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What is Payment by Results?

- Payment by Results (PbR) was introduced to improve **efficiency**, increase **value for money**, facilitate **choice**, enable service **innovation** and improvements in **quality**, and **reduce waiting times**.
- PbR uses a **national tariff of fixed prices** that reflect national average prices for hospital procedures.
- Patient treatments within a cluster of diagnosis and procedure that consume the same level of resources are assigned to a **Healthcare Resource Group**.
- The price for a particular procedure is called the **reference cost** and is standardised across the NHS with adjustments made for market forces.
- Some drugs are excluded from the PbR tariff. These are usually **high-cost drugs**.
- PbR allows **unbundling** of treatment to enable different aspects of the treatment to be performed by different service providers. This encourages alternatives to traditional hospital 'bundles of care'.

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