

REQUIREMENTS FOR NEW PROVIDERS SEEKING TO BE AWARDED WITH A CONTRACT UNDER THE HEALTH CARE SERVICES (PROVIDER SELECTION REGIME) REGULATIONS 2023 DIRECT AWARD PROCESS B FOR SERVICES WHERE THE PATIENT HAS A LEGAL RIGHT TO CHOICE

Background

NHS Humber and North Yorkshire ICB support every person's Right To Choose, as set out in the [NHS Choice Framework](#) and in the [NHS Constitution for England](#).

The ICB has put in place an accreditation process to ensure that we are satisfied that the provider can undertake the service required by the patient while enabling patient's right to choose as set out in the NHS Constitution and the 2022 Act.

All approaches from providers wishing to enter the NHS market under Right to Choose should be sent to hnyicb.serviceplanning@nhs.net.

The legal Right to Choose applies when:

- The service to be referred to is consultant led / mental health professional led as appropriate, and
- The person is being referred from primary care (GP, dentist or optometrist) for a new episode of care (usually a 1st appointment), and
- The ICB commissions the service in question from other Providers

The NHS Humber and North Yorkshire Integrated Care Board ("the ICB") has identified requirements for the commissioning of those services where the patient has a legal right to Choice.

The ICB reserves the right to amend, or to add further detail, to these requirements.

The requirements have been prepared in the context of the following legal and regulatory framework:

[The Health Care Services \(Provider Selection Regime\) Regulations 2023](#)

[The Provider Selection Regime: statutory guidance](#)

[The National Health Service Commissioning Board and Clinical Commissioning Groups \(Responsibilities and Standing Rules\) Regulations 2012 \(legislation.gov.uk\)](#)

[NHS England » Patient choice guidance](#)

Summary of Requirements and Process

The process is initiated by an expression of interest from a Provider.

A Stage 1 Questionnaire will be issued to the Provider which consists of a number of requirements and declarations which are Pass/Fail. Financial accounts are also requested as part of Stage 1 which are used to assess the financial standing of the Provider. The Provider may pass the Stage 1 and proceed to Stage 2 or the application may be declined.

If successful at Stage 1 the Provider will be requested to complete the Stage 2 qualitative assessment which will be evaluated and any further information requested from the Provider. A decision will be taken following Stage 2 whether the Provider meets the ICB's requirements and a contract will be awarded.

Unsuccessful Providers can submit a further application after 12 months has elapsed.

Economic and Financial Standing Assessment

Stage 1 will include a review of the Provider's accounts and apply financial ratios to assess the financial sustainability of the provider.

The following methodology will be applied to assess an organisation's Economic and Financial Standing. The Authority will use documentary accounts evidence (audited if required by law) and apply the available accounting information against the matrices set out below, to give a score of between 0% and 100% for each sub-criterion. Each such score will be multiplied by the relevant weighting for the criterion, to give a weighted score. The aggregate of all criterion scores will produce a mark out of 100. Organisation's must exceed a score of 50 to pass through and must satisfy Economic and Financial Standing which is a Pass/Fail section.

The Authority reserves the right to require Bidders to provide further clarifications in writing; and may undertake additional due diligence by using Dun & Bradstreet reports, this will be at the discretion of the Authority.

For consortium, the aggregated financial ratios of all consortia members will be used to evaluate criteria 1 to 4.

Financial Ratios and Assessment Matrices

Matrix	Rating Criteria	Weighting
1	Return on capital employed	10
2	Net Profit/Turnover %	10
3	Current Ratio (Assets/Liabilities)	50
4	Gearing (Total Debts/Total Assets)	30
	Score	100

Matrix 1	
ROCE	
15.0% and more	100%
10.0% less than 15.0%	75%
5.01% less than 10.0%	50%
0.01% less than 5.0%	25%
0% or less	0%

Matrix 2	
Net Profit / Turnover %	
15.0% and more	100%
10.0% less than 15.0%	75%
5.01% less than 10.0%	50%
0.01% less than 5.0%	25%
0% or less	0%

Matrix 3	
Current Ratio	
1.50 and more	100%
1.25-1.49	75%
1.01-1.24	50%
0.50-1.00	25%
0.49 or less	0%

Matrix 4	
Gearing	
Less than 15%	100%
15% to less than 30%	75%
30% to less than 50%	50%
50% to less than 100%	25%
100% and more	0%

Assessment Scoring definition

50-100 = Pass

0-49 = Fail

Providers failing to meet the threshold(s) may possibly still proceed if there are exceptional circumstances affecting their published accounts and sufficient alternative financial assurance is in place, such decision will be at the sole discretion of the ICB.

Requirements and Process Flowchart

