



**Contract Variation**

**Provider Analytics**

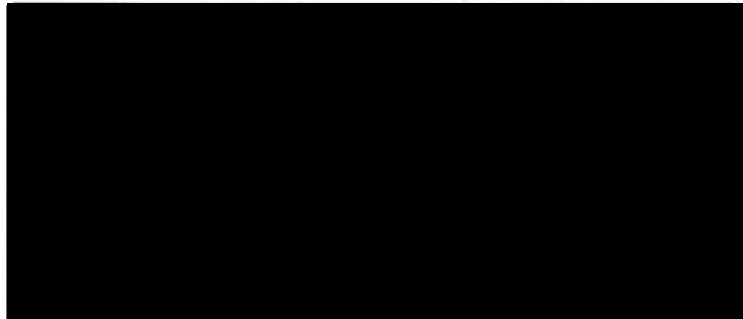
**Contract Ref: CQC PSO 12**

<b>CCN</b> 001	<b>TITLE:</b> Schedule for inspections	Additional resources incurred due to compressed timescales
<b>DATE</b> 20 <sup>th</sup> January 2016	<b>CHANGE EFFECTIVE FROM:</b> November 1 <sup>st</sup> 2015	
<b>REASON for CHANGE</b> – Compensation for additional resources necessary to deliver in compressed timescales		
<b>FULL DETAILS OF THE CHANGE</b>  Evidence of additional resources required to deliver the contract requirements was presented to CQC by Methods. The schedule for inspections is not usually available with the required notice. This has a large impact on Methods, as the resources required to deliver inspection data packs in often very compressed timescales is far greater than if had the lead time to develop packs as defined in the service specification. As a result, Methods has had to bring into the service team additional staff who are not funded. To date Methods provided evidence of having over-spent on the budget by a factor of 3 directly due to the compressed timescales. For example based on current timescales they have had to deliver Mental Health packs with 4.0 weeks' notice and Substance mis-use services with 3.8 weeks' notice, on average.  The only useful option that will mean inspectors continue to receive packs in time to undertake inspections is for Methods to maintain the increased resources required to deliver data packs with shortened timescales. This has a direct cost impact.		
<b>PRICE OF THE CHANGE AND SCHEDULE OF PAYMENTS</b>  After discussions with CQC, Methods propose to vary the price for packs delivered both to date and going forwards based on the lead in time available, as follows:  $\text{New price} = \text{current price per pack} * (\text{specified lead in time (weeks)} / \text{actual lead in time (Weeks)})$		

This will increase the price per pack on a sliding scale, higher for shorter lead in time and lower for longer lead in times, coming down to unity where the schedule is available as per the specification.

Where a lead time is missed by only 1 day this is nulled in the formula

CQC negotiated a 'buffer' whereby for [REDACTED] of the programme contracted volume [REDACTED] they may choose to only pay the base price for inspections where the lead time is up to a specified period late. This period varies by inspection type as follows:



The CQC also agrees to a split re-imbursement model in that Methods Analytics will invoice [REDACTED] of the agreed fee for each inspection on completion of the inspectors on-site work. The remaining [REDACTED] to be invoiced following NQAG sign off per inspection. These invoices will be monthly in arrears as agreed.

#### TIMETABLE FOR IMPLEMENTATION

From November 1<sup>st</sup> 2015.

#### IMPACT OF THE CHANGE

In summary, the final position on the CCN is;

- [REDACTED] split on payment for individual events. CQC to pay [REDACTED] of cost on receipt of the pack and analysis if at the correct quality etc. Then [REDACTED] following the NQAG
- Methods have conceded enhanced cost for October. New charging mechanism for penalty will commence on 1st November 2015. Therefore CQC has three months with no penalty charges
- Methods have agreed to the [REDACTED] buffer for late information and taken 9 of these to reduce the penalty costs down to [REDACTED]. This leaves CQC with the ability to be late on 70 further events although this is caveated by 4 weeks late and 3 weeks late dependent on the type of inspection.

- The penalty mechanism is to be in weeks

To remunerate Methods for the inspection data packs.

DATE OF EXPIRY OF CCN 001:- end of programme

SIGNATURE BY CQC ...

Print Name

Date..

SIGNATURE BY METHODS ANALYTICS LIMITED.....

Print Name...

Date.....

