FOCUS ON 2009-10 GMS contract agreement

The GPC reached agreement with NHS Employers (NHSE) in October 2008 to apply several changes to the GMS contract in 2009-10. There are broadly three components to the changes we agreed:

- Changes to the Quality and Outcomes Framework (QOF)
- Changes to the current prevalence arrangements that apply in the payment of QOF payments
- Progress towards reducing GMS practices' reliance on correction factor payments

This Focus On guide outlines each of these changes with particular emphasis on this year's arrangements for contractual uplift.

Changes to the Quality and Outcomes Framework

GPC and NHSE have agreed to reallocate 72 points within the QOF. This is because of the governments' decision to remove the QOF survey that practices operated and incorporate it into a postal survey about access and other matters. The reallocated points are to be invested in the following clinical areas:

- advice on long term contraception
- cardiovascular disease primary prevention
- new depression indicator on assessment of severity
- beta blockers for heart failure
- improvement to chronic kidney disease indicators
- improvement to diabetes indicators
- improvement to chronic lung disease indicators

All of the new indicators relating to the above will be reviewed prior to the start of 2011/12 in the light of changing priorities for health and healthcare.

Such changes are to apply to all four countries across the UK although the new postal surveys will vary.

More detail on the QOF changes can be found in joint GPC/NHSE guidance here:

www.bma.org.uk/employmentandcontracts/independent_contractors/quality_outcomes_framework/QoFchangesOct08.jsp

Changes to the current prevalence arrangements

In line with LMC Conference policy, GPC and NHSE have agreed that the current prevalence arrangements (used to determine the level of QOF payments) will be amended over two financial years in the following way:

- on 1 April 2009, the square rooting component of the current arrangements will be discontinued. This had been used to dampen the range of incomes that could be achieved through QOF work.
- on 1 April 2010, true prevalence will be used to determine QOF payments, i.e. the current cut off arrangements will be discontinued. This had been used to support practices with low prevalence.

Practices will now receive QOF income based on their true disease prevalence. The overall effects of these changes are expected to be cash neutral across the UK or to slightly increase

total QOF funding. In any case, QOF resources will largely be redistributed between GP practices, although there will be no transfer of resource between PCOs as a result of these changes. However, it is recognised that a small number of practices may experience a significant loss in their current QOF income. As a consequence, the following guidance has been issued by Health Departments to their PCOs:

"PCOs should work with practices which identify themselves as experiencing a significant loss in their income to understand the impact of the changed arrangements on their current service provision.

PCOs will also wish to use the opportunity to consider the local health needs of populations and, working with LMCs and practices to identify whether new services or improvements in care should be commissioned to address these local needs."

As a result of these changes we are aware that whilst many areas will be net gainers, others, particularly urban areas with young transient populations, are likely to be net losers of QOF income. Most practices will only see relatively small changes in overall QOF income. We continue to encourage PCOs to work constructively with LMCs and GPs to ensure practice stability, particularly by supporting those practices that may lose substantial amounts of income. We are currently pursuing this matter with the Department of Health.

Progress towards reducing general practice reliance on correction factor payments

The GPC and NHSE have agreed that for 2009-10 there should be differential uplifts to the global sum and global sum equivalent in order to reduce general practice reliance on correction factor payments under the Minimum Practice Income Guarantee (MPIG). We have also agreed the principle that there should be a comparable process to achieve the same aim in future years, either through differential uplifts or through possible alternative models.

The methodology agreed for contractual uplift in 2009-10 is intended for use in this year only. Both sides reserve the right to renegotiate how such a methodology might be developed or replaced in future years.

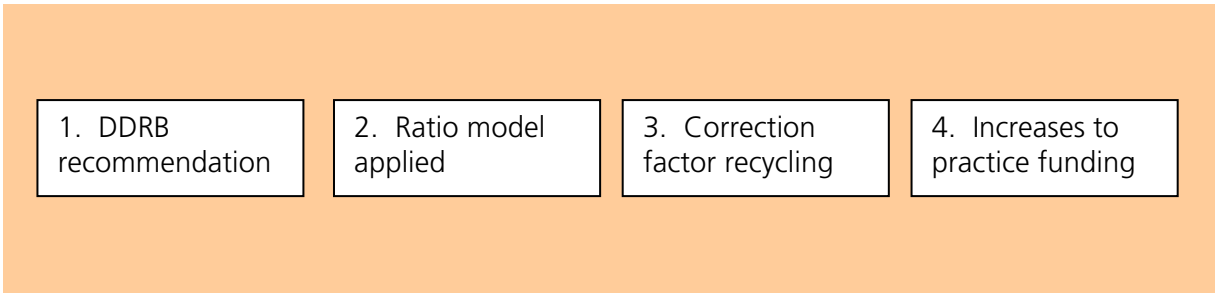
This part of the agreement is technically complex but the principle is straightforward.

Guiding principle: To decrease the profession's reliance on the correction factor.

Method: Increase global sum payments by more than other funding streams, instead of applying a flat rate percentage increase across the GMS contract.

Methodology

There are four main stages to implementing the agreement for 2009-10. In brief these are as follows:



As usual, in 2009 the DDRB will recommend an overall percentage increase to the GMS contract based on evidence submitted separately by all parties. In 2009/10 this uplift will apply to the following four GMS funding streams:

Global sum
Global sum equivalent (global sum + correction factor)
QOF
Enhanced services

What is different about this year is that the GPC has agreed with NHSE that the uplift should be applied differentially across these funding streams. The full methodology agreed for doing this is laid out in full in Annex A.

The result of this methodology will be a set percentage increase for each of the contractual funding streams listed above. The increase in global sum will be greater than the headline DDRB figure while the other funding streams will receive an uplift less than the headline percentage increase recommended by the DDRB. Assuming the DDRB recommends an uplift which is agreed by the government, all practices will receive an increase to their QOF and enhanced services funding.

How will this agreement affect practices?
We know that the result of this methodology will be that just over half of the new money available goes into the global sum while just under half of the new money is spent on the remaining three funding streams.

This will have the effect of guaranteeing all practices an increase in funding but giving a greater overall percentage increase to the total practice funding of practices with no correction factor and to those that end up coming off correction factor payments.

As a result of these differential increases in global sum and global sum equivalent payments, some practices will no longer need correction factor payments. As a result of our negotiations any correction factor money offset through this process will remain with general practice.

The number of practices that come off correction factor payments will depend on the DDRB recommended uplift. For example (and based on no prior information) we anticipate that a 1.5% uplift would result in practices with correction factors worth up to 8 per cent of their total global sum plus correction factor funding coming off correction factor payments. Practices that do not come off correction factor payments will receive a new reduced correction factor payment amount, though their total global sum plus correction factor (known as global sum equivalent) would increase.

Because the proportion of total practice funding constituted by each of these funding streams varies from practice to practice, the total increase in funding for individual practices will vary. The amount of global sum per weighted patient may be different for each of the four UK

nations but within each nation the amount of global sum funding per weighted patient will be the same for all practices.

Annex A

How are the differential increases to practice funding streams calculated?

Step 1

Finding out how much new money will be put into the GMS contract

The TSC's 2008/09 Quarter 3 forecast spend tells us the following information:

Total current spending on global sum **(a)**
Total current spending the Correction factor **(b)**
Total current spending on QOF **(c)**
Total current spending on enhanced services **(d)**

We also therefore know the total current spend on these elements of the contract **(e)**:
(a) + (b) + (c) + (d) = (e)

The DDRB's recommended uplift is applied to this total current funding figure **(e)** to determine the total amount of new money going into the contract **(x).** [eg if **(e)** = £100 and a 2% uplift is recommended by the DDRB, **(x) =** £2]

Step 2

Distributing the new money across the different funding streams
The latest NHS spending figures for each of the main four funding streams are differentially multiplied to reflect our aim of giving more weight to global sum payments than historical correction factor funding. [For the purposes of this exercise we are interested in the global sum equivalent **(a+b)** rather than correction factor spending **(b)** alone.]

Total current spending on global sum **(a)** is multiplied by **7 = (m)**
Total current spending on Global sum equivalent (Global sum + Correction factor) **(a + b)** is multiplied by **2 = (n)**
Total current spending on QOF **(c)** is multiplied by **5 = (o)**
Total current spending on enhanced services **(d)** is multiplied by **5 = (p)**

The new figures are added together to produce a total **(q)**

(m) + (n) + (o) + (p) = (q)

The resulting figures have no monetary significance but are calculated to create a factor for uplifting each of the contractual funding streams.

This methodology is applied by each of the four Health Departments, using their own national spend figures

The total new money going into the GMS contract in 2009/10 **(x)** is now divided by **(q)** to produce a factor **(y)**.

(x)/(q) = (y)

To find out how much of the new money **(x)** will be put into each of the four contractual

funding streams, figures **(m), (n), (o),** and **(p)** are each multiplied by **(y).**

These expenditure increases can be expressed as a monetary amount or as a percentage increase on the current spend.

At this stage the final percentage uplift for QOF and enhanced services will be known. We will also know the percentage uplift for global sum equivalent (global sum plus correction factor) and the minimum increase to global sum.

As a result of these differential increases in global sum and global sum equivalent payments, some practices will no longer need correction factor payments. As a result of our negotiations any correction factor money offset through this process will remain with general practice and will be recycled into global sum.

Step 3

Recycling correction factor money
In a final step of these calculations, any current correction factor spending that is saved through practices coming off correction factor payments, because of increases in their global sums, will be recycled back into global sum spending at a national level.

Once this recycled correction factor money is taken into account, we will have a final figure for the percentage uplifts for global sum. Only at this point do we know the final figure for the percentage uplifts for each of the four agreed GMS income streams. These percentage increases will be applied across practices.