



PMS REVIEW NORTH YORKSHIRE

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Introduction

The purpose of this paper is to provide committee members with a briefing on the Personal Medical Services (PMS) contracts review that is currently being undertaken by NHS England in conjunction with the local CCG's. To set out the rationale for the review and raise awareness of potential issues that may arise as the negotiations reach a conclusion.

Background

There are 3 types of contract available to commission General Practice services:

1. General Medical Services (GMS)
2. Personal Medical Services (PMS)
3. Alternate Provider Medical Services (APMS)

GMS contracts are negotiated nationally on an annual basis whereas PMS contracts are locally negotiated, but in the main reflect the national picture in relation to services delivered. APMS contracts are commissioned following an open tender process and as such individually negotiated based around an agreed specification. The difference between the two main contract types GMS and PMS has eroded over the years following the introduction of the new GMS contract in 2004 and PMS contract holders have had access to the same range of additional and enhanced services as GMS practices.

NHS England is committed to ensuring equitable funding across all contract types and undertook a national analysis of PMS contracts last year which suggested that PMS contracts cost more than GMS contracts with no demonstrable difference in the range of services being delivered. This resulted in the opinion that a premium was being paid to PMS practices. As a result of this exercise Yorkshire & The Humber were instructed to undertake a review of PMS contracts. The aims of the review are to determine the level of premium, if any, being paid to practices and take action to release the premium back into the system. Yorkshire & The Humber are required to agree the timeframe for the removal of the premium, fully understand the implications of such actions and ensure that any premium released is invested back in general practice services by the CCG. The reinvestment of the premium can be across all GP practice contracts and whilst ring fenced to general medical services in the CCG area it is not solely for investment back into PMS contracts. Its re-investment will be monitored by the Yorkshire & Humber and the Local Medical Committee (LMC)

Process To Date:

Following a desktop review of PMS contracts we have met with all of our PMS practices and their local LMC representatives along with commissioning colleagues from the CCG. The aims of the meetings were to ensure practices had the opportunity to understand the financial calculations and comment on them. Provide an opportunity for practices to set out what services the practice believed they were providing over and above the GMS definition of essential services and finally to understand the impact on individual practices if the premium was removed without any services being re-commissioned.

This information has been collated and shared with the CCG's to feed into their commissioning plans. There are some general themes emerging around services being delivered and CCGs will now start to consider if they wish to commission the additional services moving forward.

As part of the review Yorkshire & The Humber was keen to lessen the impact of changes at practice level and provide some certainty around planning that would soften the transition towards the convergence of GMS and PMS funding, per weighted patient at 1st April 2020/21. Based on best estimates nationally we envisage that this will be in the region of £79.15 per weighted patient.

The financial year 2020/21 is the point at which the on-going removal of MPIG from GMS contract holders, where applicable, will have completed and changes to seniority payments will have been re-invested into core funding. We have therefore agreed to fund PMS practices at a level of £79.15 per weighted patient from the 1st April 2015 and should the GMS figure exceed that rate within the time period the new GMS figure will be used. This guarantees that PMS practices will not receive less than GMS practices at a patient level.

The national guidance suggested a 4 year pace of change agreement for the removal of the premium commencing 1st April 2014. We have therefore agreed that there will be no changes to funding up to 31st March 2015, however, 100% of the premium will be removed from the contract baseline from the 1st April 2015. The pace of change process will see 75% of the premium paid back in the financial year 2015/16, 50% in 2016/17 and 25% in 2017/18. CCGs will therefore not have the full amount of resource to re-invest until the financial year commencing 1st April 2018.

Local Impact

The following table sets out the impact locally and is based on discussions to date:-

OSC Area	No. of GMS Practices	No. of PMS Practices	No. of APMS Practices	Total No. of Practices	Amount identified in PMS Review & Re-invested in GP Services (as at 15.1.15)
HARD	15	3	0	18	418,795
HRW	19	3	0	22	130,035
SR	12	2	1	15	198,539
TOTAL	46	8	1	55	747,369

Next Steps:

We are currently meeting with CCGs feeding back our findings and setting out funding flows through the system. We are keen to flag at this stage with Overview Scrutiny Committee that there could be an impact on services currently being delivered by practices, that is not to say that services will be stopped, which is unlikely, but they may be commissioned and delivered in a different way. At this stage we cannot identify specific issues, however moving forward as CCG's firm up their commissioning approach the committee will be kept updated appropriately. It is worth noting that the pace of change sees 25% of funding released this year the majority will remain within practice contracts.