Dear Sir/Madam

**Regulatory Fees – Have your say**

**Introduction**

The British Medical Association (BMA) is an apolitical professional association and independent trade union, representing doctors and medical students from all branches of medicine across the UK and supporting them to deliver the highest standards of patient care. We have a membership of over 170,000, which continues to grow every year.

The consultation focuses only on whether the CQC should move to ‘full costs recovery’ within two or four years. It shies away from any consultation on the running costs of the CQC – around quarter of a billion pounds per year – and the devastating impact on GPs, NHS trusts and others, some of whom will face fee increases in the order of 250% should these proposals go ahead.

The consultation lays bare the cynicism behind the government’s decision, announced as part of the comprehensive spending review, to account for the budget for NHS England separately to the budget for the remainder of DH’s budget.

By forcing NHS providers to pay fees direct to CQC - masquerading as full costs recovery – the government will, no doubt, assert a decrease in DH spend, while in reality, mercilessly raiding a budget, purportedly ring-fenced for front line services.

The consultation intends to describe the CQC’s fees’ strategy. However, little mention is made as to how the CQC intends to bear down on costs in order to reduce fee levels for those whom it regulates. As the sole provider of system regulation and consequently
with a monopoly and captive market, the CQC is an increasingly bloated bureaucracy with little focus on value for money or analysis of the real performance indicators linking cost to quality outcomes.

It is against this backdrop that the BMA responds to this consultation. In so doing, we challenge the CQC, particularly in undertaking its review of regulation of GP practices, to demonstrate clear links between cost and tangible benefits for those whom it regulates and their patients. We call on the CQC to demonstrate how it meets the principles of good regulations: proportionality, accountability, consistency, transparency and targeting – rather than a crude and costly one-size fits all approach.

The proposals
The CQC’s consultation seeks views only on two options for the timetable to move to full chargeable costs recovery:
• Option 1 – recovery over two years between 2016-2018
• Option 2 – recovery over four years between 2016-2020

As outlined above, we consider that the consultation is flawed without also consulting on the fee increases to be imposed on health and social care providers, particularly at a time when provider finances are incredibly tight and under increasing levels of scrutiny.

The NHS as a whole has been required to make an unprecedented 2-3% efficiency savings a year for the next 5 years. Looking at the fees proposed for the different fee categories, £3,287 for a community social care provider is a significant sum, as is £215,835 for an NHS trust and £7,391 for a community healthcare provider. This will divert much needed funds from frontline patient services.

The impact on GPs
These exorbitant fees increase have angered GPs, in particular, when many are struggling financially. If these changes are adopted, GP practices will see fees increase seven fold and will lead to them collectively paying £40 million a year for CQC’s activity, based on the number of practices in England. It is an inexplicable move given the CQC is itself reviewing its inspection programme with a stated aim of introducing a scaled down process with fewer inspections.

GP practices have already seen an increase in their fees of 9% for 2015/16, and now the CQC will increase them again substantially in 2016/17 and subsequent years. The impact of this, making a simplifying assumption that all practices are considered as one location (Part 4 of the existing fee scheme) is that the average fee payable increases from £659 in 2014/15 to £718 in 2015/16 to £2,550 in 2016/17, representing an additional average expense of £1,891 per practice, or roughly £556 per GP.

For some small practices this will amount to an increase of 250% in the next 12 months and could amount to 2% of turnover for those with around 1500 patients on their list, when the full fee increase is in place in 2017/18. This of itself, on top of the other challenges they currently face, is likely to lead to many small practice closures with potentially catastrophic knock on effects for patients. It is extremely disappointing that the impact assessment has completely neglected to properly consider this – we comment further on this below.

We cannot see the justification for these increases at a time when the current inspection regime is coming to an end and the future for GP practice inspection remains unclear. The likelihood is that with a projected increase in practice closures and mergers, future activity and therefore cost to the CQC must inevitably decrease. We can expect to see
fewer practices that are deemed inadequate as they will either have had their registration removed or will have improved as a result of being placed into special measures.

The BMA has already called for an end to the bureaucratic nature of the CQC registration system, which unnecessarily duplicates much of the work practices are required to report on to NHS England. Both the BMA Annual Representative Meeting and the Local Medical Conference in 2015 also rejected the inspection process as being disproportionate, with a tick-box approach, and with erroneous judgements based upon a flawed ratings system, and which further takes GPs and staff away from caring for patients. Requiring GPs to pay more for an imposed system in which they have no confidence will do nothing to repair the poor standing of the CQC with the GP profession at large.

This significant financial burden could be the final straw for many GPs and practices with many already having to cope with significant cuts to their core budgets and escalating costs of keeping a practice open. These proposals could have a damaging effect on patient care by further shrinking practice resources for frontline services.

Consultation question
We are aware that the overwhelming majority of response so far received by the CQC have come from the GP sector and that only 4% of responses favoured the two-year trajectory option, while 58% supported the four-year option and the remaining 38% selected “no choice”. We are also aware that the dominant theme in the responses has been the expression of consternation and anger at the level of increase under either option, the lack of fairness and proportionality.

The BMA maintains that this is an essentially meaningless consultation, with neither proper consideration of the hardship likely to be caused to many GP practices, nor of the impact of the diversion of funds away from frontline services in both health and social care. Clearly, the four year option must be preferable, only because it may go some way to lessening those devastating consequences.

Equality impact assessment
The equality impact assessment should analyse the providers – in both health and social care - most adversely affected by these proposals and the demographic make-up of the populations they serve to determine whether, for example, many of those practices serve an elderly population against whom these proposals may discriminate.

We hope that our submission is useful – please do not hesitate to contact us for more information if required.

Yours sincerely

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