Regulator Assessment: Qualifying Regulatory Provisions

Title of proposal	Provider Information Request for independent ambulance services
Lead Regulator	Care Quality Commission
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Date of assessment	*06/06/2017*
Commencement date	*September 2015*
Origin	Domestic
Does this include implementation of a Cutting Red Tape review?	No
Which areas of the UK will be affected?	England

Section 1: Brief outline of proposed new or amended regulatory activity

CQC started to inspect the Independent Ambulance Sector in September 2015. To help CQC inspectors plan inspections, CQC requests providers to complete a Provider Information Return (PIR) prior to inspections to gather evidence. The PIR for the ambulance sector was introduced in September 2015; it comprises an excel spreadsheet for providers to complete and a guidance document to help providers complete this spreadsheet. Completing the PIR is a new activity for the sector which we expect providers to undertake ahead of our inspections.

The PIR is sent out in two stages. The first stage is a request to collect basic information on the range of health services delivered by these ambulance services. This is used to inform a second request that is targeted to the specific core services provided.

Section 2: Which type of business will be affected? How many are estimated to be affected?

Independent ambulance services generally provide the following main services:

- Non-Emergency Patient transport services. Transport services constitute the bulk of the work carried out by the Independent ambulance services. Independent ambulances may be commissioned directly by a NHS Trust or other health and social care providers or from a Clinical Commissioning Group. They can also be sub-contracted from another provider who is directly commissioned.

- Emergency and urgent services (i.e. responding to 999 calls). This type of work is usually sub-contracted from the NHS Ambulance Trust. The NHS Trust continues to manage the call answering and dispatch function. But during times of peak demand, the NHS ambulance trust may sub-contract with independent providers.

Department of Health (DH) policy officials have told us that the information they hold strongly suggests the vast majority of the services delivered by independent ambulance services are funded by NHS England either through Clinical Commissioning Groups or through NHS ambulance trusts contracts i.e. although businesses run the ambulance services, they are in the main delivering publically funded services.

We have had email confirmation from the Independent Ambulance Association, who state that whilst it is difficult to estimate, they suggest that at least 80% of the work carried out by their members is publicly funded, while the remaining 20% are delivering privately commissioned services. The privately commissioned services will include transportation for Adult Social Care homes, independent hospitals and insurance cover.

In 2017 to date our records show that there are a total of 310 Independent Ambulance provider locations delivering services, but based on the information from the Independent Ambulance Association we have assumed that 62 of these locations (20% of 310 locations) are delivering privately commissioned services and therefore can be classed as businesses.

Summary of costs and benefits

Price base year	Implementation date	Duration of policy (years)	Net Present Value	Business Net Present Value	Net cost to business (EANDCB)	BIT score
2015	2015	10	-0.08	-0.08	0	0

Please set out the impact to business clearly with a breakdown of costs and benefits

Below we set out our estimates of the costs and benefits of the impacts of this change as well as the methodology we used to estimate them. All of the assumptions below are based on discussions with a lead policy colleague in CQC with knowledge of the sector and in discussion with the Independent Ambulance Association.

1. One off familiarisation costs

We assume all providers will incur one-off familiarisation costs of reading the new guidance for completing the PIR. We use the standard cost model to monetise the costs of reading this new guidance.

We make the following assumptions to estimate the cost of this change. These are based on data we collect from provider locations when they completed their PIR. We believe the following assumptions to be reasonable given the evidence we have for the sector collected from PIR evaluation feedback:

We estimate that providers incurred a one-off cost of £6,000.

- Within each location we assume 3 members of staff will review the guidance once each. The three members of staff are the Registered Manager, Director of Operations and

Senior Compliance/Information Manager

- We assume the Registered Manager's hourly wage rate was £15.36 per hour in 2015-16. We have assumed that the two other staff members reading the document fall into the category of "Health services and public health managers and directors" and earn £23.02 per hour. The hourly rate of pay is sourced from ONS ASHE 2015.
- We apply 20.2% (Eurostat non-wage costs, 2016) on top of staff wage rates to account for overheads.
- Both PIR guidance manuals ask convey technical information to providers. The first guidance document is six pages long and contains around 1,300 words. The second is 24 pages long and contains 4,600 words.
- Based on document length and their technical nature, we anticipate it would take approximately 1.3 hours in total to read both PIR guidance manuals.
- The familiarisation cost would be a one-off cost. Total familiarisation cost for the business locations is estimated to be £6,000 ((1.3 hours x £15.36 per hour x 62 locations x 1.2 for 20% overheads) + 2 x (1.3 hours x £23.02 per hour x 62 locations x 1.2 for 20% overheads) =6,042).

2. One-off transitional costs

There may be an administrative cost to some locations if their documentation needs to be updated so they can provide the information that they need to report in the PIR (which they previously did not need to provide). We predict that this will be around a day's additional work by the Registered Manager per location. We think this was a one-off cost as we would expect internal documentation to be routinely updated on a regular basis as part of regular PIR information collection.

We estimate that providers incurred a one-off cost of £8,500.

- 7.5 hours x £15.36 per hour x 62 sites x 1.2 for 20% overheads = £8,585. We think that our calculation is likely to be an overestimate as we have used a Registered Manager's hourly costs, though it is possible that this task would be performed by a more junior member of staff.

3. Ongoing costs of completing PIR

We ask all locations to complete the Provider Information Return (PIR) prior to an inspection. This is an additional ongoing cost for all providers.

We have used the following information and assumptions to estimate the cost of this change. Information on the member of staff who completes the PIR and the time taken to do this comes from data provided by providers as part of their PIR evaluation feedback. We think the following assumptions are reasonable given the evidence we have for the sector:

We estimate that providers have incurred an ongoing cost of £7,600 per year.

- We assume one Registered Manager per location spends around 20 hours to complete the PIR prior to an inspection. This information comes from the providers that completed PIR evaluation forms; we have used the median time taken.
- Most provider locations that completed the PIR evaluation stated that their Registered Manager completed the PIR.

- We are still planning our inspection schedule for the ambulance sector and therefore do not know the frequency of future inspections. However, based on the length of time to taken to inspect all current locations - 3 years, we have assumed provider locations will typically have to complete the PIR once every three years. We think this is a reasonable assumption given the information constraints.
- The annual cost of completing the PIR is £7,600 (20 hours x £15.36 per hour x 62 businesses x 1.2 for 20% overheads x 0.33 frequency per location= £7,631).

Other costs and benefits not covered in this assessment

On the basis of discussions with our colleagues in Policy we do not think any indirect costs or indirect benefits arise from this change.

Some other costs and benefits not covered in this assessment and the reasons for their omission are as follows:

- A benefit of this change is that provider locations will now actively collect and monitor data needed for PIR purposes. A consequence of this might be that provider locations are now better able to identify those services that need to improve. We do not have sufficient evidence to monetise these benefits.
- Providers might also have bought new IT software systems to make it easier for them to record and monitor information needed for PIR purposes. This is not something CQC requires so it is out of the scope of this assessment; therefore we have not quantified this cost.