

NHS Rotherham Clinical Commissioning Group

Primary Care Sub Group – 2 January 2019

Primary Care Committee – 16 January 2019

PRIMARY MEDICAL SERVICES (PMS) CONTRACT REVIEW

Lead Executive:	Chris Edwards, Chief Officer and Wendy Allott, Chief Finance Officer
Lead Officer:	Louise Jones, Deputy Head of Financial Management
Lead GP:	Dr Avanthi Gunasekera, SCE GP lead for Primary Care
Purpose:	
<p>Primary Medical Services (PMS) and General Medical Services (GMS) are currently paid at different rates for core services. In line with national NHSE guidance, these rates need to be the same by 2020/21. The purpose of this paper is to present options of how this can be achieved whilst observing the following principles:</p> <ol style="list-style-type: none">Align GMS and PMS by March 2021 to achieve NHS England's mandate.The impact on PMS practices.	
Background:	
<p>When NHS England assumed responsibility for primary care commissioning in 2013, PMS practices were generally getting paid higher rates than GMS for core services. A review of contracts ensued during 2014/15, the key principle being to ensure equitable payments to all practices for the same core work with a commitment that resources released from the PMS review would be reinvested back into primary care.</p> <p>CCG's were advised in 2013/14 that taking into account the erosion and re-investment of Minimum Practice Income Guarantee (MPIG), and disregarding the annual Doctors and Dentists Remuneration Board (DDRB) uplift and seniority erosion/re-investment (both of which are applied to GMS and PMS contracts at the same rate), the Global Sum by 2020/21 would be £79.15. The Global sum in 18/19 is actually £88.96 – a difference of £9.81</p>	
Analysis of key issues and of risks	
<u>Key issues</u>	
<p>It is now apparent that due to a variation in predicted re-investment levels, convergence by 2020/21 is unlikely and that PMS practices in Rotherham will be earning an estimated £2.20 more than GMS practices assuming current uplifts continue. NHS England have notified CCGs that convergence is still required by 2020/21 and that in considering options to attempt to have a similar approach to neighbouring CCGs and work with them and the LMC to reach agreement.</p> <p>After 2020/21 the MPIG will no longer exist so all future uplifts across PMS and GMS will be identical, however unless the two contract rates are aligned prior to that, the gap between the two contract types will remain, which departs from the national programme.</p> <p>This paper considers the options available to address this. Similar work is being carried out across South Yorkshire and Bassetlaw.</p>	
<u>Risks</u>	
<p>In 2018-19 the General Practice contract uplift plus other inflationary uplifts in Primary Care resulted in an increase in costs of £0.8m over and above the nationally allocated growth monies provided to the CCG. Not addressing the disparity in GMS and PMS contract rates could put further pressure on the Primary Care budget and the CCG's wider programme budgets in future years.</p>	
<u>Options Appraisal</u>	
<p>There are 23 PMS practices in Rotherham, 22 are paid more than the GMS Global sum and 1 practice is paid less (see Table1)</p>	

Table 1

Practice	*PMS Contract Value £'000	*GMS Contract Value £'000	18/19 Difference £'000 at 31.3.18 Weighted List Size	% of Core Contract Value
Practice 1	2,041	1,974	67	3.28%
Practice 2	1,138	1,101	37	3.28%
Practice 3	1,130	1,093	37	3.28%
Practice 4	1,809	1,750	59	3.28%
Practice 5	1,184	1,145	39	3.28%
Practice 6	1,166	1,128	38	3.28%
Practice 7	1,513	1,463	50	3.28%
Practice 8	933	902	31	3.28%
Practice 9	467	451	15	3.28%
Practice 10	1,270	1,229	42	3.28%
Practice 11	639	618	21	3.28%
Practice 12	584	565	19	3.28%
Practice 13	684	662	22	3.28%
Practice 14	1,343	1,299	44	3.28%
Practice 15	817	790	27	3.28%
Practice 16	632	611	21	3.28%
Practice 17	750	763	-12	-1.62%
Practice 18	333	322	11	3.28%
Practice 19	575	556	19	3.28%
Practice 20	153	148	5	3.28%
Practice 21	445	430	15	3.28%
Practice 22	634	614	21	3.28%
Practice 23	166	161	5	3.28%
Totals	20,407	19,774	633	

* This is not necessarily what each practice would have been paid at the end of March 2018, because contract values are adjusted up and down during the year based on list size adjustments. However, the underlying rate used in these contract calculations is currently £91.98 which is £3.02 above the GMS rate of £88.96.

Four options are considered below and the following assumptions applied:

- The calculations are based on weighted list sizes at 31st March 2018
- The national uplift in 18/19 was £3.61 for GMS and £3.20 for PMS. We will not know what the uplift for 19/20 is until guidance is published. Based on previous years this is likely to be after the start of the financial year.
- This issue is only concerned with the payment for core service. Income earned from LES, ES, reinvestment LES, the quality contract and other non-core services are not affected by this change.

Option 1: Do nothing until 2020/21

This will not address the funding variation between Rotherham GP practices until after 2021. The cost to primary care for the difference in GMS and PMS rates in 18/19 was £633k (see Table 1)

Option 2: No uplift to be given to PMS practices until the point they are paid in line with the national GMS rate.

Future uplift is unknown at present so this may mean practices are not funded equitably from April 2020, but a phased approach means equitable funding at a future date.

Option 3: Align PMS rate to GMS rate during 2019/20.

This option would mean equitable funding by 2020/21 but would mean the majority of PMS practices moving quickly towards GMS counterparts.

Option 4: Align the GMS rate to the PMS rate

This option would result in non-compliance with national contract guidance as it moves away from the national GMS rate. It would also put further financial pressure on the Primary Care budget.

Conclusion and Recommendation

The options above are for discussion. A further paper will follow to cost the decided option when the 19/20 national contract uplift has been published. Neighbouring CCGs are not all in a similar position to Rotherham. Barnsley have advised that it is not as significant an issue to them as many of their PMS practices were on lower global sums and therefore the uplift has not taken them above the GMS rate. Sheffield have not yet reviewed. Doncaster have taken a paper to primary care committee recommending alignment of PMS rate to GMS rate during 2019/20 (Option 3).

Patient, Public and Stakeholder Involvement:

N/A

Equality Impact:

The process described in Options 2 and 3 will equalise the core funding per weighted patient.

Financial Implications:

See above

Human Resource Implications:

N/A

Procurement Advice:

N/A

Data Protection Impact Assessment:

N/A

Approval history:

A previous version of this paper was presented at OE on 14th December 2018.
This paper presented at OE 21 December 2018.

Recommendations:

That Primary Care Committee considers the implications of each option and decides which option is to be enacted.

Paper is for Approval / Decision