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Fees consultation
Care Quality Commission
151 Buckingham Palace Road
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6th January 2017

Dear Sir / Madam,

Proposals for CQC fees from April 2017

The British Medical Association 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. On average our membership this year has been around 170,000. With this in mind, we welcome the opportunity to provide our views on the proposals for fees for 2017/18 for providers registered under the Health and Social Care Act 2008.

It is clear that a funding crisis is engulfing the NHS and having a dramatic impact on the provision of health and social care. We continue to see hospitals without enough beds, waiting times that are too high, crushing pressure on both general practice and mental health services, and cuts to the public health budget. The majority of trusts are in the red and the NHS doesn't have enough staff or resources to meet demands. As reported by The Kings Fund[1], the sheer scale of the NHS deficit shows a system buckling under the strain of huge financial and operational pressures.

The CQC's own State of Care report[2] advises that '*the fragility of the adult social care market and the pressure on primary care services are now beginning to impact both on the people who rely on these services and on the performance of secondary care. The evidence suggests we may be approaching a tipping point*.' Yet against this backdrop, across health and social care the 2017/18 CQC fees proposal seeks to increase fees charged to frontline providers by £44.2M. Such fee increases simply cannot be justified. We call on the CQC to halt these proposals which will result in millions of pounds being diverted from frontline services through a 28% increase in overall fees.

General practice

Through our General Practitioners Committee (GPC) we work closely to provide guidance, information and support for general practitioners (GPs) as they undertake the Care Quality Commission's (CQC) registration and inspection process. This includes surveying GPs to gauge their views and experiences of the regulator. This response incorporates information we have gathered as part of this process. As the cost of regulation directly reflects the approach taken by CQC, we have highlighted below some of our key issues with the current regulatory system:

- We have repeatedly called for an end to the bureaucratic nature of the registration system, which unnecessarily duplicates much of the work practices are required to report on to NHS England. CQC's

own strategy document[3] states it will save time and reduce bureaucracy by removing and improving registration processes that are no longer required or are overly detailed. However, there is no evidence to demonstrate that recoverable costs linked to the registration process will fall in 2017/18.

- The inspection process is unduly administrative and lends itself to 'tick boxing' rather than addressing areas of genuine concern in relation to patient safety and care quality. We support right-touch, proportionate regulation. As such we continue to call for a reformed regulatory system which replaces the current content and pattern of CQC visits and flawed aggregate ratings with targeted assessments of essential quality assurance processes that do not duplicate what is already assessed by NHS commissioners.

- The inspection process, including preparation time and the wait between inspection and report, can be prolonged and protracted. We are seriously concerned that preparing for inspection takes doctors away from patients at a time when general practice is already struggling to meet patient demand. This can, in turn, impact negatively upon doctor morale. Moving to full cost recovery means that there is a lack of incentive for the burden of inspection on providers to be reduced. General practice is under huge pressure, yet GPs are clear that outcomes for patients will not improve simply as a result of a CQC inspection and rating. Based on the current CQC approach, it is our view that complying with the regulations and standards that are meant to protect patients is distracting doctors from this very task.

- There is a lack of acknowledgement, understanding and consideration by CQC of practices' budgetary constraints, resulting in those practices which receive lower funding on a per-patient basis often being provided with lower ratings[4]. The long delays in re-rating practices that have quickly made the necessary improvements is also a significant concern. It is unfair for such practices to be linked to a rating that no-longer reflects their status. We are also deeply concerned with CQC activity involving practices that are struggling due to system-wide pressures.

- There is huge frustration that, regardless of whether costs are recovered centrally from government or directly from practices, CQC fees divert overstretched funds from frontline patient services to prop up a system of regulation and inspection in which the majority of GPs have little confidence.

Funding a failing system

Although the vast majority[2] (87%) of GP practices inspected have been rated as 'good' or 'outstanding', the most recent CQC *Annual Provider Survey Results*[5] show that nearly half (43%) of the 1,004 GP practices who responded do not believe that the way CQC inspects and regulates is beneficial to the quality of care received by people. Two thirds (67%) of GP respondents also stated that the outcomes for those who use their services have not been (or will not be) improved as a result of their inspection. In addition, the Annual Provider Survey Results for GP providers also found that:

- Only 41% feel that CQC's guidance and standards have helped them improve the quality of their service
- Only 52% feel that inspection teams had a good or very good understanding of the care they provided
- Only 38% agree that the inspection helped to identify areas for improvement
- Only 35% feel that CQC ratings are useful for their service.

Similarly, our own survey[6] revealed that three in four GPs state that CQC inspections were more likely to make them want to leave the profession. Over 1,900 practices responded to our survey, which asked a range of questions covering practices' experience of CQC inspections including estimated impact on patient care, practice expenses, and staff well-being, and their views on the inspection regime. It also found that:

- 80% of practices said the system of checking their services takes GPs away from patients and increases doctors' stress levels
- 80% of practices said the workload to prepare for a CQC inspection is 'excessive'

- 90% of practices believe CQC's inspection ratings are too simplistic or misleading to measure quality of care accurately
- 25% of respondents said they were less inclined to raise concerns about practice pressures for fear of CQC intervention

We believe that at a time when general practice is facing unprecedented pressures and increasing recruitment challenges[7], it is unacceptable that a regulation and inspection regime exists which actively discourages doctors from working in general practice.

The consultation process

This year's fees consultation sets out proposals for the second year of a two year approach to full cost recovery. CQC has acknowledged that the majority of service providers objected to the implementation in 2016 of this proposal[8]. Responses to the 2016/17 fees consultation (51% came from GPs) showed a strong preference for cost recovery over a period of four years and noted serious concerns at the scale of the increases, and corresponding concern about their impact on quality of care and sustainability of services.

Yet regardless of these concerns CQC sought the consent of the Secretary of State to confirm full cost recovery within two years. Ignoring the concerns of providers identified during the 2016/17 consultation period provides little confidence that CQC is now willing to engage in a genuine consultation process, or that it is committed to involving providers directly in developing its 2017/18 fees strategy.

As was the case with the 2016/17 fees consultation, no evidence is provided as to how the CQC intends to bear down on its costs in order to reduce fees. There is also a distinct lack of information and data on the assumptions and calculations used to support the proposed costs of regulation in 2017/18. Without providing this information and allowing it to be scrutinised it is impossible for CQC to demonstrate it is a fair, efficient, effective and proportionate regulator.

The cost of regulation

The cost of regulating the GP sector by CQC is stubbornly high. Practices have seen costs recovered from them increase from £6M in 2013/14, to £21.3M in 2016/17, to a proposed £37.5M for 2017/18[9]. These exorbitant fee increases have rightly angered GPs. Charging NHS practices 75.8% more in 2017/18 for an imposed system in which they have little confidence will do nothing to improve the poor standing of the CQC amongst GPs.

Although there has been talk of efficiency measures and a change in approach to regulation of the GP sector during this time[10], the overall cost of regulation will have reduced little since 2013. The proposal to recover £37.5M from GP practices in April 2017 (compared with £37.6M from government and practices in 2016) needs to be fully explained and justified given the cost to regulate the sector should significantly reduce as a result of plans to diminish the frequency and bureaucracy of GP inspections – the CQC's strategy advises it will move to a maximum inspection interval of five years for the 87% of practices rated 'good' and 'outstanding'.

In addition, the likelihood is that with a projected increase in practice closures and mergers, future activity and therefore cost to the regulator will inevitably decrease. We can also expect to see fewer practices that are deemed inadequate (resulting in fewer inspections) as they will either have had their registration removed or are likely to have improved their rating as a result of being placed into special measures. Even based on a conservative view, it is clear that the planned reduction in inspection activity for 2017/18 has not been properly factored into the calculation of full recoverable costs. The proposed 0.3% reduction in overall cost demonstrates that the CQC is failing to follow its own guiding principles to set fees that accurately reflect costs – full transparency in the estimation of costs is urgently needed.

Through its strategy, and as part of the Regulation of General Practice Programme Board, CQC has committed to reduce unnecessary workload both on practices, and on GPs – we urge it to go beyond these

commitments and fully engage with the profession to overhaul its registration and inspection approach, and in doing so halt the continued waste of funds that are being diverted from essential front line services on which patients rely.

We hope that our submission is useful – please do not hesitate to contact us for more information if required. We would be happy for our comments to be identified and attributed to us in future reporting.

Yours faithfully,

Raj Jethwa
Director of Policy

References

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7. British Medical Association (2016). Responsive, safe and sustainable: our urgent prescription for general practice https://www.bma.org.uk/collective-voice/influence/key-negotiations/training-and-workforce/urgent-prescription-for-general-practice

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9. Care Quality Commission (2016). *Fees from April 2017 - Draft regulatory impact assessment* http://www.cqc.org.uk/content/regulatory-fees-201718-consultation

10. Care Quality Commission (2016). *Sector by sector: what this means for services we regulate* http://www.cqc.org.uk/content/our-strategy-2016-2021