

## Briefing for commissioners on the NHS provider licence and Commissioner Requested Services

**This information is for: Clinical Commissioning Groups, NHS England Specialised Commissioning and Area teams, and Commissioning Support Units.**

**This document outlines the action you need to take now that the NHS provider licence has been introduced for independent providers.**

### About the NHS provider licence

1 April 2014 marked the beginning of a regime under which some independent providers will join NHS foundation trusts in being licensed and regulated by Monitor.

The licence sets out conditions providers must meet to help Monitor to ensure that the health sector works for the benefit of patients. These conditions enable us to:

- help you as commissioners ensure essential local services continue if providers get into serious financial difficulty;
- ensure choice and competition operate in the best interests of patients;
- set prices for NHS-funded services; and
- use regulatory tools to incentivise and enable the delivery of more integrated care so services are less fragmented and easier to access for patients.

We first issued NHS provider licences to eligible independent providers on 1 April 2014.

### How the NHS provider licence impacts you

Independent providers will need a Monitor licence from 1 April 2014, unless they are exempt. We ask that you familiarise yourself with the [licensing requirements](#) and in particular understand which providers are exempt. It is important to understand how and when providers would obtain a licence.

As an NHS commissioner you have a critical role to play as you have primary responsibility for ensuring the continuity of services for patients in your area.

## **Please take action now to protect services contracted with independent providers**

If you have services that are hard to replace, you can protect them by designating them as [Commissioner Requested Services \(CRS\)](#). This means that the organisations delivering them will need an NHS provider licence (even if they meet the exemption criteria). We can then help secure those services for patients if an independent provider gets into financial difficulty. If a service has not been designated as CRS, commissioners retain sole responsibility for ensuring the continuity of services to patients and Monitor will not be able to assist you if providers get into financial difficulty.

## **Guidance and support**

We have developed [comprehensive guidance and support](#) to help you designate any services as *Commissioner Requested Services*. Please note: all services provided by NHS foundation trusts are automatically regarded as *Commissioner Requested Services* unless at some point prior to 1 April 2016 you decide that they should not be so designated. (These services were 'grandfathered' across on 1 April 2013 when licensing was introduced for foundation trusts). We advise that any new or significantly changed services at foundation trusts are reviewed as a new service and consideration should be given to their status. NHS trusts are exempt from the licensing regime.

## **Notify providers and Monitor of CRS**

You will need to formally notify providers in writing of any CRS decisions. You will also need to tell us which services you have designated as CRS, using the short form on our website [here](#).

## **Check for licences**

Please check the providers you contract with hold an NHS provider licence. Our [register of licence holders](#) is now available on our website. Many providers will be exempt and you can check [here](#) if that is the case. Any provider who is required to hold a licence and does not may be subject to enforcement action and potentially may not be able to deliver services. If you are aware of any independent provider that should hold a licence, and does not, we recommend you contact the provider to remind them of their obligation and inform us that you have done so by emailing [crs@monitor.gov.uk](mailto:crs@monitor.gov.uk).

Our Risk Assessment Framework addendum on our website sets out how we will assess financial risk at independent providers of *Commissioner Requested Services*.

## Further information about the NHS provider licence

### Who needs a licence?

All providers of health care services for the purposes of the NHS need a Monitor licence from 1 April 2014, unless exempt. The following providers are **exempt**:

- providers not required to register with the Care Quality Commission, unless they provide *Commissioner Requested Services*;
- small providers of NHS-funded health care services whose annual turnover from the provision of NHS services is less than £10 million;
- providers of primary medical and dental services (eg GPs or dentists who do not provide any other NHS services);
- providers of NHS continuing health care and NHS-funded nursing care (eg care homes who provide no other NHS health care services); and
- NHS trusts (which will only be licensed upon authorisation as an NHS foundation trust).

In the event that the services are designated as *Commissioner Requested Services* then the first four exemptions are over-riden by this designation and the provider must hold a licence.

**Please note: providers do not need a licence to bid for NHS-funded services, but are required to hold a licence from 1 April 2014 (if they are not exempt).**

### About Monitor

Monitor is the sector regulator for health services in England. Our job is to protect and promote the interests of patients by ensuring that the whole sector works for their benefit. Please visit our website – [www.monitor.gov.uk/licence](http://www.monitor.gov.uk/licence) – for more information on Monitor and the NHS provider licence.

If you have any queries on the NHS provider licence and what this means to you, or if you are yet to start designating *Commissioner Requested Services* and need further help or support, please email us at: [crs@monitor.gov.uk](mailto:crs@monitor.gov.uk).

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