

## **PMS REVIEWS**

### **SUPPORT FOR PRACTICES**

#### **Why is there a PMS review?**

As part of the 2013-14 GMS contract imposition, the Government planned far-reaching changes to practice funding. From 1st April 2014, the wide variation in core funding per patient between practices began to reduce with the phased removal of MPIG. This is having a profound effect on some practice's income – the objective being to bring core services funding to £78.56 per head across the board.

Practices with above average levels of funding generally receive either large correction factor payments (as a result of the Minimum Practice Income Guarantee (MPIG) negotiated at the time of the new general medical services (GMS) contract) or above average personal medical services (PMS) funding.

NHS England area teams have two years from April 2014 to review their local PMS contracts, with the pace of change on the redeployment of funding following the reviews being left to local judgement. £325m of "premium" PMS expenditure has been identified as the amount by which PMS expenditure exceeds the equivalent items of GMS expenditure.

The premium will reduce to £235m over the seven years to 2020-2021 as GMS correction factor funding is phased out and global sum funding increases. NHS England will invest the premium funding in GP services in the CCG area, according to criteria set by NHS England, which are that the investment should:

- reflect joint AT/CCG strategic plans for primary care
- secures services or outcomes that go beyond what is expected of core general practice or improve primary care premises
- help reduce health inequalities
- give equality of opportunity to all GP practices
- support fairer distribution of funding at a locality level.

The guidance gives Area Teams discretion about how the funding should be invested within these criteria.

#### **Can it be stopped?**

This is a national review which reflects Government policy and it cannot be stopped at a local level.

## My practice is PMS, what should I do now?

It's very important that you meet at an early stage with the Area Team and that you are well prepared for the meeting. We recommend that you take the following steps before the meeting:

- It sounds obvious but make sure you are familiar with your PMS contract, particularly, the financial schedules and any agreements that relate to your Practice specifically.
- It's essential that you know what your PMS 'premium' relates to and whether your Practice does any work that is over and above core contract work – this may include services that would be classed as enhanced. Your practice population may also be significantly different e.g. you may be a university practice and this may affect your funding levels.
- Make sure the Area Team send you a detailed financial breakdown which reflects their understanding of your contract and which shows where your practice stands in relation to the equalized price per weighted patient and premium funding. You need these figures in advance of the meeting so that you have time to check them and can share them with your accountant.
- It is also useful if the Area Team can give you an anonymised comparison of other PMS practices in your area, so that you can see where you sit within the comparison.
- If you think you have a case to retain all/some of your premium funding, you will need to present the Area Team with a strong, comprehensive and costed business case.
- If you would like LMC support at your meeting with the Area Team, please contact the LMC office at an early stage so that we can arrange for one of the Directors to attend. Ideally, we also need to see the figures in advance so that we can offer you informed advice.
- If you will be adversely affected by the review, look at service provision within the Practice and consider whether it's still viable for you to provide any non-core services that you may be offering. You may also need to review staffing levels or consider collaborative working with other practices to reduce back-office costs.

## What should the Area Team be doing?

- The Area Team must ensure that any decisions relating to the future use of PMS funding are jointly made with your CCG.
- They must undertake a case-by-case review of all affected practices to ensure that they are not serving special populations that merit continued additional funding and that they would not be unfairly disadvantaged by the changes.
- Any proposals to reduce PMS funding should reflect decisions on how the freed-up money will be re-deployed. **Changes to practice funding must reflect the overall net impact on any change and practices do not have to manage a reduction in funding before subsequent reinvestment.**

- Where changes to services are proposed which result in different services being available to patients, there is a need to engage with patients and/or patient representatives.
- **Any resources freed up from PMS review must be reinvested in general practices services (which may include premises).**
- Unless by agreement, PMS resources should not be deployed outside the current CCG locality.
- **Unless there are compelling reasons otherwise, freed-up resources should be re-deployed over a minimum of four years (starting in 2014/15).**

### **Should I consider a GMS contract?**

- For some practices, moving to a GMS contract may be beneficial. Your Exeter statement will include a GMS comparison on the first day of each quarter and it is worthwhile checking this and discussing the options with your accountant. It's entitled 'GMS global sum and correction factor details' and can be found at: <http://www.england.nhs.uk/wp-content/uploads/2014/09/pms-review-guidance-sept14.pdf>
- PMS contractors have a right to move to a GMS contract under the PMS Agreement Regulations (Part 6, regulation 19). The contractor must give the Area Team three month's formal notice that it wishes to revert to a GMS contract.
- The formal notice should include the date on which you wish to terminate the contract, the names of the persons with whom the contractor wishes the Area Team to enter into a GMS contract and that those persons meet the relevant conditions (as set out in Regulations 4 and 5 of the GMS Contracts Regulations).
- There is no automatic right for PMS contractors moving to a GMS contract to receive correction factor payments.

### **Where can I get help?**

- The LMC has a detailed knowledge of the review process and we are very happy to support individual practices to review their particular circumstances and in their negotiations with the Area Team but please let us know as soon as possible if you would like our support, so we can schedule this in – there are numerous reviews taking place across Wessex.