

Hospice UK response to Healthcare Improvement Scotland: Independent healthcare fees consultation

December 2023

Q3. Given the increasing costs required to regulate independent healthcare, do you agree that the proposed maximum fees Healthcare Improvement Scotland can charge, as outlined in the background information, is required?

No

Q4. If you do not agree with the proposed maximum fee adjustment: what alternative approaches or strategies do you believe would be fair and effective?

Charitable hospices do not agree with the proposed increase in maximum fees that Healthcare Improvement Scotland can charge to regulate their services and are concerned about the impact that increasing fees would have.

Charitable hospices are facing very challenging financial circumstances. The current funding of hospice care is unsustainable and the sector is facing an expected deficit of £16 million this year. On average only just over a third of hospice income comes from statutory funding with hospices having to fundraise the remaining two thirds. Hospices have been facing rising running and staffing costs at the same time that the cost of living crisis is squeezing the donations they receive from their local communities. Statutory funding has not kept pace with historic and recent cost rises, in particular the cost of matching the NHS pay awards to remain fair and competitive to their staff.

Increasing the fees that HIS charge for regulating hospice care will place an additional financial burden on hospices. Charitable hospice care is free to everyone who accesses their services, unlike independent hospitals and clinics who charge people for the services they receive. Hospices therefore do not have a mechanism to allow them to off-set cost increases they experience by passing on cost rises to people using their services, unlike other independent healthcare providers. It is unfair that HIS should place charitable hospices in the same category as independent hospitals, using the same mechanism to charge and increase fees for regulation, when their circumstances are so different. While we appreciate that HIS has rising operational costs of its own that it needs to cover, it is not fair or right that these costs are being passed on to voluntary services who are reliant on the generosity of their local communities to cover them.

In addition, while all hospices are regulated and pay fees to HIS, some hospices also have services that are regulated by the Care Inspectorate. These hospices are paying dual registration and ongoing fees to both HIS and the Care Inspectorate. At inspections, both regulators are looking at the same policies and procedures. This places an unnecessary financial, time and administrative burden on hospices, and on HIS and the Care Inspectorate. The importance of reducing duplication across public services has been made clear since the Christie Report. Despite long-standing promises that this would be addressed for hospices, the issue persists. Aligning and reducing duplication in the regulation of



hospice care services, including the associated fees that hospices pay, needs to be urgently reviewed.

How would you suggest HIS address the challenges of the rising costs they incur while regulating independent healthcare services due to inflation, while minimising the impact on their stakeholders?

HIS should create a new category for charitable hospices in relation to regulating and charging fees for independent healthcare services, instead of hospices being included in the same category as independent hospitals. This new category should reflect that hospices are charitable organisations that are unable to mitigate cost increases in the same way that other independent healthcare providers can. There should be a lower maximum fee level for charitable hospices, compared to other independent healthcare providers.

In addition, there needs to be greater alignment and joined up working between HIS and the Care Inspectorate to reduce the burden on hospices and on the regulators themselves, and a review of the fees that hospices have to pay when regulated by both organisations. Hospices must not be financially penalised by being dual registered with both the HIS and the Care Inspectorate and this needs to be reflected in the mechanism and charging structure for fees.

Hospices are committed to delivering the highest quality of care for patients and families, and ensuring a focus on continual improvement. They appreciate the important role that HIS plays in supporting this. Hospice UK would be happy to help facilitate discussions between HIS, Care Inspectorate and hospices to help reduce duplication across the regulatory landscape and to establish a fairer way of setting fees for charitable hospices that recognises the unique circumstances that they are working under.

Hospice UK is the national charity for hospice and end of life care. We work to ensure everyone affected by death, dying and bereavement gets the care and support they need, when they need it. All charitable hospices in Scotland are in our membership and our response was informed by their views.

For more information please contact policyscotland@hospiceuk.org