

Provider Information Requests for Independent acute services undergoing an announced inspection

Care Quality Commission (CQC)

RPC rating: Validated

The BIT assessment is now fit for purpose as a result of the department's response to the RPC's initial review notice. As first submitted, the assessment was not fit for purpose.

Description of proposal

The CQC inspects independent providers of acute services, which it divides into specialist and non-specialist services. To help CQC inspectors plan their work, the CQC requests that providers complete a Provider Information Return (PIR) before the inspections.

For specialist locations, the CQC issued a set of PIR documents and guidance for the first time in May 2015, and it has also issued specific PIRs for certain types of specialist locations over the period since May 2015.

For non-specialist locations, the CQC has made changes to the existing PIR which was introduced before May 2015. In particular, before May 2015 the CQC issued one request per inspection, seeking all the information it might need. To help providers respond more appropriately and reduce the amount of information requested, the CQC has decided to collect PIR information in two stages. The first stage collects basic information about the size and location of the provider along with the range of health services delivered. This is used to inform a second request that is targeted to the specific core services provided.

In addition, some questions have been added to the PIR; existing questions have been amended to improve clarity; and the formatting of the PIR has been changed to make it easier to provide fuller information where necessary.

Impacts of proposal

The CQC estimates (based on its own administrative data and Department of Health data about the proportions of non-public sector institutions) that the numbers of businesses affected are:

- 19 non-specialist providers; and
- 55 specialist providers

For non-specialist providers, inspections currently take place every 3½ years on average, while 20% of specialist providers are inspected each year. The CQC expects that the frequency of inspections in future years will remain the same.

Costs and Benefits

The CQC has assessed the costs to specialist and non-specialist providers separately, as the changes made to their respective PIRs are different. Its estimates are based on the experience of the team responsible for managing change within the CQC and on data gathered from the independent providers via their trade associations.

Impacts on specialist providers

Using standard assumptions about reading speeds and NHS salary data, the CQC estimates:

- a one-off familiarisation cost of approximately of £8,400;
- a one-off transitional cost to some providers if the documents need to be updated to enable them to provide information which was not previously required of £5,353
- a total ongoing cost of £31,500 per annum as a result of the new requirement to complete a PIR before an inspection
- Providers will now actively collect and monitor data needed for PIR purposes. As a result they should be better able to identify those services that need to improve. However, the CQC state that it does not have sufficient evidence to monetise these benefits.
- Some providers may invest in new IT systems to support the recording and monitoring of information for PIR purposes. However, the CQC states that this is not a regulatory requirement, so it is out of the scope of this assessment. The regulator has therefore not quantified this cost.

Impacts on non-specialist providers

The CQC uses the same assumptions as for specialist providers to estimate these costs. On that basis, the CQC estimates:

- Ongoing cost savings of £500 per annum as a result of reading the shorter revised PIR guidance.

- Ongoing additional costs of £1,900 as a result of the changes to the template.
- Providers will experience time savings resulting from clearer guidance and better targeted information requests. There will also be some costs and benefits arising from a number of minor incremental changes which the CQC has not tracked. The CQC has not monetised these impacts.

Other costs and benefits

The CQC has set out other costs and benefits that have not been monetised:

- Providers will now actively collect and monitor data needed for PIR purposes. As a consequence, providers may now be able to identify those services that need to improve more readily. CQC states that it does not have sufficient evidence to monetise these benefits, but has not provided any information as to why they do not have this evidence or what effort they made to obtain it.
- Providers might also have bought new IT software systems to make it easier for them to record and monitor information needed for PIR purposes. CQC therefore states that this is not something CQC requires and it is out of the scope of this assessment and so have not quantified this cost.

With regard to the latter, the Initial Review Notice (IRN) issued to CQC on 24 August, observed that whether or not providers are required by the letter of law of the regulation to purchase new IT equipment, it appeared to be a direct consequence of the new regulatory requirements to gather data for PIR purposes. The IRN asked CQC to provide more information on the extent to which providers are expected to incur IT and other transitional costs to compile the necessary data.

The CQC states that in discussion with colleague from its Analytics team responsible for managing the changes to the PIRs, they do not think independent providers will experience additional IT software costs in completing the PIRs and those providers' existing IT systems will be able to cope with the PIR requirements. Also, providers would already have been carrying out their own performance monitoring. What information CQC collect through the PIR has previously been communicated to providers and as such CQC would expect providers to be already collecting this information as part of their information governance arrangement. On this basis CQC argues that any costs to providers will on balance be zero and it would be disproportionate to spend time to try to monetise this.

Furthermore, CQC state that the only instance where providers would incur any IT software costs would be from its inspection regulatory activity (and not their

monitoring activity -which covers PIRs). Following their inspection, CQC may make a recommendation that the information governance needs to improve and consequently the providers decides may decide to purchase new/upgrade its IT software. However, CQC do not prescribe how providers should go about making such improvement but focus on making sure the providers meet the regulations, not in determining the way in which they do that.

Quality of submission

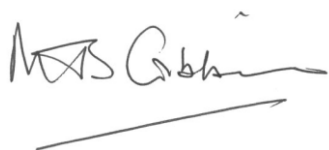
On the basis of the information provided, the RPC verifies the estimated equivalent annual net direct cost to business (EANDCB) of zero. However, the assessment would have been substantially improved if the CQC had consulted providers rather than just their colleagues from the analytics team and included an estimate of the one-off costs of developing IT systems in support of the PIR process. This submission was given a fit for purpose on the basis of proportionality and the provision of some independent evidence.

Departmental assessment

Classification	Qualifying regulatory provision
Equivalent annual net direct cost to business (EANDCB)	Zero
Business net present value	-£0.28 million

RPC assessment¹

Classification	Qualifying regulatory provision
EANDCB – RPC validated	Zero
Business impact target score	Zero



¹ For reporting purposes, the RPC validates EANDCB and BIT figures to the nearest £100,000

Opinion: EANDCB Validation
Origin: Domestic
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Michael Gibbons CBE, Chairman