

Public Consultation on Independent Healthcare Fees - Analysis Report

April 2024

Summary

This report provides an analysis of responses to the Scottish Government's consultation on proposals to increase the maximum fees that Healthcare Improvement Scotland may charge, which ran from 16 October 2023 to 11 December 2023.

We are grateful to everyone who took the time to respond. The consultation paper can be accessed at [Healthcare Improvement Scotland: independent healthcare fees consultation - Scottish Government consultations - Citizen Space](#).

The responses we received showed a fairly even split between those who agreed that the regulation of independent healthcare services should continue to be funded through fees charged by HIS to private providers (46%) and those who did not (53%).

83% of respondents did *not* agree with the proposed maximum fees (**Annex A**) that HIS can charge for the commencement of the regulation of independent medical agencies.

87% of respondents did *not* agree that the proposed maximum fees HIS can charge is required, given the increasing costs required to regulate independent healthcare.

Introduction

The providers of independent healthcare in Scotland are many and varied, and the complexity of this area of healthcare provision continues to increase. Healthcare Improvement Scotland (HIS) are responsible for regulatory and inspection functions in relation to independent healthcare services as defined by legislation, currently including independent hospitals and clinics led by healthcare professionals. The fees HIS charge are detailed in statute (see **Annex A** for fee breakdown) and the maximum fee level is prescribed in regulations by the Scottish Ministers. The Scottish Government believe fees should be fair and proportionate, taking into account the required reasonable expenses incurred by HIS in carrying out its functions when setting fee levels.

The initial costs of registration for HIS are broadly similar, regardless of the type of service or the size of the business being registered, as the level of resource within HIS needed to assess an application does not vary significantly depending on the sector within which the service operates or its size. However, once registered, the level of regulatory input and risk a service presents is reflected in its continuation fees.

Both the Scottish Government and HIS are currently involved in ongoing discussions around the regulatory framework for independent healthcare services, including fees that are being charged, as it is recognised that the maximum fee structure was set a number of years ago when the independent healthcare sector in Scotland was less diverse and complex.

In early 2023 we ran a public [consultation](#) which asked a number of questions about the regulation of independent healthcare. Responses showed strong support for further regulation in this area, as well as supporting proposals that include regulation of independent clinics where services are provided by pharmacists and pharmacy technicians, and for regulation of independent medical agencies which will include wholly online services based in Scotland.

The purpose of this consultation (from October to December 2023) on independent healthcare fees was to gather views on the proposed increase to the maximum fees that HIS may charge.

Analysis of responses

The Scottish Government's public consultation '[Healthcare Improvement Scotland: independent healthcare fees](#)' ran from 16 October to 11 December 2023. It asked four questions, three of which required a straightforward yes/no response, and one of which was free text.

The consultation received 105 responses, of which 83 (**79%**) were from individuals and 22 (**21%**) were from organisations. The majority of respondents identified themselves as being affiliated with an independent healthcare service, either identifying as the owner or working for such businesses. 12 responses were anonymous, while 62 (**59%**) did not want their name published alongside their response and 17 respondents (**16%**) did not wish their responses to be published at all. All responses have been considered in this analysis, irrespective of whether or not they have been published. See **Annex B** for a list of organisations that responded.

Question 1: Do you agree that the regulation of independent healthcare services should continue to be funded through fees charged by HIS to private providers?

Answer	Organisations	Individuals	Percentage Total (%)
Yes	16	32	46
No	5	51	53
Did not answer	1	0	1

Question 2: Do you agree with the proposed maximum fees that HIS can charge for the commencement of the regulation of independent medical agencies?

Answer	Organisations	Individuals	Percentage Total (%)
Yes	6	10	15
No	14	73	83
Did not answer	2	0	2

Question 3: 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?

Answer	Organisations	Individuals	Percentage Total (%)
Yes	5	9	13
No	17	74	87
Did not answer	0	0	0

Question 4: If you do not agree with the proposed maximum fee adjustment:

- a. What alternative approaches or strategies do you believe would be fair and effective?

There were **88** responses to this question (more details below).

- b. 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?

There were **84** responses to this question.

A range of comments were made in response to both parts of Question 4a and 4b, which it would be easiest to consider together as topics overlapped.

44 respondents (50%) suggested that non-healthcare professionals should also be registered. 30 respondents (34%) felt that fees should be based on the size of the business.

Other comments made include:

- Respondents could not understand the rationale behind the increase
- All cosmetic services should be regulated
- Fees should be based on the services the business provides

- Regulation should be centrally funded from government
- There are too many regulations
- HIS should review their own spending and overheads and should publish their own financial records.

Annex A

Current Maximum Fees				
Service	Application for Registration (£)	Annual Continuation (£)	Variation or Removal of Condition (£)	Cancellation of Registration (£)
Independent Hospital	5,000	250 per place*	100	100
Private Psychiatric Hospital	5,000	250 per place*	100	100
Independent Clinic	3,500	3,500	100	100
Independent Medical Agency	N/A	N/A	N/A	N/A

*per bed

Proposed New Maximum Fees				
Service	Application for Registration (£)	Annual Continuation (£)	Variation or Removal of Condition (£)	Cancellation of Registration (£)
Independent Hospital	10,000	500 per place*	1000	100
Private Psychiatric Hospital	10,000	500 per place*	1000	100
Independent Clinic	7,000	7,000	1000	100
Independent Medical Agency	7,000	7,000	1000	100

* per bed

Annex B

List of organisations that responded

Ardgowan Hospice

Hospice UK

Royal College of General Practitioners – Scotland

Royal Pharmaceutical Society Scotland

The Canmore Clinic.

The Royal College of Surgeons of Edinburgh

Waverley Dental



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