

Change Control Notification

CCN 003	TITLE: Schedule for inspections	ORIGINATOR: [REDACTED]
DATE: 19 December 2016		CHANGE EFFECTIVE FROM: 1 November 2016
RECOMMENDATION FOR CHANGE: [REDACTED]		
REASON for CHANGE: Implementation of the cancellation policy and compensation for additional resources necessary to deliver in compressed timescales.		
<p>FULL DETAILS OF THE CHANGE:</p> <p>Due to operational requirements, CQC may wish to cancel or reschedule an inspection. In such circumstances, there is a risk that work undertaken by Methods Analytics is not appropriately remunerated under the previous arrangement. This CCN incorporates this change alongside the charging structure for late arrival of Provider Information Returns (PIRs), which took effect following CCN 001 and subsequently amended in CCN 002 to account for the new post-500 pack pricing arrangement.</p>		
<p>PRICE OF THE CHANGE AND SCHEDULE OF PAYMENTS:</p> <p>After discussions with CQC and in accordance with CCN 002, Methods propose to vary the price for data packs based on the lateness of the Provider Information Return (PIR) data and the cancellation time. The prices are given in the accompanying spreadsheet (Annex A).</p> <p>Late data adjustment:</p> <p>A penalty fee will be added to the standard pack price (as set out in CCN 002) when Provider Information Return (PIR) data is received later than the specified timeframes given in columns 3 and 4 of table 1 below. These are calculated back from the inspection day (Day zero). Although the agreed PIR receipt dates are actually Day zero minus 50 days, efficiencies established between CQC and Methods Analytics have resulted in data being received up to 10 days following these dates without CQC incurring any penalty charges. This has been achieved by compressing the timeframes</p>		

$$\text{Original price} + \text{Penalty price} \times \left[\frac{50}{(\text{Days remaining} + 5)} - 1 \right]$$

Where the original pack price is £ [REDACTED] and the penalty price is [REDACTED]

Cancelled data pack adjustment:

The cancelled data pack adjustment is based on a flat fee of [REDACTED] after Methods Analytics send out the PIR and up to the time at which the data is received. Then a linear scale during the data pack production period and Factual Accuracy (FACACC) amendment period (no increase occurs during the FACACC period itself as no work is carried out by Methods Analytics). The maximum fee payable will be 70% of the full pack price as determined by the late penalty clause above if necessary. See Annex A for a full breakdown of costs by day.

The cancellation fee follows the profile shown below in Chart 1:



Chart 1: Illustration of linear fee increase based on time of cancellation and life cycle of data pack

A description of each stage of the data pack production cycle is given below in Table 2:

Rescheduled data packs:

If an inspection is rescheduled to a later date then, depending on the timeframe between the original inspection date and the new inspection date, there are two scenarios:

1. New data is required due to the time frame between the old and new inspection dates: This requires a new PIR to be issued, and the pack to be reproduced. The cancellation fee will be applied to the first pack. The data pack for the rescheduled inspection will be charged as normal.
2. New data is not required to produce the pack for the new timeline: No fee will be charged for the first pack. The data pack for the rescheduled inspection will be charged as normal.

For acute data packs, if the rescheduled inspection falls in a different financial quarter to the original inspection, then a new PIR will be required to enable up to date benchmarking to be carried out. This will mean that option 1 above will be enacted. However, if CQC do not require up to date benchmarking then the original PIR submission will be used without a cancellation fee being applied. This will be agreed on an ad-hoc basis when the need arises.

For all other inspection types it will be agreed on an ad-hoc basis by CQC as to whether to use the old PIR submission or request another submission from the provider. At these decision points Methods Analytics will inform CQC of the financial impact of the decision.

TIMETABLE FOR IMPLEMENTATION

From 1 November 2016.

IMPACT OF THE CHANGE

In summary, the final position on the CCN is:

- Penalty fees will be payable when data is received late.
- Cancellation fees will be payable for cancelled data packs.
- New charging mechanism for penalties has already commenced following CCN 001 and the adjustment in CCN 002, which rebases the penalty fee.
- New charging mechanism for cancelled data packs will commence on 1 November 2016.
- The fees payable for cancelled data packs, including late fees, are documented in Annex A