Regulator Assessment: Qualifying Regulatory Provisions

Title of proposal	Improved Factual Accuracy Comments Process
Lead Regulator	**Care Quality Commission**
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Date of assessment	14/06/2017
Commencement date	01/08/2016
Origin	Domestic
Does this include implementation of a Cutting Red Tape review?	No
Which areas of the UK will be affected?	England

Brief outline of proposed new or amended regulatory activity

Following the inspection of a provider, CQC shares a draft copy of the inspection report with them before it is published. The provider can comment on the accuracy and completeness of the evidence used in the report and to do so they are asked to complete the factual accuracy comments form. Providers should only submit a factual accuracy comment form when they want to challenge the accuracy and completeness of the evidence used in the inspection report.

In August 2016, CQC issued a revised factual accuracy comments form accompanied by new guidance and instructions. The new form asks for the same information as the previous form, but is structured more intuitively; it is slightly longer, with separate boxes for comments relating to typographical/numerical errors, accuracy of the evidence in report and completeness of the evidence. The previous form only contained one comment box to provide all the information. The changes were made because providers had a mixed understanding of the purpose of the form; for example, some used it to complain about the conduct of an inspector. The revised guidance is longer but we think it is clearer about the purpose of factual accuracy forms and when and how they should be used.

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

It is difficult to estimate the number of business likely to be affected. Information on the number of factual accuracy forms received by CQC comes from our internal management information database, but we have concerns over the accuracy and robustness of the data because it relies on our staff recording the data on our database and some may not have recorded this information in a consistent manner. Furthermore, changes to the factual accuracy form were made in August 2016 and therefore we do not have a full year's worth of data on the number of forms received.

Due to the small number of completed forms received from some sectors and concerns over data reliability and robustness, our analysis focused on those sectors which historically have submitted the largest number of forms, these are: residential and community adult social care locations, GPs, dentists and independent acute hospitals (specialist and non-specialists). We do not envisage that the exclusion of other sectors from our analysis will have a material impact. For

independent acute hospitals, GPs and dentists we have used a two year average of the number of forms received during the calendar years 2013 and 2014. We have excluded the 2015 data from our analysis because we have concerns over the reliability of the data; as the number of factual accuracy recorded is considerably lower than the previous two years. For the Adult Social care sector, we think 2016 data is more robust and represents a more accurate estimate of likely future volumes. The above assumptions are based on discussions with our business improvement lead; she is qualified to provide this information as she reviewed and revised the CQC factual accuracy process and redesigned the factual accuracy form.

The number of factual accuracy comments forms we expect to receive will be dependent on the number of inspections we plan to carry out in the future. Our new inspection regime, which starts in 2017/18, means that we will undertake fewer comprehensive inspections in the future (where we inspect all the services provided in a location.) Therefore the number of forms we expect to receive is likely to be lower and we have taken account of this in estimating future number of forms we expect to receive. Our Head of Planning, Performance and Assurance responsible for planning resources for future inspections, estimates that number of inspections we plan to carry out will fall from 2016/17 to 2019/20, the number of inspections will reduce by 17% for GPs, 6% for Dentist and 1% for Adult Social care. For independent acute hospitals we think the future inspection numbers will stay broadly constant at 2016/17 levels. We have not developed our schedule of inspection beyond 2019/20 and therefore assumed that the future number of inspections will be the same as the 2019/20 levels in 2020/21 and beyond.

Our database is unable to identify whether factual accuracy forms submitted are from businesses. To estimate the volumes submitted by businesses, we have used the established convention between the Department of Health and the Regulatory Policy Committee in that that around 91% of social care providers are classed as a business. The corresponding figures for GPs, dentists and independent acute providers are: 30%, 6% and 100% respectively. We have applied the above percentages to our estimate of factual accuracy volumes to estimate the number of forms submitted by businesses. In doing, so we have assumed that providers that are classed as a business submit factual accuracy forms in the same proportion as those that are not classed as a business. We think the above assumption is reasonable given the data constraints.

Table 1 below shows our estimate of the annual number of forms we expect to receive from 2017/18 onwards.

Table 1: Annual number of forms we expect to receive from businesses

Provider type	Number of locations submitting factual accuracy comments form
Acute Independent	103
GPs	16
Dentists	230
Adult social care: residential	4,528
Adult social care: Community	1,912
Adult social care: Hospices	81

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	2016	10	-0.13	-0.13	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 colleagues in CQC; this included the business improvement lead responsible for the change, the Head of Planning, Performance and Assurance, and two inspection colleagues from the CQC's Adult Social Care inspection directorate. Given that this costing rounds down to zero, we have not sought further input from providers as it would not be proportionate to invest resources in establishing this given the scale of the expected impact.

We envisage that the cost of the changes to our guidance and form to all businesses is as follows:

1. Cost of reading the guidance to complete a form

- We envisage there is an annual on-going cost of £15,000 reading the new factual accuracy guidance by locations we have inspected who complete these forms. We use the standard cost model to monetise the costs of reading this new guidance.
- We have assumed that the document will be read once at each location site by one member of staff: a Doctor at the Independent acute provider and GP surgery, by a Dentist and by a Registered Manager at the adult social care locations. These assumptions are based on discussions with two inspectors from Adult Social Care inspection directorate.
- The number of locations we assume read the guidance each year is set out table 1.
- The hourly cost for a Doctor is £31.22, for a Dentist it is £26.34 and for Registered Manager it is £15.36. The hourly wage rates are taken from ONS ASHE 2015.[1]
- We apply 20.2% (Eurostat non-wage costs, 2016) on top of staff wage rates to account for overheads.
- The new guidance contains 1,174 words whilst the old guidance contained around 750 words. We assume the readability of the new document is at graduate level which means it could be read at the speed of between 50 to 100 words per minute. We estimate it would take 16 minutes to read the new guidance and it would take 9 minutes to read the previous guidance.
- We estimate the cost of reading the guidance to all businesses affected will be £15,000 (15,389 =34,477 – 19,089) per year. See table 2 below.

[1] This is the latest finalised ONS data available

Table 2: On-going annual cost of reading new guidance

Provider type	Cost of reading new guidance (£)	Cost of reading old guidance (£)	Net cost (£)
Acute Independent	1,006	557	449
GPs	160	89	71
Dentists	1,901	1,052	848
Adult social care: residential	21,811	12,076	9,735
Adult Social care: Community	9,209	5,099	4,110
Hospices	391	216	174
Total (£)	34,477	19,089	15,389

2. Costs of the completing the new factual accuracy comments form

We assume those locations submitting a factual accuracy form would complete the factual accuracy form once and it takes one hour of staff time. The number of businesses we assume complete the forms each year is set out table 1.

Although businesses should find it easier to complete the form, it may not necessarily result in a time saving for their staff. This is because staff will still have to provide the same amount of information albeit in different parts of the form. We therefore assume that the revised template does not result in reduced staff time and so there is no impact to providers from the revised form.

Other costs and benefits not covered in this assessment

There is the possibility that there might be a reduction in the number of forms submitted by businesses because the guidance is now clearer on the situations in which it is appropriate to submit forms. This represents a time-saving for businesses. The guidance will also mean that providers give more acceptable sources of evidence when submitting forms to CQC, and they will better understand the timescale for submission of these. We do not have sufficient evidence to monetise these benefits.

We do not believe there are any indirect costs or indirect benefits to businesses arising from these changes.