02 November 2011

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To:
All Chief Executives of Strategic Health Authority Clusters in England
All Chief Executives of Primary Care Trust Clusters in England

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

Gateway reference: 16837

Dear Colleague,

2012/13 GMS Contract Negotiations

This letter is 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 2012.

Agreement has been reached with the GPC on a number of changes to the GMS contract for 2012/13. Guidance on a number of the elements of this will be issued by NHS Employers in due course (relevant legal Directions and amendments to the Statement of Financial Entitlements will come into force from April 2012).

The purpose of this letter is to give you advance notice of the changes that will be made. We also request that you work with PCTs to assist in securing the opportunities this agreement provides for practices to engage fully with patients and to deliver improvements in quality of primary care and more effective use of NHS resources.

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

GP Pay

In recognition of the current state of public finances and in line with Government policy on public sector pay, again, there will be no uplift to GPs' net pay in 2012/13.

Expenses Uplift

For 2012/13, the overall value of contract payments to GP contractors will increase by 0.5 per cent. As with last year, this is intended to enable practices to provide pay increases of £250 for employed staff who earn the equivalent of a full-time salary of

£21,000 or less per year, in line with public sector pay policy. Again, this uplift will be delivered entirely through a 2.49% increase in the value of a QOF point which will increase from £130.51 to £133.76.

In addition, some c£1m will be invested into Global Sum payments as a result of the Osteoporosis Diagnosis and Prevention Scheme Directed Enhanced Service (DES) being discontinued in 2012/13. This, along with released correction factor payments - through corresponding reductions in the Minimum Practice Income Guarantee (MPIG) - will be reinvested back into the Global Sum, further uplifting Global Sum funding and reducing the number of practices on MPIG. As a result Global Sum payments per weighted patient will increase from £64.59 to £64.67 in 2012/13. Further details on this investment are set out in the *Clinical DES* section of this letter, below.

Quality and Outcomes Framework

QOF Indicators: NICE recommendations

Two indicators (CHD13 and AF4 – worth in total 17 points) will be retired from the NICE menu of recommendations and a further 26 points will be released (from BP4, BP5, CKD2, DM2, DM22, Smoking 3 and Smoking 4).

Seventeen of the NICE recommendations for new and replacement indicators will be implemented covering 141 points. Included within these indicators are two new disease areas, osteoporosis and peripheral arterial disease.

The full details of the changes to QOF in 2012/13 are available on NHS Employer's website - http://www.nhsemployers.org/PayAndContracts/GeneralMedicalServicesContract/QOF/Pages/ChangestoQOF2013.aspx.

QOF: Changes to Thresholds

A number of threshold changes for 2012/13 will apply as follows:

- Raise all lower thresholds for indicators currently 40-90% to 50-90%
- Raise all lower thresholds for indicators currently with an upper threshold between 70-85% to 45%
- A number of upper threshold changes for indicators CHD6, CHD10, PP1, PP2, HF4, STROKE6, STROKE8, DM17, DM31 and COPD10
- Lower and upper threshold changes for BP5, MH10 and DEM2.

QOF: Quality and Productivity indicators

The current QOF Quality and Productivity prescribing indicators will be replaced with new indicators which aim to reduce avoidable Accident and Emergency (A&E) attendances. The new A&E indicators will be worth 31 points (28 points from QP

prescribing and three points from other QOF changes), for one year (from 1 April 2012 until 31 March 2013). The Quality and Productivity indicators covering emergency admissions and outpatient referrals will continue for a further year until 31 March 2013.

To ensure practices continue to look to achieve prescribing improvements, GPC and NHS Employers negotiators have agreed the following:

"Although the prescribing element of the quality and productivity scheme will be replaced with A&E attendances in 2012/13, we agree that all practices in the UK should continue to ensure cost effective prescribing when compared to peers, building on the progress achieved in 2011/12. Those practices who remain significant outliers would also be expected to continue to participate in external peer review during 2012/13."

Choice of GP Practice

Current Practice Boundaries

Agreement has been reached that practices will agree with their PCT an outer boundary where they will retain, where clinically appropriate, existing patients who have moved into the outer boundary area.

Choice Pilot

There will be a pilot which will allow patients in two or three cities (or part of cities) to visit a practice either as a non registered out of area patient or as a registered out of area patient in a number of voluntary practices in those areas. The funding to pay for patients who use surgeries on a non-registered basis will be capped at £2m. The pilots will be subjected to an independent evaluation organised by the Department, with the results published and considered before further implementation.

Detailed guidance on both the establishment of outer boundaries and the operation of the choice pilot will be developed. In parallel with this, we are considering simplifying the current list closure procedures.

Directed Enhanced Services

Clinical DESs

Two clinical DESs in England (the Alcohol Related Risk Reduction and the Learning Disabilities Health Check Schemes) will be extended for a further year (to 31 March 2013). The requirements of these two DESs remain the same and the payment scheme will mirror the payment scheme at the same rate that applied for the period 1 April 2011 to 31 March 2012.

The Osteoporosis Diagnosis and Prevention Scheme DES will not continue after 31 March 2012. The GMS element of the NHS investment in 2010/11 of this DES will be reinvested in the Global Sum. As set out above, this increases the value of Global Sum payments per weighted patient to £64.67 in 2012/13.

The agreement this year to recycle the monies currently spent on the Osteoporosis DES into the Global Sum is not meant to establish a precedent for the treatment of DESs that come to an end in future years. As was the case this year, when a DES is known to be ending at the end of a financial year, this will prompt a discussion on how that resource might be used in the future. Taking into account the balance and aims of this year's deal it has been agreed that the GMS funding released by the Osteoporosis DES coming to an end on 31 March 2012 should be reinvested back into the contract.

Extended Hours

The Extended Hours Access Scheme DES will be extended for a further year (to 31 March 2012) unchanged.

CCG Membership

Agreement has been reached in principle that, subject to the successful passage of the Health and Social Care Bill, all GP practices in England would be contractually required to be a member of a Clinical Commissioning Group.

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 commissioners 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.

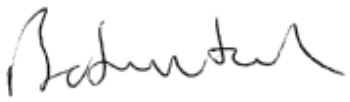
Changes in payments made to PMS practices in respect of QOF achievement and delivery of directed enhanced services will mirror those to GMS practices. There is therefore no requirement for PCTs to uplift baseline payments made to local PMS (or other local primary medical care) contractors.

Queries

If you (or your PCT Clusters) 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. We are preparing the necessary amendments of secondary legislation to and these 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 2012.

SHA Clusters are asked to ensure that PCT Clusters are quickly informed about the agreement reached, and put in place measures to support PCT Clusters in delivering the intended benefits for patients and the NHS.

Yours sincerely,



Dame Barbara Hakin
National Managing Director of Commissioning Development