GP funding changes

Created: 03 June 2016

Overview

The 2016/17 GMS contract agreement[1](https://www.bma.org.uk/advice/employment/gp-practices/focus-on-gp-funding-changes#footnotes) saw significant investment in general practice. Taken together with the on-going recycling of seniority and correction factor payments, as well as recent commitments and developments, there are significant changes currently, but also in the near future, to how general practice is funded. This document provides a summary of the current funding changes and highlights some further developments that will impact on general practice funding.

2016/17 agreement

£220 million is being invested into the GP contract in recognition of rising financial pressures facing practices. This is more than double the 2015/16 investment and seven times that added in 2014/15. This breaks down as follows:

* CQC fees: £15 million
* Indemnity: £33 million
* National Insurance contributions: £57 million
* Superannuation: £14 million
* Increase to vaccination and immunisation item of service fee from £7.64 to £9.80 (28% uplift): £30 million
* Increased QOF point value (CPI adjustment): £13 million
* 1% pay uplift: £57 million

The funding for the dementia enhanced service (£42 million) was added to the Global Sum with no OOH deduction, meaning all the funding has been retained within the contract. The OOH deduction for 2016/17 is 5.15%, and only applies to the £58 million 1% pay uplift.

The above investment has led to an increase in Global Sum for 2016/17 to £80.59 per patient (5.9% increase[2](https://www.bma.org.uk/advice/employment/gp-practices/focus-on-gp-funding-changes#footnotes)) and an increase to the value of a QOF point to £165.18 (3.1% increase).

Equitable increases will apply for those GMS changes that also impact on PMS and APMS contracts. Information on this can be found [here](https://www.england.nhs.uk/commissioning/wp-content/uploads/sites/12/2016/04/apms-pms-contract-changes.pdf).

Seniority payments and correction factor recycling

Following previously imposed changes to the contract, seniority payments and MPIG correction factors are being phased out and the funding recycled into the global sum; therefore the global sum increase year on year (due to these two factors) is expected to be as follows before any other uplifts that are likely to occur as a result of annual contract negotiations:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| Year | 2016/17 | 2017/18 | 2018/19 | 2019/20 | 2020/21 | 2021/22 |
| Indicative GS funding | £80.59 | £81.43 | £82.27 | £83.11 | £83.95 | £84.79 |
| Percentage increase | 5.9% | 1.04% | 1.03% | 1.02% | 1.01% | 1.00% |

The uplift in relation to MPIG correction factor throughout the period is assumed to be 50p per weighted patient per year. The uplift in relation to seniority throughout the period is assumed to be 34p per weighted patient per year. These are subject to change and they do not include any changes that are likely to be delivered in future years, such as additional core investment to cover expenses and general practice development, therefore the figures are indicative only.

PMS reviews

PMS reviews are currently being undertaken across the country. As part of the 2015/16 contract changes, the GPC and NHS England agreed that PMS premium funding released as part of the reviews would be recycled in to practices within the CCG. Read the [Focus on PMS reviews](https://www.bma.org.uk/advice/employment/contracts/gp-partner-contracts/personal-medical-services) document for guidance on this.

HSCIC figures on GP funding

The Health and Social Care Information Centre (HSCIC) produce annual reports itemising payments to all practices in England. The latest figures released by HSCIC (September 2015[3](https://www.bma.org.uk/advice/employment/gp-practices/focus-on-gp-funding-changes#footnotes)) show for 2014/15:

* All providers: £7,990.3 million spent across 7,959 providers ; £141 per registered patient
* GMS: £4,186.9 million across 4,480 providers ; £137.05 per registered patient
* PMS: £3,590.6 million across 3,190 providers ; £143.84 per registered patient
* APMS: £212.8 million across 289 providers ; £189.74 per registered patient

The below table shows a breakdown of total spend on general practice through the different funding streams (extracted from the same HSCIC data as above).

|  |  |  |
| --- | --- | --- |
| Funding stream | Spend | Percentage |
| Global Sum | £2,306,454,858 | 28.87% |
| MPIG correction factor | £106,751,260 | 1.34% |
| Premises payments | £671,774,253 | 8.41% |
| Seniority payments | £124,101,375/td> | 1.55% |
| Total QOF payments | £722,393,794 | 9.04% |
| Total DES | £577,496,187 | 7.23% |
| Total NES | £9,664,849 | 0.12% |
| Total LES | £212,470,789 | 2.66% |
| Other spend\* | £3,259,216,796 | 40.79% |
| Total NHS Payments to General Practice (2014-15) | £7,990,324,160 |  |

\*Sum of: retainer scheme payments, locum allowances, prolonged study leave, appraisal-appraiser costs (locums), PCO admin costs, IM&T, balance of PMS expenditure, non-DES item pneumococcal vaccine/childhood immunisation main programme, prescribing fee payments, dispensing fee payments, reimbursement of drugs, other payments.

Future developments

The GPC and NHS England are currently reviewing the Carr-Hill funding formula used to calculate the Global Sum. This includes a review of funding arrangements for practices serving atypical populations. The outcome of this review is expected by autumn 2016, with intended implementation of any amendments by April 2017.

NHS England’s GP Forward View[4](https://www.bma.org.uk/advice/employment/gp-practices/focus-on-gp-funding-changes#footnotes) provides details of investment in to general practice of £2.4bn per year by 2021. Details of the BMA’s analysis of this can be found [here](https://www.bma.org.uk/advice/employment/gp-practices/focus-on-general-practice-forward-view).

1. [Contract agreement England](https://www.bma.org.uk/collective-voice/committees/general-practitioners-committee/gp-contract-negotiations/contract-agreement-england)

2. In 2015/16 there were two global sum figures, to accommodate a reduction in seniority payments with simultaneous reinvestment into global sum. This was carried out mid-year in October 2015. Therefore the value of global sum for the first half of 2015/16 was £75.77, and for the second half of 2015/16 was £76.51. In order to most accurately demonstrate the increase for the whole year 2015/16 to 2016/17, NHS England has used the mean average of those two figures, £76.14, to represent 2015/16 global sum.

3. <http://www.hscic.gov.uk/catalogue/PUB18468>

4. <https://www.england.nhs.uk/ourwork/gpfv/>