

HEALTH AND SOCIAL CARE ACT 2012

EXPLANATORY NOTES

COMMENTARY ON SECTIONS

Part 3 - Regulation of Health and Adult Social Care Services

Chapter 4 – Pricing

Section 125 - Local modifications of prices of services: applications

909. This section deals with situations in which agreement to a local modification under section 124 is sought by a provider but not agreed with the commissioner(s). In such circumstances, the provider in question may make an application to Monitor for a modification of the prices payable in accordance with the national tariff, which must be supported by such evidence as Monitor may require (*subsections (1) and (2)*). If Monitor decided it would be uneconomic for the provider to continue to provide the services as required by the commissioner(s) without modification of the prices payable, Monitor can grant the application and determine the modification to the price that would apply (*subsection (3)*). In considering an application for such a modification, Monitor must apply the methodology agreed with the NHS Commissioning Board and published in the national tariff under subsection 116(1)(d) and can require evidence in support of an application for a modification. Monitor would have to give notice of any such decision in accordance with *subsections (6) to (8)*.
910. The Secretary of State may direct that a modification contained in an application under this section is to be of no effect, if the Secretary of State thinks that the modification might breach EU obligations (for instance, state aid rules) (*subsection (9)*).