

FACULTY OF OCCUPATIONAL MEDICINE

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Response from the Faculty of Occupational Medicine of the Royal College of Physicians of London to the PMETB document:

PMETB Fees Consultation : December 2005

The Faculty welcomes this opportunity to participate in this consultation process.

The Faculty recognises and supports the general purpose of PMETB, namely to safeguard the well being of patients by establishing standards for postgraduate medical education and training. Ensuring high standards of education and training in occupational medicine has been, and continues to be, the Faculty's primary function and one to which we are completely committed. Like all the Medical Royal Colleges and Faculties, we have been working hard to support PMETB in its early stages, both to advise upon and help to progress its aims, and to comply with its new requirements, which are emerging incrementally. We understand that it has been difficult for PMETB to embark upon this ambitious task, from a standing start and the Faculty, along with the other Colleges and Faculties, has devoted a considerable amount of time and resources to supporting PMETB and responding to its needs.

With regard to the specific questions posed:

Question 1: Do you agree with the principles that have underpinned our proposals?

Principle 1: We do not agree that it is necessary to be financially independent in order to act independently. The Food Standards Agency, for example, is funded by government and yet is an independent 'arms length' body which sets its own strategy, does not report to a specific minister and is free to publish any advice it issues.

Principle 2: It is obviously the ideal situation for PMETB to have sufficient income to fulfil its statutory duties. However, all organisations, including public organisations with statutory duties, have finite budgets and have to prioritise. PMETB appears to be basing its financial planning on a system of setting out its optimum level of activity, and then to assume that this can be funded, whatever the cost. There is no notion of affordability in the consultation paper. We suggest that a more useful way forward would be for PMETB to implement these changes more gradually, with a view to keeping the costs affordable, and with a view to taking into account a level of fees that is deemed reasonable.

The consultation document refers to stakeholders (5.2) wanting to see PMETB as 'ambitious'. This is a laudable aim for any organisation, and is easily said if those stakeholders do not have to pay for the ambitious programme.

Principle 3: Our understanding is that the primary intended beneficiaries of PMETB's work are NHS patients. The means by which PMETB will improve the lot of its beneficiaries will be by improved training standards. It is indeed true that

doctors will benefit in the sense that they will not be able to progress to consultant posts unless they pay the PMETB fees. But the ultimate purpose of PMETB is not to further doctors' careers but to improve patient care. Employers, in particular the NHS, are also beneficiaries, in that they should have the benefit of better trained doctors. In the light of this, it is suggested that a significant proportion of the funding should come from the NHS, Department of Health and NHS employers.

Principle 5: Seeking to rely on government to meet appeals costs contradicts Principle 1. If PMETB is to be independent, then it should take out insurance. However, we make this point only in order to highlight the inconsistencies in the document. The Faculty's position is that some ongoing government funding for PMETB is appropriate, and so we agree that PMETB should seek government support with appeals costs.

Principle 6: We agree that if PMETB were to be financially independent it would have to build a prudent level of reserves. However, this has to be read in the context of the other comments in this paper and our reservations about the need for financial independence, and about the coherence of PMETB's position on this.

Question 3: Do you have comments on the fees proposal themselves?

The Faculty has two points to make about the proposed fees:

Point 1: If PMETB were operating as a business, then it would be seeking to charge the maximum that the market would bear. However, this analogy does not hold up. PMETB is a monopoly statutory body, whose services doctors are obliged to use and so criteria of reasonableness and fairness should be applied.

PMETB is proposing increases of 200% to CCT applications and 78% to Article 14 applications. In the context of 2.4% RPI, these increases do not appear reasonable. Many doctors now accrue very large debts during their training and it does not seem to us to be fair to increase the financial burden on them to this extent, and certainly not in one step and without a period of warning.

Point 2: The point was made at the beginning of this response that the Faculty of Occupational Medicine has, along with other Colleges and Faculties, devoted a significant amount of time and resources to supporting PMETB in its early days, advising on processes, providing information and piloting new methods. The need for, and the value of, PMETB and the Colleges and Faculties working in partnership has been stressed repeatedly. It is therefore surprising that there should be so little mention of the Colleges and Faculties in this paper.

In particular, a glaring omission in the document, is that there is no reference to the fact that no decisions have yet been made about the rates that will be paid to the Colleges and Faculties for carrying out contracted PMETB work. (Indeed, PMETB has decided that discussions about this should be delayed.) Page 19 refers to the fact that £500 is currently paid to third parties – the Colleges and Faculties – for the assessment work on Article 14. It states that 'additional costs are likely to remain', apparently referring to the £500.

It is inferred from this, that PMETB expects to continue to pay £500 to Colleges and Faculties for Article 14 assessments. However, PMETB is aware that this was an arbitrary interim figure, not based on any actual costings, and that this is to be reviewed, with the Colleges and Faculties. That review has not even started and yet

PMETB is making assumptions about its outcome. The same point applies to payment to the Colleges and Faculties for their general training work leading to CCTs. There has been no discussion at all about how this will be set, or how much this work costs the Colleges and Faculties and yet PMETB must have made assumptions about this (but these are not referred to in this document) in order to set its expenditure.

In reaching agreement with Colleges and Faculties about payment for their services, it is assumed that PMETB will be guided by the government's commitment set out in the Treasury's 2002 cross cutting review, which states the need for public sector bodies to allow charities, with which they contract, to recover the full costs of their services.

Conclusion and recommendations

1. The financial model on which PMETB is based should be revisited. The reasons given for the need for financial independence are not convincing and other organisations, such as the Food Standards Agency, illustrate that independent operation and government funding can co-exist.
2. The method of budget setting should be reviewed. Rather than plan for an optimum level of activity, regardless of the cost, PMETB should temper its plans with considerations of affordability. It should scale down its growth to match the income that it might reasonably expect, balancing its needs for income with the need to be fair to fee payers.
3. The concept that doctors are the main beneficiaries is plainly wrong. The intended primary beneficiaries are NHS patients and so the NHS, Department of Health and/or NHS employing bodies should contribute the main part of PMETB costs. Doctors are secondary beneficiaries and so should make some contribution, but not at the levels proposed by PMETB.
4. In setting the level of fees, PMETB should take account not only of its own needs, but also the need to act reasonably to doctors. It is not reasonable to increase fees by 200% and 78%, and certainly not in one step and without a proper period of notice, especially in the light of the significant debts accumulated by many newly qualified doctors.
5. PMETB's proposed expenditure is not soundly based. It does not take account of the payments to be made to Colleges and Faculties under contract, which have yet to be decided. PMETB should consult with the Colleges and Faculties about the fees to be paid to them for their services and thereby improve the accuracy of its costings, before proceeding further.
6. Finally, this process is being undertaken with indecent haste. The covering letter refers to a six week consultation period. This in itself is short period. In fact the period is five and a half weeks, and this includes the Christmas period. The Faculty recommends that PMETB should scale down and slow down its plans, with a view to making them affordable, manageable and fair.