

## **Focus on... GMS indicative contractor budgets**

This guidance note has been produced by the General Practitioners Committee to help LMCs and GMS practices prepare for the distribution of indicative contractor budgets to practices in February 2004. It is one of a series of guidance notes about the new GMS contract.

The timetable for the distribution of contract documents and for the distribution of indicative global sum information in each of the four UK countries is different. The timetables are set out in this guidance note.

## **DOCUMENTATION**

### **England**

In December 2003 the Department of Health published a number of important documents relating to the implementation of the new GMS contract:

- draft GMS contract Regulations
- draft standard contract, together with an explanatory note for PCTs
- draft Statement of Financial Entitlements (SFE)
- guidance on the above three documents – *Delivering investment in general practice; Implementing the new GMS contract.*

These documents are available on the Department of Health website at [www.doh.gov.uk/gmscontract/implementation.htm](http://www.doh.gov.uk/gmscontract/implementation.htm).

The documentation is explained in the GPC's "*Focus on... preparing for implementation*" guidance note that was recently published on the BMA website at [www.bma.org.uk/gpcontract](http://www.bma.org.uk/gpcontract). Doctors and practice managers should read this guidance note which will assist them in their preparation for the implementation of the new contract from April 2003.

### **Scotland**

The Scottish Executive has issued an NHS Circular: PCA(M)(2004)3 setting out the various timetables in Scotland.

The draft regulations will be issued by the end of February 2004. The final draft SFE was published on 26 January and the contract will be issued by the middle of February 2004. The guidance on these documents will be issued from 16 February 2004, with priority sections published first and other sections shortly thereafter. These will be available on the BMA website at [www.bma.org.uk/as.nsf/Content/gpcwebupdate1912](http://www.bma.org.uk/as.nsf/Content/gpcwebupdate1912)

### **Wales**

The draft regulations, Statement of Financial Entitlements, model contract and guidance, *Delivering investment in general practice; Implementing the new GMS contract in Wales*, will be available shortly.

Further guidance on contract implementation in Wales can be found at the GMS Implementation Project website at: [www.wales.gov.uk/healthplanonline/gms/index.htm](http://www.wales.gov.uk/healthplanonline/gms/index.htm)

### **Northern Ireland**

The draft regulations are being finalised, and work on the SFE and draft contract and guidance is currently taking place.

## **INDICATIVE GLOBAL SUM**

### **England**

PCT-level allocations for 2004/05, with indicative Global Sums, estimated Global Sum Equivalents and Minimum Practice Income Guarantees, were sent to PCTs by the Department of Health in England, on 6 February.

Indicative practice budgets – including Global Sums (and the Minimum Practice Income Guarantee where necessary) - are being calculated and sent to practices by PCTs by 13 February 2004, together with the data used to calculate the figures. Remember that, because the budgets are being sent out by PCTs, some practices may receive their budgets a slightly earlier than others.

This is later than the deadline set out in *Delivering investment in general practice; Implementing the new GMS contract*, as a result of technical difficulties in working out the allocations, causing the Department's deadline to slip.

The one-week gap between allocations being made to PCTs and practices receiving their individual indicative budgets from PCTs remains, and the deadline for agreeing contracts will similarly move back a week to 5 March 2004. This does allow less time to consider the indicative practice global sums (and MPIGs), and agree the contract with the PCTs. The GPC is aware of the concerns practices will have about their ability to check and agree their figures within the timescale but it is worth remembering that any disagreement on the figures should not prevent a practice from signing the contract subject to reaching agreement on the indicative global sum.

### **Scotland**

Indicative practice Global Sum, Global Sum Equivalents and MPIG calculations will be sent to NHS Boards by 13 February, and NHS Boards will send out indicative practice calculations to practices by 16 February

### **Wales**

Indicative practice Global Sum, GSE and MPIG calculations will be issued in February 2004.

### **Northern Ireland**

Health Boards are currently visiting practices individually and discussing their likely Global Sums.

## **AGREEING INDICATIVE BUDGETS**

**PCO and practices should make every effort to reach agreement on the indicative budgets by the 5 March 2004.** In order to achieve this deadline, practices should discuss the figures with their PCO. These discussions should be in addition to those which should have already taken place between the practice and PCO and should reflect provisional agreements reached about what services the practice intends to provide under the new contract.

### **REMEMBER:**

- the figures released in February will be indicative only. Practice figures will be calculated using a special Indicative Contractor Budget Spreadsheet and guidance. The spreadsheet and guidance are attached at annex C of *Delivering Investment in General Practice* which is available on the Department of Health website at [www.doh.gov.uk/gmscontract/implementation.htm](http://www.doh.gov.uk/gmscontract/implementation.htm).

The revised Exeter system is due to go 'live' in April 2004, and final budgets will be agreed with practices by the end of May 2004. Practices will continue to receive payments in April 2004 on the basis of the indicative figures and any adjustments will be made once the actual budgets are known. A similar timetable for the release of indicative Global Sums (and MPIGs) is being followed in the other three countries.

- the Global Sum (or MPIG) is only part of practices' income under the new contract. The Global Sum covers payments to the practice towards the cost of delivering essential and additional services. The Minimum Practice Income Guarantee protects those practices that need financial protection due to the redistributive effects of the needs-based cost formula. Besides the Global Sum (and MPIG), practices will receive income from other sources including enhanced services, premises, seniority, PCO payments (e.g. for maternity or sickness), and, most importantly, quality. The payments through the quality and outcomes framework provide an opportunity to significantly increase practice income.

## **WHAT TO DO NOW**

- Read chapter five and annex B & C of the contract guidance, *Delivering Investment in General Practice*, and the Statement of Financial Entitlements.
- You should calculate your own practice's entitlements using your accounts for the baseline year – the last three quarters of 2002/03 and the first quarter of 2003/04. If you are unsure how to do this, your LMC will be able to advise you.

## **WHAT TO DO WHEN YOU RECEIVE YOUR INDICATIVE GLOBAL SUM INFORMATION**

- Practices in England should read the HSC 2004-03 which can be found at [www.doh.gov.uk/gmscontract/HSC2004\\_03.PDF](http://www.doh.gov.uk/gmscontract/HSC2004_03.PDF). Practices in Scotland, Wales and Northern Ireland should read the relevant guidance when this is available.
- Check your indicative global sum and Global Sum Equivalent figures carefully.
- Arrange a meeting with your accountant. The GPC organised a seminar for medical accountants in early February to provide them with the most detailed technical information and guidance which will enable them to advise their practice clients. If you do not have an accountant at present, you could contact the Association of Independent Medical Specialist Accountants at [www.aisma.org.uk](http://www.aisma.org.uk)
- Your Local Medical Committee will be able to help and advise on many aspects of the contract including resolving issues locally.
- The National Primary Care Development Team national helpline on 0845 900 0008 is open to practices as well as PCOs and will be able to advise if you have any concerns about your indicative global sum calculations. Email: [gmspms.queries@npdt.nhs.uk](mailto:gmspms.queries@npdt.nhs.uk)
- If you are a BMA member, your local office will be able to help and advised if you have any difficulties in relation to your contract. BMA members can also contact AskBMA at 0870 60 60 828 or by email to [info.gpc@bma.org.uk](mailto:info.gpc@bma.org.uk)

## **WHAT TO DO IF YOU ARE NOT HAPPY WITH YOUR ALLOCATION**

If, after following the steps above, practices disagree with their indicative Global Sum (or MPIG), they should write to their PCO Chief Executive and Finance Director:

- notifying them that they disagree with the figures
- requesting a further explanation and discussion of their figures
- reserving the right to dispute the allocation formally through the dispute resolution procedures under the new regulations.

The letter should be copied to your Local Medical Committee and to the Strategic Health Authority.

A template letter has been prepared for use by practices for this purpose. This letter is annexed.

Note that a disagreement on the figures should not prevent a practice from discussing other aspects of its contract with the PCO or from signing the standard contract, on the basis that this does not commit the practice to any specific figures. This is made clear in the annexed letter.

### **Other help**

The GPC has produced a list of frequently asked questions and answers about the new contract which can be found on the BMA website - [www.bma.org.uk](http://www.bma.org.uk).

The GPC produced a simple guide to the Minimum Practice Income Guarantee which can be found at the BMA website at [www.bma.org.uk/gpcontract](http://www.bma.org.uk/gpcontract), under 'funding'.

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**ANNEX**

**MODEL LETTER FOR PRACTICES TO USE IF THEY WISH TO DISAGREE WITH THE PCO ABOUT THEIR INDICATIVE GLOBAL SUM OR MPIG ALLOCATIONS**

To:

PCO Chief Executive  
PCO Finance Director

cc:

Local Medical Committee (or equivalent)  
Strategic Health Authority

Dear

**INDICATIVE GLOBAL SUM/MPIG ALLOCATION – FEBRUARY 2004**

[I am/We are] writing to notify you that [I/we] recognise that the allocation received from you on [ ] February is indicative but even on that basis cannot agree with the allocation for this practice's [indicative global sum/Minimum Practice Income Guarantee] under the new GMS contract arrangements.

[I/We] will wish to seek further explanation and discuss with you the calculation of the figures. If we continue to disagree, [I/we] reserve the right to dispute the allocation formally and for this to be resolved using the dispute resolution procedures due to come into force later this year under the new GMS contract regulatory arrangements.

This disagreement will not prevent continuing discussions between us about the content of the contract concerning this practice's provision of General Medical Services from 1 April 2004. This disagreement will also not prevent [me/us] from signing an agreed standard contract on the basis that this does not commit this practice to any specific indicative figures.

[I/we] look forward to further discussions on this.

Yours sincerely

The Contractor