



The Secretariat of Wessex LMCs

LMC Briefing Paper (BP3/06)

February 2006

Future Provider Status Options for General Practice

This document is an attempt by the LMC to explain some of the provider status options that are open to GPs and Practices for the future. This is not offering financial, legal or contractual advice and we would always encourage you to seek this before deciding upon any changes.

Provision of General Medical Services (GMS)

Over 90% of providers of general practice are either nGMS or PMS with a smaller number being covered by APMS (Alternative Provider Medical Services) see below.

General Medical Services

nGMS

In Wessex approximately 60% of Practices are working under a nGMS contract.

This is a nationally negotiated contract. All Practices provide what have been defined as “essential services” or core services. Practices then have the choice of providing services which are defined as additional or enhanced services.

Personal Medical Services

PMS

Personal Medical Services (PMS) began in April 1998 as a voluntary option for GPs and other NHS staff to enter into locally negotiated contracts as an alternative to the national General Medical Services (GMS) contract.

In Wessex approximately 40% of Practices are working under a locally negotiated contract.

The transfer from GMS to PMS has largely ceased, and some PMS Practices are now actively exploring whether it is in their interest to move back to GMS.

There has been considerable pressure on PMS contracts during the last 12 months. The issues that have affected PMS practices to a varying degree are as follows:

- Enhanced services which were within the baseline funding of PMS contracts are being negotiated by some Practices, as a separate element of the PMS Contract.
- Employers superannuation contribution, under the Lockhart’s contract, places a contractual obligation on the PCT to fully fund this. GMS Practices have only had this partially funded.

PMS Plus

PMS Plus contracts are variations to the core PMS contract which support new service development in primary care. The opportunities for providing such services within PMS Plus arrangements may include specialist care, new diagnostic procedures, services aimed at a particular population with specific needs, e.g. the homeless, or wider community care. There are few limits to PMS Plus, as long as services are appropriately funded and Clinical Governance arrangements are in place.

PCT Medical Services (PCTMS)

This is a route by which PCTs can provide services to groups of patients with specific needs. This contract has been used to provide general practice to vulnerable groups such as the homeless or asylum seekers. PCTMS has also been used to manage practices where single handed GPs have retired and no replacement has been found.

Some PCTs have found that Practices are not as easy or cheap to manage as they thought.

Alternative Provider Medical Services (APMS)

APMS is a route by which a Practice can be managed by a 3rd Party. This could be by:

- Commercial providers
- Voluntary sector
- Not-for-profit organisations
- NHS Trusts and Foundation Trusts
- Other PCTs

Some Practices have established companies to manage one or more Practice contracts under APMS.

There are several large healthcare companies who are actively pursuing enlargement of their current stake in general practice, for example:

- United Healthcare
- Chilvers McCrea
- Mercury Healthcare

The LMC is aware of one or two Foundation Trusts, who currently operate under Payment by Resultsⁱ (PBR), facing financial pressures and who are actively discussing moving into the general practice arena. Areas being discussed are, providing general practice services, vertical integration of careⁱⁱ and providing an out of hours service.

APMS can be used within one PCT or across more than one PCT boundary.

The GPCⁱⁱⁱ is currently producing guidance on APMS and I am part of the group that is working on this. As soon as the guidance is available I will ensure it receives widespread distribution.

`Procurement under APMS' guidance and a model APMS Contract is available.

The LMC wishes to understand how APMS may pose a threat or an opportunity for practices in the future. Therefore the LMC has organised a conference on the afternoon of 8th March 2006^{iv} to hear presentations from two of the major players in the market, Chilvers Mccrea and Mercury Healthcare.

Specialist Provider Medical Services (SPMS)

This is a mechanism by which a practice or group of practices can provide services within a PCT, which lie outside or are over and above `essential' services. SPMS can only be delivered by an NHS provider (where one of the partners is either a GP or Health Professional).

Much has been written about how Practices need to protect themselves for the future. One way to do this is for localities to form into a company and work collaboratively on issues such as Practice Based Commissioning (PBC). Some localities have formed companies “Limited by Guarantee”^v, and as a result, when work is transferred from Secondary to Primary Care these Companies are able to apply to provide these services under a SPMS contract. The SPMS contract can only exist within a PCT boundary.

The LMC believes that Practices need to understand the full implications of an SPMS contract. To facilitate this, the Wessex LMC’s Conference on 16th May 2006^{vi} will include a number of speakers who will cover this area. They include a Management Consultant, who has worked for the DoH, and clearly sees SPMS as a way forward for Practices to protect themselves for the future. In addition, there will be a presentation from a GP who has developed an SPMS service.

There are a number of contractual options that are open to GPs and Practices for consideration and this document is an attempt to explain some different Primary Care Contracts available. I hope this document has gone some way to meet this objective.

If you require any further information, please do not hesitate to contact the LMC office.

Written by Dr Nigel Watson, Chief Executive of Wessex LMCs

ⁱ Payment by Results

PBR is a currency used to purchase care in hospital. Unlike Fundholding, where hospitals set the tariff price, this is now determined nationally and the only variation in price relates to the local cost of living.

ⁱⁱ Vertical integration of care

General Practitioners are responsible for the holistic care of a patient. Vertical integration would mean that a patient with COPD would receive the total care for this condition from one provider, with no barrier between primary and secondary care. Some secondary care providers assume they would be the providers of this care not GPs.

ⁱⁱⁱ General Practitioners Committee (GPC)

The GPC is the national representative body of all GPs in the UK and Northern Ireland, and is part of the BMA.

^{iv} LMC meeting 8th March 2006

This is a ½ day conference, which will be held at the McDonald, Botley Park Hotel. If you wish to attend please contact Sue Parsons, email sue.parsons@wessexlmcs.org.uk.

^v Companies Limited by Guarantee

The company would have a number of directors and are governed by “articles of association”. To set up such a company you may require specialist legal advice.

^{vi} LMC Conference 16th May 2006

The day conference will be held at McDonald, Botley Park Hotel, there will be 4 speakers, covering areas such as premises, future proofing general practice and the provision of services in the community, if you wish to attend, please contact Sue Parson, email sue.parsons@wessexlmcs.org.uk