

JOINT COMMISSIONING COMMITTEE

MEETING DATE:	Thursday 11 June 2015
AGENDA ITEM NUMBER:	Item 6.1
AUTHOR:	Geoff Day
JOB TITLE:	Head of Co-Commissioning
DEPARTMENT:	NHS England – North (Yorkshire and Humber)

PERSONAL MEDICAL SERVICES (PMS) REVIEW

PURPOSE/ACTION REQUIRED:	To Receive & Note
CONSULTATION AND/OR INVOLVEMENT PROCESS:	LMC and CCG involvement in the negotiation with practices
FREEDOM OF INFORMATION:	Public

1. PURPOSE OF THE REPORT:

This report is to update the committee on the outcome of the PMS contracts review

2. STRATEGIC OBJECTIVES SUPPORTED BY THIS REPORT:

Continue to improve the quality of services	x
Reduce unwarranted variations in services	x
Deliver the best outcomes for every patient	x
Improve patient experience	x
Reduce the inequalities gap in North Lincolnshire	

3. ASSURANCES TO THE JOINT COMMISSIONING COMMITTEE

N/A

4. IMPACT ON RISK ASSURANCE FRAMEWORK:	<table border="1"> <tr> <td>Yes</td> <td><input type="checkbox"/></td> <td>No</td> <td><input checked="" type="checkbox"/></td> </tr> </table>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
5. IMPACT ON THE ENVIRONMENT – SUSTAINABILITY:					
	<table border="1"> <tr> <td>Yes</td> <td><input type="checkbox"/></td> <td>No</td> <td><input checked="" type="checkbox"/></td> </tr> </table>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
6. LEGAL IMPLICATIONS:					
	<table border="1"> <tr> <td>Yes</td> <td><input type="checkbox"/></td> <td>No</td> <td><input checked="" type="checkbox"/></td> </tr> </table>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
7. RESOURCE IMPLICATIONS:					
	<table border="1"> <tr> <td>Yes</td> <td><input checked="" type="checkbox"/></td> <td>No</td> <td><input type="checkbox"/></td> </tr> </table>	Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>
Yes	<input checked="" type="checkbox"/>	No	<input type="checkbox"/>		
<p>The reinvestment of the premium monies increases the amount available to the CCG to commission primary medical services</p>					
8. EQUALITY IMPACT ASSESSMENT:					
	<table border="1"> <tr> <td>Yes</td> <td><input type="checkbox"/></td> <td>No</td> <td><input checked="" type="checkbox"/></td> </tr> </table>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
9. PROPOSED PUBLIC & PATIENT INVOLVEMENT AND COMMUNICATIONS:					
	<table border="1"> <tr> <td>Yes</td> <td><input type="checkbox"/></td> <td>No</td> <td><input checked="" type="checkbox"/></td> </tr> </table>	Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>
Yes	<input type="checkbox"/>	No	<input checked="" type="checkbox"/>		
10. RECOMMENDATIONS:					
<p>The Joint Commissioning Committee is asked to:</p> <ul style="list-style-type: none"> • Note the contents of this report • Recognise to requirement to approve CCG re-investment plans for the premium monies and monitor its spend. 					



PMS REVIEW

PMS REVIEW
North Lincolnshire CCG
11th June 2015

Prepared by Geoff Day
Head of Co-Commissioning Localities
NHS ENGLAND – North (Yorkshire & The Humber)

Introduction

The purpose of this paper is to provide committee members with a briefing on the Personal Medical Services (PMS) contracts review that was undertaken by NHS England in conjunction with the CCG. To set out the rationale for the review, raise awareness of the issues that have arisen, set out the financial profile for the resources that will be available for re-investment and provide a view on the information received from the practices.

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 in 2013 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 NHS England, Yorkshire & the Humber were instructed to undertake a review of PMS contracts. The aim of the review was to determine the level of premium, if any, being paid to practices and take action to release the premium back into the system. We 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 Local Medical Committee (LMC) and ourselves.

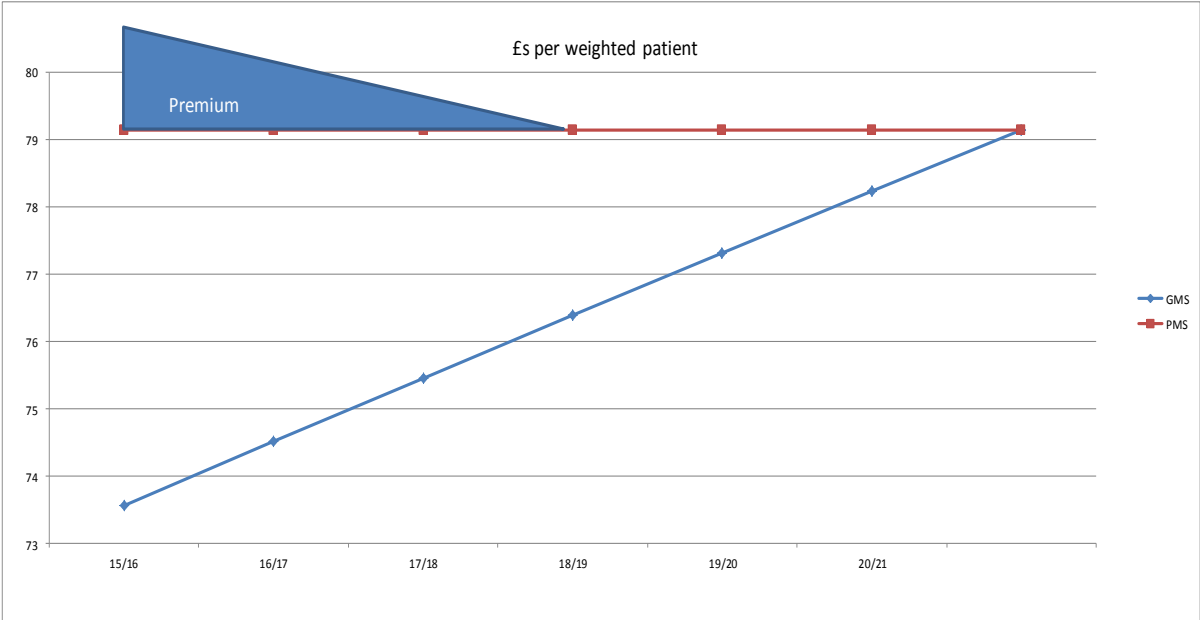
Process To Date:

Following a desktop review of PMS contracts we met with local PMS practices and their local LMC representatives along with CCG colleagues. Practices were taken through the financial analysis to ensure they understood how the premium had been calculated. They were then given an opportunity to set out services the practice believed they were providing over and above the GMS definition of essential services, they were also asked to consider what actions they would need to take if none of the premium was re-invested back into the practice.

As part of the review NHS England, 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 following graph reflects our current understanding of how GMS will increase over the coming years.



The national guidance suggested a 4 year pace of change agreement for the removal of the premium commencing 1st April 2014.

Prior to the national review process being finalised discussions had been on-going with West Common Lane one of the local PMS practices who had been given approval to merge with Dr Balasanthiran. It was agreed by NHS England, Yorkshire & Humber that due to the workload of reviewing patients on Dr Balasanthirans list, and the urgency of conducting those reviews that exceptional circumstances applied. It was therefore agreed that no adjustment would be made to the premium within the new merged practice for a period of 2 years from 1st April 2015. However, 100% of the premium will be removed from their contract baseline from the 1st April 2017. The pace of change process will see 75% of the premium paid back in the financial year 2017/18, 50% in 2018/19 and 25% in 2019/20. The CCGs will therefore not have the full amount of resource to re-invest until the financial year commencing 1st April 2020.

Local Impact

The following table sets out the impact locally.

Practice Name	PMS Premium	NHS E Pace of Change Payment	CCG Re-Investment	NHS E Pace of Change Payment	CCG Re-Investment	NHS E Pace of Change Payment	CCG Re-Investment	NHS E Pace of Change Payment	CCG Re-Investment	NHS E Pace of Change Payment	CCG Re-Investment	NHS E Pace of Change Payment	CCG Re-Investment
Practice 1	-14,049	10,537	3,512	7,025	7,025	3,512	10,537	0	14,049	0	14,049	0	14,049
Practice 2	-117,518	117,518	0	117,518	0	88,138	29,379	58,759	58,759	29,379	88,138	0	117,518
	-131,567	128,055	3,512	124,543	7,025	91,651	39,917	58,759	72,808	29,379	102,188	0	131,567
			131,567		131,567		131,567		131,567		131,567		131,567

Summary

As a result of the PMS review the following amounts will be available to the CCG to commission primary medical services

2015/16	£	3512
2016/17	£	7025
2017/18	£	39,917
2018/19	£	72,808
2019/20	£	102,188
2020/21	£	131,567

Recommendations

The Joint Commissioning Committee is asked to:

- note the contents of this report
- Recognise to requirement to approve CCG re-investment plans for the premium monies and monitor its spend.