

REGULATORY APPRAISAL

NATIONAL HEALTH SERVICE, WALES

THE NATIONAL HEALTH SERVICE (OPTICAL CHARGES AND PAYMENTS) (AMENDMENT) (WALES) REGULATIONS 2007

Purpose and intended effect of the measure

1. The proposed Regulations amend the National Health Service (Optical Charges and Payments) Regulations 1997 to increase the level of the NHS sight test fee by 2.5% from £18.39 to £18.85 from 29 March 2007. This increase would bring the cost of sight tests in line with that in England. This uplift is an annual uplift, following consultation by the optical bodies, Optometric Fees Review Committee, the Department of Health and the Welsh Assembly Government.
2. These uplifts will be backdated to 1 April 2006 for optometrists. The increase for subsequent financial years, 2007/08 onwards, is yet to be agreed by the Department of Health and the optical bodies, Optometric Fees Review Committee and the Welsh Assembly Government. Further annual Regulations will be required once the figures for subsequent years have been negotiated.

Risk Assessment

3. There are no risks associated with increasing the NHS sight test fees, as this is a financial uplift to bring the cost of the sight test in line with that in England. However, not increasing sight test fees would cause optometrists in Wales to be adversely treated in comparison to their counterparts in England.

Options

Option 1 – Do Nothing

4. Failure to make these Regulations would cause optometrists to be adversely treated in comparison to those in England.

Option 2 – Make the Legislation

5. Increasing the sight test fee will keep Wales in line with England who have already implemented these changes.

Costs

6. It is recommended by the Assembly that the consistent approach in increasing sight test fees as in England is maintained. The Regulations need to be amended in line with England so optometrists are not being adversely affected compared to their counterparts in England. This would require a 2.5% increase in NHS sight test fees. For financial year 2006-07, the sight test fee will be increased from £18.39 to £18.85. The increase for subsequent financial years, 2007/08 onwards, is yet to be agreed by the Department of Health and the optical bodies, Optometric Fees Review Committee and the Welsh Assembly Government. Further annual Regulations will be required once the figures for subsequent years have been negotiated.

7. The additional gross cost to the Assembly of the increase for the NHS sight test fee is estimated at £400k for 2006/07 and will be accommodated within the Other Family Health Services costs, under the Payments to Contractors Budget Expenditure Line. There will be no financial implications to optometrists as a result of these Regulations. Patients in Wales will pay the increased charge for the sight test fee from 29 March 2007.

Benefits

8. These Regulations ensure that optometrists are not being adversely affected compared to their counterparts in England, by bringing the cost of the sight test in line with that in England.

Consultation

With Stakeholders

9. In 2004, after a prolonged period of negotiation, the Department of Health and the Optometric Fees Review Committee reached an agreement on a three-year deal (back dated to 2003/04) to increase the NHS sight test fee. The fee was increased by 10 per cent over a three year period at a compound rate of 3.225 percent annually. The years that were affected by this deal were 2003/04, 2004/05 and 2005/06.
10. On 31 March 2006 the three year deal ended. However, the Department of Health entered into negotiations with the Optometric Fees Review Committee to seek an agreement and decision on what percentage the uplift should be for the financial year 2006/07 for NHS sight test fees. Following a prolonged negotiation process the optical bodies, Optometric Fees Review and the Department of Health agreed to accept a 2.5% increase in the sight test fee and associated allowances for 2006/07.

With Subject Committee

11. These Regulations were notified to the Health and Social Services Committee, via the list of forthcoming legislation, on 25 January 2007 (HSS(2)-01-07, (p.2a), item no: HSS 01(07)), and have remained on the list ever since, but were not identified for detailed scrutiny.

Review

12. The Department of Health and the Optometric Fees Review Committee will undertake a review during 2007 on what percentage the uplift should be for financial year 2007/08 for NHS sight test fees.

Summary

13. These amending Regulations will increase the NHS sight test fee by 2.5% to bring it in line with that in England.