

# **Implementing the 2020/21 GP Contract Changes to Personal Medical Services and Alternative Provider Medical Services contracts**

**August 2020**

# Implementing the 2020/21 GP Contract

## Changes to Personal Medical Services and Alternative Provider Medical Services

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# 1. Introduction

NHS England is committed to an equitable and consistent approach to funding the core services expected of all GP practices.

Following the changes agreed to the General Medical Services (GMS) contract for 2020/21, this document sets out the approach to the funding changes that NHS England will apply to Personal Medical Services (PMS) and Alternative Provider Medical Services (APMS) contracts.

NHS England teams will update local PMS and APMS contracts as soon as possible, applying the funding changes identified with effect from 1 April 2020.

Clinical Commissioning Groups (CCGs) working under delegation agreements will also apply the changes to local PMS and APMS contracts in line with this guidance. For the avoidance of doubt, CCGs must comply with this guidance and implement under the provisions of Part 1 of Schedule 2 (Delegated Functions) of the Delegation Agreement made between NHS England and the CCG.

The arrangements set out here are without prejudice to any potential changes to the premium element of PMS or APMS funding as a result of local reviews and renegotiations.

For completeness, several items of correspondence containing specific pieces of guidance were issued prior to this document being prepared, as below:

- a) 6 February 2020: This announced the publication of Investment and evolution: Update to the GP Contract Agreement – 20/21 – 23/24

<https://www.england.nhs.uk/publication/investment-and-evolution-update-to-the-gp-contract-agreement-20-21-23-24/>

- b) 6 February 2020 letter: Set out a summary of the agreement reached between NHS England and the BMA

<https://www.england.nhs.uk/publication/update-to-the-gp-contract-agreement-2020-21-2023-24-letter-from-ed-waller/>

- c) 3 March 2020 letter: Provided more information on the financial implications associated with the agreement reached, including on the overall increase in funding, care home premium and Additional Roles Reimbursement Scheme.

<https://www.england.nhs.uk/wp-content/uploads/2020/02/update-to-the-gp-contract-financial-implications-letter.pdf>

- d) 3 March: Provided details of changes to allocations resulting from the GP contract settlement.

<https://www.england.nhs.uk/wp-content/uploads/2020/02/update-to-the-gp-contract-financial-implications-annex-a.pdf>

## 2 Delivering a common increase to core funding

### 2.1 Increases to GMS global sum

#### 2.1.1 Global sum funding and uplift

New investment paid via global sum for 2020/21 totals a net £207m and includes:

- £12m of additional funding for a universal 6-8-week post-natal check for new mothers with maternity medical services becoming an essential service
- £175m for uplifts to pay, staff and other expenses as well as population growth – which is net of the remaining extended access adjustment and additional work associated with PCSE that ended in 2019/20
- £10m for a new QOF indicator - annual blood glucose testing for non-diabetic hyperglycaemia
- a standardised Item of Service (IoS) fee for the delivery of all routine and annual vaccines at £10.06, fixed for the remaining three years of this contract deal
- the phasing out of the Minimum Practice Income Guarantee (MPIG) - correction factor - payments began in 2014/15 and will continue through to 2020/21. MPIG payments are being reduced by one seventh of the 2013/14 payment and the aggregate funds reinvested into GMS global sum with no out-of-hours (OOH) deduction applied
- the implementation of phasing out of seniority payments<sup>1</sup> began in October 2015 and will continue through to March 2020, with a reduction in payments and simultaneous reinvestment into core funding each year.

The net effect is that:

- Global sum payment per weighted patient increases from £89.88 to £93.46;
- GMS OOH deduction changes from 4.82 percent in 2019/20 to 4.77 percent in 2020/21.

In addition, there has been an increase in the value of a Quality and Outcomes Framework (QOF) point to £194.83, resulting from the updated Contractor Population Index (CPI).

These revised values took effect from 1 April 2020 as detailed in the Statement of Financial Entitlements (SFE).

A ready-reckoner has been developed which GMS practices can use as a rough guide to estimate the change in their funding as a result of the contractual changes in 2020/21 and can be found here <https://www.england.nhs.uk/publication/general-medical-services-gms-ready-reckoner-2020-21/>. The ready-reckoner is **indicative only** and does not constitute financial advice to practices. Nor does it reflect any national modelling for assessing practice-level impacts of contract changes.

## 2.2 Increase to PMS and APMS contracts

To deliver an equitable and consistent approach to uplifting PMS and APMS contracts, commissioners (CCGs under delegation agreement, or NHS England teams where delegation is not yet in place) increases will apply for those GMS changes that also impact on these arrangements for PMS and APMS contracts that are equivalent to the value of the increases in the GMS price per weighted patient. (Except where local agreements with contractors set out a different approach to secure equitable funding).

In summary, GP practices will see changes in core funding as set out in table 1.

**Table 1**

	<b>GMS</b>	<b>PMS</b>	<b>APMS</b>
	<b>£/weighted patient</b>	<b>£/weighted patient</b>	<b>£/weighted patient</b>
MPIG reinvestment	A [£0.45]	-	-
Seniority reinvestment	B [£0.50]	b [£0.50]	-
Inflation and other changes - net uplift	C [£2.63]	c [£2.63]	c [£2.63]
<b>Total uplift (D)</b>	A+B+C [£3.58]	b+c [£3.13]	c [£2.63]

Commissioners will need to apply the tariff(s) identified in table 1 above to calculate the increases due to individual PMS and APMS practices.

To calculate the increase due will require the appropriate tariff(s) to be multiplied by the weighted list size of the practice (or raw list if the local contractual agreement requires). Typically, this will be the list size at the beginning of the quarter prior to the commencement of the financial year e.g. 1 January 2020 (unless the contractual agreement specifies otherwise).

MPIG reinvestment (A) is a redistribution of existing GMS funds. The resulting increase in GMS global sum price per weighted patient does not therefore need to be reflected in any increase to PMS baseline funding or equivalent funding to APMS practices.

Inflationary and other changes – net uplift (C) is the GMS price increase per weighted patient resulting from the uplift on pay, along with an appropriate uplift to expenses. That leads to a GMS contract uplift of 4 per cent. Commissioners will apply the corresponding appropriate uplift to PMS and APMS practices as shown in the total uplift row (D) in table 1 above.

## 2.3 Out of Hours (OOH) 'opt out' deduction

Under the five-year framework for GP contract reform, where MPIG funds are reinvested in GMS global sum, this will be done without any OOH deduction.

NHS England will achieve this by reducing the percentage value of the OOH deduction for opted-out GMS practices to a level that discounts the reinvestment of

funding.

As the recycling of MPIG with no OOH deduction is a redistribution of existing GMS funds, the resulting decrease in the OOH deduction does not need to be reflected in the equivalent OOH deduction made to PMS or APMS practices.

Where no OOH deduction is made in PMS or APMS contracts (i.e. OOH opt out never featured in the contract or was permanently removed) no further action is required. Where there is an agreed deduction, this should be consistent with the revised GMS OOH deduction.

The cash value of the PMS OOH deduction per weighted patient for 20/21 is therefore also £4.46. The PMS percentage reduction is determined by applying the GMS OOH cash deduction to the PMS price per weighted patient (which is GMS global sum price per weighted patient less cumulative MPIG reinvestment = £93.46 minus £3.38, giving £90.08). So, £4.46 gives a reduction of 4.95% from £90.08.

Commissioners will apply the OOH deduction of £4.46 per weighted patient to the weighted list size (unless the contractual agreement provides for raw list size) of the PMS or APMS practice to calculate the value of the OOH opt out deduction.

## 2.4 Other funding changes

The funding/payment changes below also apply in 2020/21 following changes to the GMS SFE and commissioners will need to replicate the terms set out in the SFE in PMS and APMS contracts as appropriate:

- **Quality and Outcomes Framework** – as set out above, the pound per point value increases from £187.74 to £194.83 as a result of the Contractor Population Index (CPI) adjustment; and

## 2.5 The Network Contract DES

By 2023/24, up to £2.355 billion would flow nationally through the Network Contract DES - or £1.9 million per average network. The updated Network Contract DES specification provides full details and will begin on 1 April 2020. The table below sets out the payments that will relate to this DES for 2020/21.

Payment Details	Amount	Contract types	Allocations	Payment made to	Payment timings
1. Core PCN funding	£1.50 per registered patient* per year (equating to £0.125 per patient per month)	GMS, PMS and APMS	CCG core allocations	Network's nominated account	<ul style="list-style-type: none"> <li>Monthly in arrears from April 2020</li> </ul>
2. Clinical Director contribution (population-based payments)	£0.722 per registered patient* (equating to £0.06 per patient per month)	GMS, PMS and APMS	Primary Care Medical allocations	Network's nominated account	<ul style="list-style-type: none"> <li>Monthly in arrears from April 2020</li> <li>First payment to be paid on or by end April 2020 and thereafter on or by the last day of each month.</li> </ul>
3. Staff reimbursements for ten reimbursable roles as set out in guidance	Actual costs to the maximum amounts per the Five-Year Framework Agreement, paid from April 2020 or following employment.	GMS, PMS and APMS	Primary Care Medical allocations	Network's nominated account	<ul style="list-style-type: none"> <li>Monthly in arrears the following month**</li> <li>Payment claimable following start of employment.</li> <li>Reimbursement payable on or by the last day of the <u>following</u> month</li> </ul>
4. Extended hours access	£1.45 per registered patient	GMS, PMS and APMS	Primary Care Medical allocations	Network's nominated account	<ul style="list-style-type: none"> <li>Monthly in arrears**.</li> </ul>

\*based on patient numbers at 1<sup>st</sup> January immediately preceding the financial year.

\*\*as per local payment arrangements (to account for where CCGs/Regions do not have a payment run on the last day of the month)

### **Note**

All costs – for practices including the Network Contract DES (apart from the £1.50 per head Core PCN funding) will be payable from CCG Primary Care Medical allocations. The £1.50 per head is from CCG core allocations.