



To all GPs and Primary  
Care Organisations



19 November 2003

Dear colleague

## **IMPLEMENTING THE NEW GMS CONTRACT**

Since the results of the ballot in June this year, the GPC, the NHS Confederation and the four Departments of Health have been working closely together on a major programme of work to ensure that the arrangements for the introduction of the new GMS contract are completed in time for implementation from April 2004.

We know that GPs and Primary Care Organisations have concerns about whether the work can be completed within the timetable, and undoubtedly an enormous amount of work needs to be completed in a short space of time. We understand these concerns but wish to reassure you that we have made considerable progress and we are confident that the contract will be implemented from April 2004, in line with the agreements set out in the contract documentation.

This letter sets out some of the main areas of work we are undertaking, and gives some information about what you can expect over the next few months.

### **Publication of documents**

The next major piece of work is the publication by the four Health Departments of a number of key documents, which together will form the legal basis of the new contract. The following documentation will be published in December<sup>1</sup>:

- draft contract regulations
- the draft model contract between a practice and a PCO
- the draft new Statement of Financial Entitlement – this will set out, in detail, the way in which payments will be calculated and made to practices, including the arrangements for the Global Sum, Minimum Practice Income Guarantee, quality payments, and the out of hours opt-out
- comprehensive guidance on the above documents.

<sup>1</sup> In view of the different administrative and legislative structures which exist in various parts of the United Kingdom, the timescale for provision of documentation and the means of communicating information to interested parties may vary from country to country. However, the commitment to joint implementation on 1 April 2004 remains unaltered in all four countries.

**“Representing all NHS GPs”**



The documents are referred to as drafts because the final versions will be put to Parliament or Assembly for approval in February 2004.

## Global sum information

Under the new contract, practices will receive a global sum allocation, calculated using the allocation formula, to cover payment for essential and additional services.

The Department of Health in England<sup>2</sup> has now written to all Primary Care Trusts asking them to return practice-level data for two purposes: to inform the 2004/05 allocations to PCTs and, in turn, to allow indicative global sum allocations and (when needed) Minimum Practice Income Guarantees to be shared with practices. PCOs have been sent guidance about the data collection.

On the current timetable, practices will be given **indicative global sum allocations** in January, calculated using the formula, and based on the most up-to-date information available – the last three quarters of 2002/03 and the first quarter of 2003/04. These figures will then be uplifted to 2004/05 levels.

We believe it is vital that practices have this information sooner rather than later so that any issues of inaccuracy or incompleteness in the data supplied can be discussed with the PCO in advance of implementation.

The December guidance will discuss the calculation of the final figures. Practices will receive their actual global sum allocations from April 2004, based on their list size and list characteristics at the time.

## MPIG

We are also finalising the arrangements for calculating the Minimum Practice Income Guarantee to deal with:

- practices that merge or split during the period of data collection for calculating the global sum equivalent
- practices that merge or split after the data collection period
- how changes in list size will be addressed
- mechanisms to ensure that GP vacancies are automatically accounted for. The treatment of practice staff budgets will be set out in guidance.

Once the contract is implemented, practices' global sums will be reviewed on a quarterly basis throughout each year to take account of any changes in list size and patient characteristics.

## Quality

One of the major new sources of income for practices is through the quality and outcomes framework.

The framework will be fully supported by software that will be made available to all practices by system software suppliers. Suppliers are working on software development and should be ready to release new versions over the winter. An interim software tool will be ready by Christmas to help practices to assess quality aspiration points. Given the different systems which exist in the four countries, the software tool may vary. More information about this can be found in the appended annex.

Good progress has been made on agreeing the details of the disease prevalence factor for the quality framework, as promised before the ballot, and we are writing to you separately about this important revision to the quality payment arrangements.

2 Communications about the identification of data at a practice level have been conducted differently in Wales, Scotland and Northern Ireland. More information about this can be found in the appended annexes.

## What you will need to do

Once practices have received the documentation and indicative allocations, practices and PCOs should:

- finalise what services will be provided, taking account of out of hours, opt-outs and enhanced services commissioning
- agree the funding of those services, so that the contracts can be in place by the end of March
- agree the indicative global sum, and any MPIG arrangements, and raise any concerns about data inaccuracy
- agree the level of quality to which practices aspire. Practices will need to submit information and agree their aspiration levels early in the new year. This will enable payments to be made from April.

The December guidance on this process will go into these process in more detail.

## PMS

PMS practices in England and Scotland will be able to move to GMS on a practice basis, and vice versa. In the meantime, information was issued to PMS GPs in England in a letter dated 15 October from the Minister of State for Health, John Hutton. This can be found on the Department of Health Website at [www.doh.gov.uk](http://www.doh.gov.uk). The Department of Health is planning to issue further guidance on PMS before Christmas.

## Contract agreements

You may remember that a number of issues were clarified during the latter stages of the negotiations on the new contract. These included agreements to:

- use registered lists for all calculations
- remove the quality penalty points for MPIG practices
- deal with concerns about potential adverse impact on cash flow arising from the quality payments system.

We have made good progress on these issues and our agreements will be reflected in the documentation that will be produced in December.

## Implementation update

With this letter you will find implementation updates, provided by the Departments of Health, setting out the work that has so far been taken forward in each country.

We have developed a local protocol specifically to deal with any problems that arise at local level. This is attached. If problems cannot be resolved locally we will, of course, take them up nationally.

## Further information

It is vital that practices and PCOs are familiar with the contract documentation, sent to all practices and PCOs earlier this year, and available on both the BMA and the NHS Confederation websites.

Please check the GPC and NHS Confederation websites. News, guidance, questions and answers, and updates on the new contract are frequently posted there:

- [www.bma.org.uk/gpcontract](http://www.bma.org.uk/gpcontract)
- [www.nhsconfed.org/gmscontract/](http://www.nhsconfed.org/gmscontract/)

The NHS Confederation and NatPaCT have issued a series of guidance notes for PCOs in England on:

- overview
- practice Management
- premises
- out of hours
- IM&T
- human resources
- practice nurses
- commissioning services
- Quality & Outcomes Framework
- funding flows

In addition, the GPC continues to produce guidance for LMCs on various aspects of the contract. The 'Focus on...' range already includes guidance on:

- the quality and outcomes framework
- IT funding
- enhanced services
- the nature of the contract and partnership agreements
- out of hours
- funding
- the role of Local Medical Committees

Further guidance notes are currently being produced.

We will continue our efforts to ensure that the implementation phase addresses the outstanding issues and allows the contract to be successfully implemented from April 2004.

Yours sincerely

A handwritten signature in blue ink that reads "John Chisholm". The signature is written in a cursive style with a large initial 'J' and a horizontal line underneath.

John Chisholm  
Chairman  
General Practitioners Committee

A handwritten signature in blue ink that reads "Mike Farrar". The signature is written in a cursive style with a large initial 'M' and a horizontal line underneath.

Mike Farrar  
Chairman  
NHS Confederation negotiating team