11 March 2011

Dame Barbara Hakin
4E47 Quarry House
Quarry Hill
Leeds
LS2 7UE

Tel: 0113 2545347

To:
All Chief Executives of Strategic Health Authorities in England
All Chief Executives of Primary Care Trusts in England

Cc:
All Directors of Commissioning of Primary Care Trusts in England
Strategic Health Authority Primary Care Leads

Gateway reference: 15500

Dear Colleague,

2011/12 GMS Contract Negotiations

I am writing to inform you of the outcome of negotiations between the BMA General Practitioners Committee (GPC) and NHS Employers on amendments that will apply to GMS contractual arrangements in England from April 2011.

Agreement has been reached with the GPC on a package of changes to the GMS contract for 2011/12. Detailed guidance is being prepared by NHS Employers and the GPC, which will be issued in due course (along with relevant legal Directions and amendments to the Statement of Financial Entitlements to apply from April 2011). I wanted to give you advance notice of the changes that will be made and to request that you work with PCTs and, through them emerging GP consortia, to assist them in securing the opportunities this agreement provides for practices to engage fully with patients and to deliver improvements in primary care that will secure better and more effective use of NHS resources.

Outlined below are the broad terms of the agreement reached with the GPC.

GP Pay

In line with Government policy on public sector pay, there will be no uplift to GPs' net pay in 2011/12.

Expenses Uplift

For 2011/12, the overall value of contract payments to GP contractors will increase by 0.5 per cent. This is intended in particular to enable practices to give pay increases of £250 for employed staff who earn the equivalent of a full-time salary of under £21,000 per year in line with public sector pay policy. It is intended that this uplift will be delivered entirely through a 2.53 per cent increase in the value of a QOF point (from £127.29 to £130.51) and therefore there is to be no increase to baseline contract or Directed Enhanced Service payments in 2011/12.

For the avoidance of doubt, there will be no changes to the value of Global Sum payments, which remain at £64.59 per weighted patient, nor any changes to any other payments in the Statement of Financial Entitlement, with the exception of those detailed in this letter concerning the Extended Hours and Patient Participation Directed Enhanced Services.

Changes to Directed Enhanced Services

<u>Clinical DESs</u>
Three clinical DESs in England (alcohol, learning disabilities and osteoporosis) have been extended for a further year (to 31 March 2012).

NHS Employers and GPC negotiators have agreed that the Ethnicity and First Language DES will not continue after 31 March 2011. All practices are now expected to record patients' ethnicity and first language as a matter of routine in order to be able to demonstrate that practices continue to meet the health needs of their registered population.

<u>Extended Hours</u>
This DES will be extended for a further year (to 31 March 2012) but will be amended to give increased flexibility to practices in how they deliver this in the best interests of their patients:

- appointments may be offered by any health care professional rather than GPs only during extended opening hours
- the current restriction on concurrent working during extended opening hours will be removed
- urgent as well as routine care patients may be seen
- the overall additional hours that practices have to provide to earn the DES payment remain the same, but this can now be made up of blocks of 30 minutes or more (rather than minimum blocks of one and a half hours).

As part of these agreed flexibilities, the payment per registered patient is to be reduced from £3.01 to £1.90.

A new Patient Participation Directed Enhanced Service

Resources released through the reduction in the cost of the extended hours DES will be reinvested into an initiative that seeks to improve patient participation and make GP practices more responsive to the needs and wishes of patients.

Practices will be paid £1.10 per registered patient if they promote the proactive engagement of their patients through Patient Reference Groups and undertake local patient surveys.

The DES will last for two years starting in April 2011.

It is a condition of participating in the Patient Participation DES that the quality of access currently provided by a practice in respect of obtaining an appointment within two working days and the ability to book ahead should be maintained, unless there is clear evidence from patient feedback to support a change.

Amendment to QOF Indicators

A total of 116.5 points will be released of which 96.5 will be reinvested in new quality and productivity indicators (see below) and 20 will be reinvested in new and revised indicators recommended by NICE.

Patient Experience (PE7 & PE8)
The 58.5 QOF points attached to patient experience of fast access and advanced booking (PE7 & PE8) as measured by the national GP Patient Survey will end on 31 March 2011.

Other QOF Indicators
QOF indicators worth 32 points will be retired (identified by the National Institute for Health and Clinical Excellence (NICE) as fit for retirement), together with a further 26 points identified in discussions between GPC and NHS Employers negotiators (Records21, Information4, DEP1, DEP2, DEP3 and BP4).

12 of these retired points will be used to pay for the implementation of the new clinical indicators recommended by NICE (for epilepsy, learning disability and dementia).

A further 8 will be used to support NICE's recommendations for changes to existing indicators.

Increased Thresholds
The upper thresholds of three QOF indicators will be increased by one percentage point (CHD6, Stroke6 and DM30 where the revised upper thresholds will be 71%, 71% and 71% respectively).

Improving Quality and Productivity in the NHS

The remaining 96.5 QOF points released as part of this agreement will be used to pay for new Quality and Productivity indicators in QOF.

The Quality and Productivity indicators will contribute to better care through the review of current practice by GPs (both within the practice and with external peers), prompted by the analysis of practice specific data that looks to understand the reasons for and if appropriate, address outlier performance by a practice in three areas:

- Prescribing
- First Outpatient Referrals

- Emergency Admissions

The Quality and Productivity indicators will also support practices to deliver care in line with locally agreed pathways.

Agreement on the inclusion of these indicators is for 12 months from 1 April 2011 until 31 March 2012, with the possibility of them being extended to a second year.

Any decision to extend this activity for a second year will centre on there being demonstrable evidence that the activities described in the detailed agreement are being undertaken by the vast majority of practices; on PCT feedback; and on emerging evidence that there has been a significant improvement in the quality of primary care in these areas and corresponding reduction in unnecessary secondary care costs.

Finally, in participating in this work, practices will be expected to work with their PCT and other GP practices in supporting the overall quality and productivity agenda in their area by engaging in programmes of redesign of clinical pathways. These should aim to optimise efficiency and demonstrate how practices are delivering their responsibility for eliminating waste, ensuring that resources are used to the best advantage of their population and ensuring that the highest quality and outcomes are delivered in the most cost effective way.

PCTs should review and amend any LES schemes that might otherwise lead to double-payment to GP practices from April 2011 because of these new indicators (or due to other agreed changes to GMS contractual arrangements).

Implications for PMS practices

Whilst the agreement reached between NHS Employers and GPC specifically applies to all GMS contracts, we remain committed to ensuring an equitable approach for PMS and other local Primary Medical Care contracts. While the PMS and APMS contracting arrangements provide PCTs with flexibility in commissioning services, PCTs need to be able to demonstrate that funding decisions between all primary medical care contractors are fair and equitable and represent value for money.

Changes in payments made to PMS practices in respect of QOF achievement and delivery of directed enhanced services will mirror those to GMS practices and will therefore not require any uplift in the baseline payments made to local contractors.

Queries

If you (or your PCTs) have any immediate queries, they should check the NHS Employers website www.nhsemployer.org/GMS where details of the agreement documents and further implementation guidance can be obtained. Amendments of legislation to support existing contracts are underway and will be published by the

Department on its website when finalised. These changes will be made in time to ensure these new arrangements come into effect from 1 April 2011.

SHAs are asked to ensure that PCTs are quickly informed about the agreements reached, and put in place measures to appropriately support PCTs to fully achieve the benefits that the changes agreed can deliver for patients and the NHS.

Yours sincerely,

Dame Barbara Hakin
National Managing Director of Commissioning Development