

UNDERPAYMENTS TO GPs SINCE 2004/05 FOR ACHIEVEMENT AGAINST THE ADDITIONAL SERVICES QOF INDICATORS

Frequently Asked Questions

1. What is the error that has been identified in the QMAS system?

Due to a technical error QMAS has been using a fixed figure, rather than the average list size in the relevant year, to calculate the 'Target Population Factor' adjustment in the formula for the "additional services" indicators in QOF. This means that practices have not been receiving payments in line with the way that the Statement of Financial Entitlements (SFE) sets out how these payments should be made

2. Over what period of time has this error been occurring?

The error has been in place since the introduction of the new contract arrangements in April 2004, which has resulted in a small year-on-year underpayment to most practices.

3. What is the underpayment to practices?

Over the seven years that QOF has been operating, the total underpayment to the average GP practice is approximately £3,400. This includes 2010/11 as it is too late to amend QMAS in time to calculate the 2010/11 achievement payments for the additional services indicators correctly.

4. Will all practices receive a correction payment?

Most but not all practices will be entitled to receive a correction payment.

5. Why are some practices not eligible for correction payments?

Practices are not entitled to correction payments if their achievement under the additional services indicators was insufficient to generate payment in the first place. Also, no underpayment could be calculated if their QOF data was not part of the NHS Information Centre's (IC's) publication (see next question).

6. How have the repayments been calculated?

The data used to calculate the repayments had been submitted by practices through QMAS and published by the IC, therefore can be considered as validated by both the practice and the PCT. For each year that a practice has been open the actual payment made has been subtracted from the amount that should have been paid based on the correct calculation being used. With the addition of interest, the difference between the payments is the amount owed to the practice.

Actual outturn information has been used for each year, except for 2010/11 as the validated achievement data for this year will not be available until October 2011. For this reason, an estimate has been used to calculate the underpayment for each practice for the 2010/11 year only.

7. How have the 2010/11 underpayments been estimated?

In estimating the 2010/11 underpayments, the Department of Health has used a 'growth' methodology as achievement data for the current year is unavailable. This was agreed with the GPC. This data will be available after October at which time the Department will calculate the exact payments that should have been made to each practice for 2010/11. The data will then be reviewed by the Department, NHS Employers and the GPC and if necessary the Department will direct PCTs to make a reconciliation adjustment between the amount that should have been paid and the actual amount paid for 2010/11 achievement.

8. Has interest been added to the repayments?

Yes. Based on HM Treasury advice simple interest has been added, using the same interest rates that HM Revenue & Customs (HMRC) apply when making repayments.

9. How will PCTs and practices know what the correction payments are?

PCTs have been provided with a spreadsheet that contains information about the total payment, including interest, due to each GP practice. This spreadsheet is available to view on the Department's website.

http://www.dh.gov.uk/en/Publicationsandstatistics/Lettersandcirculars/Dearcolleagueletters/DH_124179

10. What about practices that no longer exist?

The spreadsheet shows payments due to all practices, regardless of whether they still exist. So, for example, if a practice ceased to exist on 31st March 2009 then the spreadsheet reflects the payment due up to and including 2008/09. PCTs are expected to make every effort to ensure that payments reach those who are entitled to them. The PCT may wish to consider consulting their LMC where this sort of issue proves difficult to resolve.

11. How have practice closures, splits or mergers been taken into account in calculating the underpayments?

The NHS Information Centre's published QOF achievement data have been used to calculate payments. As this data is extracted from the QMAS system, which is signed off by PCTs as part of the validation exercise, it includes payment information for contracts which have ended in the middle of a year due either to a split or merger. The SFE includes provisions for pro-rating QOF payments where a contract has only operated for part of a financial year.

Where an in-year split or merger has been handled off system (or where the final achievement payments for a contractor were not included in the IC publication for any year) the PCT will need to check local records in order to calculate the payment due.

When a merger has occurred, any payments due to the old practices will be made to the newly created partnership who will then be expected to agree internally how this should be distributed. In the event that a practice has closed completely, then the payment should be made to the outgoing partnership.

12. What about a practice that used to be managed by their PCT and has only recently become independent?

This depends on the terms of the earlier PCTMS agreement. QOF is a GMS contractual measure and, while PCTs may agree under PCTMS arrangements to make payments comparable to what they would have paid under agreements with independent practices, this would be a decision for the individual PCT. There is no automatic right to QOF payments under PCTMS arrangements. A practice would however be entitled to repayment in respect of any years during which they held a GMS contract and participated in QOF.

13. What about a GP who is now retired?

If the retired GP was a partner in the practice at any time during the years 2004/05 to 2010/11 inclusive then they may be entitled to a share of the repayment due to their practice. This will depend on the terms of their contract with the practice and how much they are entitled to must be resolved between them and their practice.

The duty on PCTs is to make good underpayments to practices, not individual GPs, though clearly where the retired GP was a single-handed practitioner then the PCT would have to contact them direct. The PCT may wish to consider consulting their LMC where this sort of issue proves difficult to resolve.

14. The spreadsheet only shows a single payment for each practice. Is it possible to have a year by year breakdown for my practice?

In order for PCTs to make good the payments to practices only three pieces of information were needed - PCT code, GP practice code and amount. It will be for individual practices to decide how to distribute any payments between their partners, both present and past where appropriate. However, if a practice really does need a year by year breakdown, given that in many cases the payments involved are small, then they should apply to their PCT in the first instance. The Department will be able to respond to requests from PCTs but an explanation will be needed as to why the information is being sought.

In the event that a practice does receive a year by year breakdown, the payment would still be made as a one-off 2010/11 payment.

15. What are the income tax implications of getting this money?

The tax implications for those receiving the repayment will be different for different people. The Department is not able to advise on tax matters and as such GPs should seek their own advice if necessary.

16. What about the implications for superannuation and seniority payments?

As with income tax (Q13), the Department are unable to provide advice on superannuation and seniority.

17. Why does the correction payment differ between practices?

The correction payment is calculated based on the practice target population factor as of 1st January of each year, practice list size and actual achievement of the additional services indicators. As a result of this data, the payments can differ between practices.

18. Will the additional services achievement payments for 2011/12 be correct?

Yes. QMAS will be adjusted to ensure the correct figures are used to calculate the 'Target Population Factor' adjustments from 2011/12 onwards.

19. What will the impact be of correcting these payments?

From 2011/12, the correction of these payments will result in a recurring cost of around £3 million per annum to PCTs, which will need to be found from existing allocations.

20. I have a question that is not answered by any of the above. What should I do next?

Please send your question to elizabeth.scott@dh.gsi.gov.uk