved for publication once any queries have been answered and the tools updated if appropriate.
1. Making post-publication amendments
	1. New technologies for the same condition
		1. The [resource impact](#_Resource_impact) team updates resource impact reports and templates if needed, to take into account new technologies for the same or similar conditions. For example, if a new technology becomes available for a condition for which NICE has already published a resource impact report and template, the resource impact team ensures that any publication about the new technology is consistent with previous publications. It also makes sure that costs and savings are not counted twice.
		2. This could mean that existing resource impact reports and templates need to be updated or removed from the NICE website. This is part of what is submitted for approval by NICE’s publication executive when the new guidance is published.
	2. Guideline updates
		1. Each time a guideline is updated, NICE checks whether the resource impact tools for that topic remain fit for purpose. If needed, a new resource impact product is produced in line with the new recommendations.
	3. Other circumstances in which amendments are needed
		1. Resource impact estimation is based on assumptions about current practice and predictions of future practice, at the time the guidance is published. Sometimes resource impact issues emerge after the guidance is published that were not identified before publication. This is most likely to happen during the post-publication engagement with stakeholders that aims at validating other implementation products.
		2. NICE addresses this in 1 of 2 ways:
* revising the original products, or
* issuing a supplementary report or statement.
	+ 1. Revising the resource impact or issuing a supplementary commentary is considered in the following circumstances:
* A flaw is identified in 1 or more assumptions relating to current or predicted practice that is considered to be greater than local variation.
* The basis of the resource impact assessment is inconsistent with current practice or there has been an inaccurate use of costs.
* Feedback indicates that a recommendation will lead to nationally [significant](#SignificantDefinition) costs or savings that were not identified in initial work.
	+ 1. The criteria against which a decision is made about whether to update the resource impact products are:
* Revising the assumptions in the template affects the net total resource impact by more than 10%.
* Revising the unit costs in the template (excluding technology and [national tariff](#_National_tariff) changes) affects the net total resource impact by more than 10%.
* Estimated costs or savings arising from a new recommendation are considered to lead to a total resource impact change that is significant for England.
* Revising the resource impact assessment tools will correct obvious inaccuracies that, if left, would undermine user confidence in the tools, even if the impact on the net total cost does not meet the thresholds in section 8.3.4.
	+ 1. The products are not updated when:
* there are differences in baseline and predictions arising from natural variation in local circumstances
* unit costs used for drugs and activity that were correct at the time of publication have since changed.

Tools are not routinely updated for annual updates to activity costs, such as tariff changes.

1. Terms used in this manual

## Resource impact

The resource impact is the expected change in the use of resources that results from implementing guidance. This includes changes in:

* cost or saving
* capacity and demand
* patient flows
* workforce
* training needs
* facilities.

It shows whether the cost or savings are expected to be a cash or non-cash impact for both providers and commissioners.

## Significant

The resource impact of guidance is considered significant if, at a national level, in any of the first 5 years, there is a cost or saving of:

* £5 million for technology appraisals
* £1 million for medical technology guidance and diagnostics guidance
* £5 million for a NICE guideline **or** £1 million for a single recommendation from a NICE guideline.

If the net position is below these figures, but 1 area or element is above these levels it is still considered significant.

See the sections on [assessing resource impact of Centre for Health Technology Evaluation guidance](#Section4) and [assessing resource impact of NICE guidelines](#Section5) in this manual for further information on levels of significance for each guidance type.

## National tariff

The [national tariff](https://www.england.nhs.uk/pay-syst/national-tariff/) is a set of prices and rules used by providers of NHS care and commissioners to deliver the most efficient, cost-effective care to patients.

## National cost collection

The [National Cost Collection](https://www.england.nhs.uk/costing-in-the-nhs/national-cost-collection/) publication comprises aggregated costs (the average unit cost of providing defined services to NHS patients in England) and patient-level costs/PLICS (a cost based on the specific interactions a patient has, and the events related to their healthcare activity).