

A framework to strengthen Practice Based Commissioning

Health reform in England: update and commissioning framework was published on 13 July 2006. It sets out a framework to strengthen commissioning and focuses in particular on Practice Based Commissioning.

A copy of the full document can be downloaded from the Department of Health website at: <http://www.dh.gov.uk/assetRoot/04/13/72/27/04137227.pdf>. For each of the points below, page number references from the guidance are provided.

The main points for practice based commissioners are:

- **PCTs will support the development of PBC** by providing information, budgets, public health needs assessment, analysis of cost-effectiveness of interventions and training and development for practices.
- **No local monopolies** - PCTs should avoid agreeing new long-term contracts with service providers that would further cement monopoly provision arrangements and exclude practices from being able to propose service and care pathway redesigns.
- **Local PBC incentive schemes** - PCTs are encouraged to offer additional cash releasing incentive schemes above the DES, which facilitate provision of services in more convenient settings. Money made available would be treated as direct income, rather than as savings, to be used as the practice chooses. [p.31]
- **No tendering** - No tendering is required before developing PBC proposals from GMS & PMS providers (and APMS & SPMS providers holding a registered list). Approval can be given under a Local Enhanced Service (LES) arrangement or within other GMS/PMS contractual arrangements. [p.33]
- **Two levels of service provision** - Two levels of primary care provision against which proposals are considered: services for a single practice population and services provided to a wider population. [p.33]
- **Pump-priming loans** - PCTs able to give loans to develop services re-provided from secondary care settings but not for core GMS services. [p.34]
- **Payment at tariff** - Full payment will be guaranteed to the provider practice for patients referred from other practices. If the service is the same as an existing hospital service, payment should be at tariff rate. [p.34]
- **Greater flexibility for tariff unbundling** – Work is ongoing to identify procedures that can be offered in community settings and put an indicative price on different parts of the care pathway. There is a particular focus on fractured neck of femur, elective hip replacement, community acquired pneumonia and stroke patients. This 'unbundling' will take effect from next April. In addition, unbundling of diagnostic costs from acute tariffs is being examined to support the provision of diagnostic services by different providers. There will also be an expectation that local health communities will agree approaches to unbundling which facilitate care pathway redesign. [p.35]

Proposed PBC governance & accountability framework

A governance & accountability framework for PBC is proposed and comments are invited on the content.

Comments should be sent to nhs.reform@dh.gsi.gov.uk by 6th October 2006.

Main elements of this are:

- **Right of appeal to SHAs** - The SHA will seek a solution where local agreement cannot be reached with PCT. [p.65]
- **Practice business cases** – PCTs will be expected to approve PBC proposals if it addresses a national or PCT priority. A decision on PBC business cases should be made by PCTs within 8 weeks. [p.66]
- **Management accountability** - Practice-based commissioners are required to produce a PBC plan. Expenditure and activity will be monitored on a monthly basis against this plan. [p.66]
- **PBC in deficit areas** - Where the PCT is working to restore financial balance, a fair and realistic budget based on historical usage, must still be provided. Equally, practices must use 70% of any resources released through service redesign to address national or local priorities. This will facilitate major redesigns that can release significant resources and contribute towards maintaining financial balance. [p.68]
- **Clinical and professional accountability** – Any additional services provided must meet all national standards of clinical governance including those set out in Standards for Better Health. Clinical governance arrangements must be proportionate to the service provided. Annual clinical audit plans should be briefly set out for new services. [p.68]

Other elements of the framework

- **Referral management centres** – Must carry clinical support and abide by clear protocols that provide clinical benefits to patients. Should not be imposed on practices without their agreement. RMCs should not preclude practices from redesign of services under PBC where this might mean changes to pathways used by the RMC. Further guidance and practical toolkits on RMCs, prior approval and utilisation management will be published in October. [p.47]
- **Prospectus** – A PCT publication setting out commissioning priorities and opportunities for service development. [p.18]
- **Community petitions** – mechanism for the public to oblige PCTs to review service provision. A petition could relate to a demand for new service or dissatisfaction with an existing one. [p.71]