

Title of meeting:				Primary Care Joint Commissioning Committee Committee in Common			
Date of Meeting		12 July 2016		Paper Number		13	
Title				Finance Report			
Sponsoring Director (name and job title)				James Drury, Director of Finance, NHS England, South, South Central			
Sponsoring Clinical / Lay Lead (name and job title)							
Author(s)				Jacob Woodford, NHS England South (South Central) Finance Trainee, Colin Hobbs NHS England South (South Central) Assistant Head of Finance			
Purpose				The purpose of this report is to assess the financial impact of GMS contract changes over the seven years from 2014/15 – 2020/21			
The Primary Care Joint Commissioning Committee Committee in Common is required to (please tick)							
Approve		Receive		Discuss		Note	
						x	
Risk and Assurance <i>(outline the key risks / where to find mitigation plan in the attached paper and any assurances obtained)</i>				Risks are highlighted in the paper.			
Legal implications/regulatory requirements				Prepared in accordance with NHS England Planning Guidance			
Public Sector Equality Duty				None for this report.			
Links to the NHS Constitution (relevant patient/staff rights)				The NHS is accountable to public committees and patients that it serves. The NHS is committed to providing best value for taxpayer's money.			
Strategic Fit <i>Primary Care strategy? and Other relevant strategies</i>				Enables integration of Primary Care resources to facilitate delivery of the Joint Commissioning primary care strategy and the NHS 5 year forward view			
Commercial and Financial Implications <i>(Identify how the proposal impacts on existing contract arrangements and have these been incorporated?)</i> <i>Include date Deputy CFO has signed off the affordability and has this been incorporated within the financial plan. Include details of funding source(s)</i>				The financial impact of nationally mandated changes on providers of Primary Care Medical Services under a General Medical Services contract is incorporated within the paper. Overall at CCG level additional resources are available although at individual provider level the impact varies. Date Deputy CFO sign off			

<p>Quality Focus <i>(Identify how this proposal impacts on the quality of services received by patients and/or the achievement of key performance targets Include date the Director of Nursing has signed off the quality implications)</i></p>	<p>Not required for this report</p> <p>Date Director of Nursing sign off.....</p>
<p>Clinical Engagement <i>Outline the clinical engagement that has been undertaken</i></p>	<p>Carried out at a national level as part of contract negotiation.</p>
<p>Consultation, public engagement & partnership working implications/impact</p>	<p>Carried out at a national level as part of contract negotiations.</p>
<p>NHS Outcomes <i>Please indicate (highlight) which Domain this paper sits within by highlighting or ticking below: Please note there may be more than one Domain.</i></p>	<p>Domain 1 Preventing people from dying prematurely;</p> <p>Domain 2 Enhancing quality of life for people with long-term conditions;</p> <p>Domain 3 Helping people to recover from episodes of ill health or following injury;</p> <p>Domain 4 Ensuring that people have a positive experience of care; and</p> <p>Domain 5 Treating and caring for people in a safe environment; and protecting them from avoidable harm.</p>
<p>Co-Commissioning governance</p>	
<p>Which CCG does this Paper relate to or potentially effect?</p>	<p>Slough <input checked="" type="checkbox"/> WAM <input checked="" type="checkbox"/> Bracknell & Ascot <input checked="" type="checkbox"/></p>
<p>Is this paper related to a CCG statutory function?</p>	<p>Yes delegated through Co-commissioning</p>
<p>Is this paper related to a NHS England statutory function?</p>	<p>Yes, the commissioning of Primary Care services (Medical)</p>
<p>Potential conflicts of interest (who for?) <i>GP's, Practice Managers, Federations, Councils,</i></p>	<p>None</p>
<p>Are all voting members eligible to vote?</p>	<p>No vote is required</p>
<p>Executive Summary</p> <p>This paper provides the Joint Commissioning Committee in Common with indicative projections of the impact on GP practice income following amendments to the GMS contract over the seven years, from 2014/15 – 2020/21. The paper assesses the financial impact that these changes will have.</p> <p><u>Slough CCG Impact of Local Modelling:</u></p> <p>The overall change between 2014/15 and 2020/21 is a gain of £177,592 with an annual average of £25,370.</p> <p><u>Bracknell & Ascot CCG Impact of Local Modelling:</u></p> <p>The overall change between 2014/15 and 2020/21 is a gain of £285,532 with an annual average of</p>	

£40,790.

Windsor, Ascot & Maidenhead CCG Impact of Local Modelling:

The overall change between 2014/15 and 2020/21 is a gain of £363,442 with an annual average of £51,920.

Recommendation(s)

The Joint Commissioning Committee Committee in Common is asked to note the Finance Report.

<u>Chairs Use Only</u>	
Any known conflicted committee members from Declarations of Interest register?	No

CCV1

Joint Commissioning Primary Medical Services Committee



Report to the Joint Primary Care Co-Commissioning Committee Operational Group – Berkshire East CCGs

Prepared by: Jacob Woodford, NHS England South (South Central), Finance Trainee

Classification: OFFICIAL

The National Health Service Commissioning Board was established on 1 October 2012 as an executive non-departmental public body. Since 1 April 2013, the National Health Service Commissioning Board has used the name NHS England for operational purposes.

1. Introduction

- 1.1. This paper gives indicative projections of the impact on GP practise income from changes to the GMS contract over the 7 years from 2014/15 to 2020/21. The purpose is to assess the financial impact these changes will have.

Berkshire East CCGs

CCG Name	<u>National Modelling</u>		<u>Local Modelling</u>	
	Assumes Global Sum rate at 20/21 £78.33 (Assumes list growth of 5.76%)		Assumes Global Sum rate at 20/21 £80.97 No List Growth	
	Total Impact (Gain/(loss) 2014/15 to 2020/21 (£)	Annual Impact (Gain/(loss) (£)	Total Impact (Gain/(loss) 2014/15 to 2020/21 (£)	Annual Impact (Gain/(loss) (£)
NHS Bracknell and Ascot CCG	508,788	72,684	285,532	40,790
NHS Windsor, Ascot and Maidenhead CCG	593,865	84,838	363,442	51,920
NHS Slough CCG	234,032	33,433	177,592	25,370
Totals for Berkshire East	1,336,684	190,955	826,566	118,081

.2. Commentary of methodology used

An overview of data sources and figures below:

National Modelling Assumptions

The analysis is based on the best available data at the time of modelling and a number of estimates and assumptions have been made. These are detailed below.

Further work is being done to refine the data, models and estimates which is why this analysis is designed to be indicative only and not a definitive analysis of the impact on practice level income.

This analysis covers income that will change and includes contract payments called Global Sum Equivalent (including MPIG), QOF and Seniority. It does not cover income from other sources such as Enhanced Services.

The data modelling spreadsheet lists all GMS practices within each CCG area and shows their estimated baseline income position for 2013-14, and estimated year 7 positions for 2020-21 after contract changes have been fully implemented.

Patient list growth at 5.76% is assumed between the baseline year 2013/14 and the end point 2020/21,

Changes modelled

Minimum Practice Income Guarantee (MPIG)

When the new GMS contract was introduced in 2004, the core services payment called a global sum was introduced and is based upon a weighted patient list that was designed to reflect the workload to deliver Primary Medical Care..

Some practices faced a reduction in their income under the new contract as previously core services income levels were based upon their unweighted patient list.

A fixed value MPIG was introduced to bridge the gap to mitigate the impact of the change in funding formula.

The MPIG payment is now being phased out over 7 years from 2014/15 at 1/7th p.a.. The funding will be re allocated into the global sum to increase the national price per weighted patient per annum by 2020/21 to achieve equitable funding per practice under the new funding formula commonly known as The Carr-Hill weighting formula.

Quality and Outcomes Framework (QOF)

QOF payments are calculated at a national price per point achieved for delivering quality services to patients. The delivery of some of these services is now embedded within Primary Care so the number of points is being reduced in 2014/15 and the funding recycled into the Global Sum payment through a higher price per weighted patient

Practice achievement data for 2012-13 has been used to build a model of achievement for 2013-14 from which forward projections have been made.

There have been a number of changes to QOF between 2012-13 and 2013-14, such as changes to timescales within indicators, Changes to thresholds or new indicators added.

The best possible mapping of 2012-13 achievement to 2013-14 indicators has been made and changes to QOF for 2014-15 have been modelled on this basis.

In 2014-15 the financial value of 238 points will be coming out of the QOF and those monies are being recycled into Global Sum by increasing the national price per weighted patient per annum.

A further 103 points are being removed from QOF and those monies are being put into new Directly Enhanced Services. As this modelling does not include Directed Enhanced Services income these points have not been included in the modelling and have been removed from each practice's baseline QOF income.

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QOF income for 2014-15 onwards is based on 559 points, with achievement set at 2012-13 levels. For new indicators for which we have no achievement data, it has been assumed practices achieve 100%. As average achievement is above the upper threshold for all of the new indicators, modelling achievement at 100% has the same impact as modelling at average achievement levels.

The modelling assumes no further changes to QOF across the 7 years, therefore money from QOF is only recycled into Global Sum in Year 1.

This also means that the amount of money practices receive from QOF has been kept static across the 7 years.

Seniority

Seniority payments are linked to the years of services of a GP and these will be phased out over 7 years from 2014/15 with the funding recycled into the Global Sum payment through a higher price per weighted patient

The modelling for Seniority is currently a simple year on year deduction from the 2013/14 baseline year amount, in a similar way to the MPIG reduction.

For Seniority reductions are 15% for the first 6 years,

then 10% in the final year to take the amount to £0 in 2020-21. This is a simplistic model and is included for indicative purposes only to show Seniority reducing from current levels to 0.

More complex modelling will be carried out to refine these estimates to take account of attrition rates and also current practitioners moving up the Seniority scale.

Out of Hours Deduction

Under the negotiated changes it has been agreed that all money recycled into global sum will not be affected by the 6% out of hours deduction for those practices which have opted out.

In order to do this the model currently simply adds 6% to all money recycled into Global Sum each year. Therefore when 6% is deducted from those practices that opted out do not lose on the recycled money.

"Outlier" Practices

Analysis has been carried out to calculate the average year on year change in income across the 7 years.

This has been looked at as total change in income and also as an annual average per weighted patient.

"Outlier" practices have been defined as those who will lose more than £3 per weighted patient on average each year.

2.1 Difference in National and Local Modelling

National modelling assumptions include patient list growth of 5.76% by 20/21 for all practices.. Local modelling assumes no list growth so that the impact of changes on GP practise income from GMS contract changes alone is visible. National modelling did not accurately include the impact of recycling Seniority payments into the Global Sum so the estimated national price per weighted patient at 2020/21 is £78.33 whereas Local modelling includes the latest available data for this and so the estimated national price per weighted patient at 2020/21 is £80.97.

2.2 Total Impact of Local Modelling across Berkshire East

- £826,566 gain assuming a global sum rate of £80.97 and a list increase of 0.00%

2.3 Annual Impact of Local Modelling across Berkshire East

- £118,081 gain assuming a global sum rate of £80.97 and a list increase of 0.00%

3 Conclusions

National modelling was used to identify “outlier practices” defined as those who will lose more than £3 per weighted patient per annum and that may require transitional support. No practise within Berkshire East CCG’s is identified as an “Outlier practice” from either National or Local modelling.

4 Slough CCG Impact of Local Modelling

The overall change within Slough CCG between 2014/15 and 2020/21 is a gain of £177,592 with an annual average of £25,370.

There are 4 GMS practices affected by the contract changes and the impact between 2014/15 and 2020/21 on individual practices ranges from an overall Income loss of £22,004 to a gain of £140,927.

The greatest individual practice income loss per annum is £3,143 (49p pwp) and the greatest income gain per annum is £20,132 (£1.36 pwp).

5 Windsor, Ascot and Maidenhead CCG Impact of Local Modelling

The overall change within WAM CCG between 2014/15 and 2020/21 is a gain of £363,442 with an annual average of £51,920.

There are 17 GMS practices affected by the contract changes and the impact between 2014/15 and 2020/21 on individual practices ranges from an overall Income loss of £29,584 to a gain of £75,404.

The greatest individual practice income loss per annum is £4,226 (33p pwp) and the greatest income gain per annum is £10,772 (£1.07 pwp)

6 Bracknell and Ascot Impact of Local Modelling

The overall change within B & A CCG between 2014/15 and 2020/21 is a gain of £285,532 gain with an annual average of £40,790..

There are 14 GMS practices affected by the contract changes and the impact between 2014/15 and 2020.21 on individual practices ranges from an overall Income loss of £21,352 to a gain of £73,877.

The greatest individual practice income loss per annum is £3,050 (£1 pwp) and the greatest income gain per annum is £10,554 (£1.02 pwp).