

# New primary care contracts – what they mean for primary care contracting implementation leads

## Introduction

The new primary care contracting arrangements underpin the Government's plans to transform the face of primary care and are critical to the modernisation of the NHS as a whole.

Under the new arrangements, PCTs will enter into contracts with practices, and may enter into contracts with other providers including commercial sector, voluntary sector, not for profit sector, or other trusts, or they may choose to provide a service themselves. In the

past, they have been able to enter into direct contracts with GPs under Personal Medical Services (PMS) arrangements. However, the majority of GPs have operated to a national contract – the General Medical Services (GMS) contract – which was a contract between the GP and the Secretary of State for Health and in which PCTs had no input.

Guidance was issued in December 2003 to help practices and PCTs agree the new, more flexible GMS contract and, where applicable, the new PMS

contract by 1 April 2004.

PCTs have been told how much money they can expect to get from the Government and should have given practices an idea of their funding, depending on the services they deliver.

*This factsheet explains what the new contracts mean for PCT and SHA primary care contracting implementation leads, what you will have to do as a result and outlines practical ways for you to get the most out of the opportunities created by the new contracting arrangements.*

## The impact of the new primary care contracting arrangements

The new primary care contracting arrangements will affect the whole of the practice team who may ultimately look to implementation leads for direction and clarification. The new GMS contract will be a practice-based contract between the PCT and the practice, and will give PCTs greater flexibility and responsibility to plan strategically with practices the provision of primary medical services,

and to increase patient choice.

If practices choose to participate in the Quality and Outcomes Framework, they will be rewarded on the basis of how well they care for patients rather than simply the number of patients they treat. This will improve the way in which chronic diseases are managed.

The new contract includes a new allocation formula, removing the

historic inequality of the current system of per-doctor payments which penalises practices in areas with a shortfall of doctors. Resources will be allocated more fairly based on patient need, practice workload and costs. At the same time, permanent protection will be given through a minimum protection income guarantee (MPIG) so that no practice loses out under the new allocation formula.

## What the change mean for contract implementation leads

From the 1 April 2004, PCTs will have a new legal duty to provide primary medical services for their populations. To achieve this, PCTs will have four options for commissioning services to meet local needs:

- General Medical Services (GMS) – through the national GMS framework
- Personal Medical Services (PMS) – by agreeing local contracts with practices to provide primary medical services
- Alternative Provider Medical Services (APMS) – through contracts with other providers, such as the voluntary or commercial sector or other NHS Trusts
- PCT Medical Services (PCTMS) – through the PCT providing services directly themselves, for example by directly employing a salaried GP.

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The new contracting arrangements bring significant opportunities to PCTs to plan primary medical services across the board, in the context of their broader Local Delivery Plans. PCTs receive a total allocation for primary medical services from which to calculate and allocate funding to practices and other providers. The financial flows underpinning GMS will be significantly changed through the global sum, MPIG and quality framework arrangements.

PCTs will have a particular role in:

- planning and commissioning services across primary care,

including new arrangements for enhanced services and new responsibility for out-of-hours provision

- negotiating contracts with practices for the services they will provide
- calculating and allocating practice budgets
- making quality payments to practices, based on the requirements of the Quality and Outcomes Framework
- managing a single, cash-limited budget for primary medical services as a whole

SHAs have several specific roles

under the new GMS contract:

- setting up arrangements for allocating premises funding, including identification of a lead PCT
- workforce planning, based on PCT information on recruitment and retention of staff
- taking on an appeals role in relation to the new procedures for list closures, patient assignments and opt outs
- setting up risk-sharing arrangements with the NHS Bank for quality achievement payments.

## Changes to provision of out-of-hours care

**What the out-of-hours opt-out means:**

- PCTs will take legal responsibility for out-of-hours care for the patients of practices that decide to opt out. Unless exceptional conditions apply, they must have arrangements in place to provide this service by December 31 2004.
- PCTs will be able to develop an out-of-hours service which is fully integrated with other unscheduled care services in their area, such as A&E, social care, NHS Walk-in Centres, and NHS Direct. This is in line with the independent review Raising Standards for Patients. New Partnerships in Out-of-Hours Care (2000).
- As a result of the more family-friendly options that this affords for GPs, general practice will become a

more attractive career choice for doctors and encourage those who are already GPs to stay in the profession.

### Support for the changes

- Some £110 million has been set aside over three years from 2003/04 to pay for PCT to provide out-of-hours care. In addition, PCTs will receive an average of £6,000 from the global sum of each GP who opts out.
- SHAs will get an additional £28 million to distribute among PCTs facing the greatest challenge in developing out-of-hours services.
- A network of 14 regional out-of-hours co-ordinators has been developed to give strategic leadership to local health organisations developing out-of-

hours services.

- A National Primary and Care Trust (NatPaCT) development programme is being developed to give SHAs additional support to develop out-of-hours services.
- 34 example sites provide single-call access to out-of-hours primary care services through NHS Direct, covering 20 per cent of the population. The sites provide information on integrating NHS Direct and out-of-hours services.
- The Department of Health is working with the National Association of GP Co-ops and the Office of Public Management to help existing out-of-hours providers develop new approaches that fit with the new GMS contract and PCT plans.

## How to maximise the benefits of the new contracts

**Key opportunities for PCT and SHA leads will be:**

- Drawing up a strategic plan for primary medical services across their populations. PCTs will need to establish the intentions of GMS practices in terms of opt outs of additional or out-of-hours services and hopes to offer re-provisioned or

enhanced services. They will then need to use this information as a basis for planning the commissioning or re-provisioning of services as necessary, reflecting local need. PCTs will have the ability to make these plans within the broader context of their Local Delivery Plans, for example by

looking at ways of using primary care delivery to relieve pressure on the acute sector.

- Developing good relationships with providers across primary medical services. The increased financial and planning flexibilities of the new

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contract give PCTs an opportunity to support individual practices in offering a wider or more specialised or innovative range of services.

They also enable PCTs to work together with practices to manage workload and target support.

- Developing skill mix and choice in primary care. PCTs can use their planning and commissioning powers to increase capacity in

primary care, to broaden the range of services offered, and to increase flexibility about when, where and by whom services are delivered.

- Increasing quality in primary medical services. PCTs can use their ability to commission local enhanced services and the incentives of the Quality and Outcomes Framework to target local need and help practices to

increase the quality of the services they provide.

- SHAs have an important role in supporting PCTs in implementation and providing a strategic overview for PCTs in drawing up their plans. They will also have a role in resolving any disputes or problems and in targeting support to PCTs where necessary.

## How to get the most from the new contracts to deliver out-of-hours

### SHA leads:

- SHA out-of-hours leads should ensure that a strategic, integrated approach to unscheduled care is taken across the SHA area, based on a network of providers. Effective systems should be in place to support PCTs and to performance-manage the quality and consistency of out-of-hours services.

### PCT out-of-hours leads:

- Ensure that the PCT has the right people and processes in place to develop the out-of-hours agenda. Services should be in place by 31 December 2004 at the latest, drawing on the support of the regional OOH co-ordinator and the NatPaCT SHA level support.
- Get to know which practices intend to opt out of out-of-hours.
- Find out about providers' accreditation and their capacity to deliver services.
- Draw up plans for developing the range and breadth of out-of-hours provision in their area, ensuring services are integrated with other emergency and unscheduled care provision and with the NHS Direct service.
- Develop robust risk management and contingency plans to ensure out-of-hours care operates effectively at all times.
- Know the cost of developing and providing out-of-hours services currently and after opt-out.
- Remember that some of the

providers from whom out-of-hours services are commissioned may cover more than one PCT area.

- Develop a wider range of staff and roles so that a suitable workforce is available to deliver out-of-hours services in the local area.
- Communicate with stakeholders, providers and clinicians about the changes.
- Liaise with the PCT communications lead in order to develop plans for communicating changes to patients and the public. Consider using practice leaflets as a means of explaining to patients out-of-hours provision.
- Make appropriate contact with senior management, the PEC, the SHA, the regional out-of-hours co-ordinator, and NatPaCT.

### Key dates:

Some of the key dates for PCTs and SHAs up to April 2004 are set out below. A full list of tasks, up to April and beyond, is set out in each chapter of *Delivering Investment in General Practice* and is summarised for PCTs and SHAs in chapter 7 of that document.

#### January 2004:

- early January 2004: PCTs will have ascertained contractors' provisional intentions in relation to out-of-hours and additional services opt-outs
- early January 2004 – SHAs will have decided lead PCTs for premises funding and ensure that

arrangements are in place in January

- end January 2004 – PCTs will have prepared an indicative financial risk management plan, linked to their Local Delivery Plans
- end January 2004 – PCTs will have reviewed expected provision of additional services and put in place arrangements for commissioning further services if necessary from 1st April 2004

#### February 2004:

- by end of 2nd week in February 2004 – PCTs will have calculated and shared indicative budgets with all GMS contractors, reflecting initial agreements about additional services
- by end of February 2004 – PCTs will have drawn up initial plans for commissioning enhanced services in line with their local expenditure floors, including the six Directed Enhanced Services, and the PCT will have signed these off
- by end of February 2004 – PCTs will have developed robust plans for re-provision of out-of-hours services
- by end of February 2004 – PCTs will have agreed quality aspiration levels for all contractors participating in the Quality and Outcomes Framework
- by end of 1st week in March 2004 – PCTs will have sent versions of the standard contract to every GMS

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contractor, tailored to reflect the provisional agreements reached with each contractor

- by end of 1st week in March 2004 – PCTs will have offered default contracts if provisional agreement has not been reached on new GMS contracts

#### **End of March 2004:**

- GMS contracts or default contracts must have been signed

#### **April 2004:**

- 1st April 2004 – the new PCT duty to secure the provision of primary medical services will have come into effect.
- By April 2004 – SHAs will have

prepared for their new role in relation to list closure, patient assignments and opt-outs

#### **January 2004 – January 2005:**

- SHA performance management of PCT implementation

#### **Key dates for out-of-hours care**

- From 1 April 2004, GP practices can apply to opt out of the responsibility for providing out-of-hours cover. PCTs can delay accepting this responsibility until appropriate arrangements are in place.
- All existing providers of out-of-hours services should be accredited by 31 March 2004. A review of the

accreditation process will mean that it is no longer a separate statutory process, but an integral part of out-of-hours contracting.

- From 1 January 2005, PCTs must have appropriate arrangements in place to provide out-of-hours cover for all practices which have opted out (unless there are exceptional circumstances).
- The Technical Links project is responsible for ensuring that by 1 January 2005, calls made to NHS Direct out-of-hours can be transferred to any out-of-hours provider in the country.

## Where to go for more information

For information on the latest support available, visit the fortnightly web update on nGMS and PMS implementation. It is produced by the NHS Confederation, NHS Modernisation Agency (NatPact) and the National Primary Care Development Team and can be accessed on

[http://www.dh.gov.uk/PolicyAndGuidance/HumanResourcesAndTraining/ModernisingPay/GPContracts/GPContractsArticle/fs/en?CONTENT\\_ID=4068610&chk=jaN0c5](http://www.dh.gov.uk/PolicyAndGuidance/HumanResourcesAndTraining/ModernisingPay/GPContracts/GPContractsArticle/fs/en?CONTENT_ID=4068610&chk=jaN0c5)

#### *Other support for PCT and SHA*

##### *nGMS Implementation Leads includes:*

- nGMS Contract website: <http://www.dh.gov.uk/PolicyAndGuidance/HumanResourcesAndTraining/ModernisingPay/GPContracts/GPContractsArticle/fs/en> – this website has links to all the key guidance documents on new GMS, as well as the Indicative Contractor Budget Spreadsheet and further factsheets and briefing notes
- Delivering Investment in General Practice – in particular, chapter 7 sets out key steps for PCTs and SHAs – available on nGMS Contract website above.
- GMS Contract Regulations The Regulations (SI 2004/291) are now available on the HMSO website. To access the Regulations, and a table

showing substantive amendments to the GMS contract regulations since draft publication go to:

[http://www.dh.gov.uk/PolicyAndGuidance/HumanResourcesAndTraining/ModernisingPay/GPContracts/GPContractsArticle/fs/en?CONTENT\\_ID=4055212&chk=DLj38](http://www.dh.gov.uk/PolicyAndGuidance/HumanResourcesAndTraining/ModernisingPay/GPContracts/GPContractsArticle/fs/en?CONTENT_ID=4055212&chk=DLj38) and scroll down to 16 February 2004.

- Indicative contractor budget spreadsheet – a spreadsheet to help PCTs calculate indicative practice budgets. This is available on the DH GMS website above and is also included in Delivering Investment in General Practice.

#### *NHS Modernisation Agency (NatPaCT) and National Primary Care Development Team (NPDT)*

- The MA, including NatPaCT, and NPDT have published a prospectus of support for the NHS that highlights national and local support initiatives available to practices. The prospectus is at [www.natpact.nhs.uk/primarycarecontracting](http://www.natpact.nhs.uk/primarycarecontracting)
- Learning events, for example on the Quality and Outcomes Framework. Details are available on the NatPACT website (above) and places can be booked through SHA nGMS leads.
- Forthcoming guidance on APMS

contracting and PCTMS provision, which will be available on the DH website by the end of February.

- [www.npdt.org](http://www.npdt.org)

#### *Further information on out-of-hours care*

- Implementing the nGMS Contract: Out-of-hours, at [www.out-of-hours.info/documents.php](http://www.out-of-hours.info/documents.php)
- For guidance on:
  - Guidance for PCTs on OOH services at section E of chapter 2 (page 46) of the new contract. (The NHS Confederation will be producing a briefing on PCTs which are reproviding OOH in innovative ways. This will be available on [http://www.nhsconfed.org/gms/gms\\_latest\\_news.asp](http://www.nhsconfed.org/gms/gms_latest_news.asp) in the near future.)
  - Guidance on financial issues is in Chapter 5 (5.23ff, page 129) at
  - Draft statement of financial entitlement
- Go to: [http://www.dh.gov.uk/PolicyAndGuidance/HumanResourcesAndTraining/ModernisingPay/GPContracts/GPContractsArticle/fs/en?CONTENT\\_ID=4052047&chk=nyhjHW](http://www.dh.gov.uk/PolicyAndGuidance/HumanResourcesAndTraining/ModernisingPay/GPContracts/GPContractsArticle/fs/en?CONTENT_ID=4052047&chk=nyhjHW) then go to, 'the contract'.
- Other key documents can be found at [www.out-of-hours.info](http://www.out-of-hours.info)