

## Meeting of the BSW CCG Primary Care Commissioning Committee Report Summary Sheet

<b>Report Title</b>	PMS Review – Finance Update					<b>Agenda item</b>	9c	
<b>Date of meeting</b>	22 October 2020							
<b>Purpose</b>	Approve	x	Discuss		Inform		Assure	
<b>Executive lead, contact for enquiries</b>	Caroline Gregory, Director of Finance							
<b>This report concerns</b>	BSW CCG		BaNES locality	x	Swindon locality		Wiltshire locality	
<b>This report was reviewed by</b>	John Ridler, Associate Director of Finance (BaNES), Louise Sturgess, Senior Commissioning Manager Primary Care							

<b>Executive summary</b>	As part of the national review into PMS contracts in 2014, it was identified that PMS practices were receiving funding over and above their GMS counterparts. The expectation was that the difference, referred to as the PMS Premium would be removed from contracts and reinvested by CCGs in local general practice services. BaNES CCG is on track to reinvest £3,891,620 by the end of year 5 of the PMS Review. This is £10,080 short of the total funding made available over the period.							
<b>Equality Impact Assessment</b>	N/A							
<b>Public and patient engagement</b>	N/A							
<b>Recommendation(s)</b>	The Committee are asked to <b>note</b> and <b>approve</b> the approach being taken for reinvestment by the end of year 5 of the PMS review							
<b>Link to Board Assurance Framework or High-level Risk(s)</b>								
<b>Risk (associated with the proposal / recommendation)</b>	High		Medium		Low	x	N/A	
<b>Key risks</b>	N/A							
<b>Impact on quality</b>	The specifications introduced over the course of the PMS Review have been designed to improve patient care and positively impact on quality.							

<b>Impact on finance</b>	<p>BaNES CCG is on track to reinvest £3,891,620 by the end of year 5 of the PMS Review. This is £10,080 short of the total funding made available over the period.</p> <p>From 20-21 the recurrent budget available to the CCG will be £1,156,000 per annum which reflects the full erosion of the PMS premium over the five years as well as the changes to QOF. Any additional expenditure on top of the budget comes at cost pressure to the CCG and will need to be found from other primary care sources.</p>	
	<b>Finance sign-off:</b> John Ridler	X
<b>Conflicts of interest</b>	N/A	
<b>This report supports the delivery of the following CCG's strategic objectives:</b>	<input type="checkbox"/> BSW approach to resetting the system <input type="checkbox"/> Realising the benefits of merger <input type="checkbox"/> Improving patient quality and safety <input checked="" type="checkbox"/> Ensuring financial sustainability <input type="checkbox"/> Preparing to become a strategic commissioner	
<b>This report supports the delivery of the following BSW System Priorities:</b>	<input type="checkbox"/> Improving the Health and Wellbeing of Our Population <input checked="" type="checkbox"/> Developing Sustainable Communities <input type="checkbox"/> Sustainable Secondary Care Services <input type="checkbox"/> Transforming Care Across BSW <input type="checkbox"/> Creating Strong Networks of Health and Care Professionals to Deliver the NHS Long Term Plan and BSW's Operational Plan	

## PMS Review – Finance Update

### 1. Background

#### Review of BaNES Contracts

1.1 All GP Practices in BaNES hold Personal Medical Services (PMS) contracts. At the beginning of 2014 NHS England asked Regional Teams to review their local PMS contracts and in September published a framework which stated that the aims of the review were to ensure, over time, that additional investment in general practices services:

- reflected joint strategic plans for primary care
- secured services or outcomes that go beyond core general practice
- helped reduce health inequalities
- offered equality of opportunity for GP practices in each locality

1.2 The review was carried out using a national formula, which allowed the direct comparison of funding between PMS and GMS practices. During this process it was identified that there was funding over and above the equivalent General Medical Service (GMS) Global Sum payment in BaNES – which became referred to as the PMS Premium. The expectation was that the premium would be removed from PMS contracts and reinvested by CCGs in local general practice services.

The aim of the PMS Review was to ensure equity of funding between PMS and GMS practices relating to weighted/actual patient payments. Nationally GMS practices were being paid on weighted patients whereas PMS practices across BaNES were being paid on actual list sizes. This was clearly inequitable and it was agreed that PMS practices in BaNES would:

- move to payment calculated on the weighted registered list size and be paid the nationally agreed global sum
- receive a 'pace of change' funding, which will be calculated based on the January 2016 list sizes

#### Consideration of the Proposals

1.3 During August 2015 practices were asked to submit proposals for additional services not already commissioned that were eligible for funding from the PMS Premium. In total, 29 individual practice proposals were received, from 18 practices. These proposals were considered over a series of meetings between BaNES CCG, NHS England and Wessex LMC throughout September to December 2015. The proposals were reviewed against local commissioning priorities and the following services were outlined as priorities for reinvestment from year one.

- ECG Service (non-acute)
- Ambulatory Blood Pressure Monitoring
- Residential Home Support
- EMI Nursing Home Support
- Spirometry
- Doppler Services
- Basket LES 2 (low volume procedures not included in the Basket ES)

Other transformational proposals or schemes dependent on wider reviews across BaNES were considered over year's two to five and examples that have been funded include:

- Health Inequalities
- Practice small equipment fund
- SMI Health Checks
- Advanced Care Planning

### **Local Exceptions**

1.4 At meetings between NHS England and Wessex LMC, a complete review took place, to ensure appropriate adjustments for local exceptions were taken into consideration. During this process three cases were identified:

- Bath University Practice – atypical population

This case related to the patient demographic being significantly outside the national norm and is not reflected in the Carr-Hill formula (weighted population). It was decided that this would be funded by the CCG outside of the PMS review.

- Catherine Cottage – financial destabilisation

This was linked to there being a small population and where the PMS premium reduction was >£3 per head per year. A small financial adjustment was made, limiting the reduction to no more than £3 per head in Year 1. It was decided that this would be funded by the CCG outside of the PMS review.

- St. Michaels – health inequalities

In this area, the panel accepted a case from one practice, St. Michaels, where the IMD is significantly higher than the BaNES and national average. It was confirmed that the CCG would support this case and the service has been funded from the PMS Premium. It was noted that this would be reviewed before the end of year 5 and a specification would need to be developed to be able to support St. Michaels after 20-21. This will be taken into consideration alongside the CCGs strategic priorities and other health inequalities commitments.

## 2. Finance Report

- 2.1 The PMS Review budget is made up of two components: the PMS Premium and QOF reinvestment. In BaNES the PMS Premium, has provided £2,824,200 over 5 years. This is funding that has been removed from PMS contracts and made available for reinvestment in local general practice services. The remaining budget comes from changes to QOF and has contributed an additional £1,077,500 (£215,500 per annum). Over the 5 years, the total available funding was £3,901,700.

**Table 1: Funding available**

	16/17	17/18	18/19	19/20	20/21	
Funding available	Year 1	Year 2	Year 3	Year 4	Year 5	Total
BANES PMS Premium	188,280	376,560	564,840	753,120	941,400	2,824,200
Plus Remaining BANES QOF reinvestment	215,500	215,500	215,500	215,500	215,500	1,077,500
	<b>403,780</b>	<b>592,060</b>	<b>780,340</b>	<b>968,620</b>	<b>1,156,900</b>	<b>3,901,700</b>

### **PMS Review forecast as at 31st August 2020**

- 2.2 At month 5 in the final year of the PMS Review, BaNES locality is on track to reinvest £3,891,620. This is £10,080 short of the total funding available over the period (£3,901,700). A full breakdown of reinvestment is shown in table 2 below.

### **PMS Review without COVID-19 impact in year 5**

- 2.3 COVID-19 has obviously had a significant impact on the provision of primary care services and table 3 shows an estimated position if year 5 of the review carried on business as usual. In the absence of COVID-19 the forecast estimate is that the CCG would have re-invested £188,434 over the funding available and therefore would have needed to revisit some of the original plans or secure additional funding. COVID-19 also prevented the CCG from implementing any new health inequalities schemes in 20-21. Practices are still eligible to claim for a health monitor as well as the associated annual maintenance and this has been factored into the expenditure in years 3 and 4.

Alongside the development of new service specifications, the CCG took the opportunity to review existing locally commissioned services with any uplifts being funded from the PMS review. This work would have invested an additional £61,000 back into primary care in 20/21. The CCG has informed practices of a Primary Care Offer for the remainder of 20-21, which guarantees practice LCS income for 20/21 based on 19/20 averages. As a result the CCG will not be issuing the contract with the new specifications in this financial year but waiting until April 2021.

## **Implications for 20/21 and beyond**

2.4 Although the PMS review is scheduled to come to an end in 2021, the CCG still intends to continue reinvesting in the services and an indicative budget for year 6 is shown in table 4. From 20-21 the recurrent budget available to the CCG will be £1,156,000 per annum which reflects the full erosion of the PMS premium over the five years as well as the changes to QOF. Any additional expenditure on top of the budget comes at a cost pressure to the CCG and will need to be found from other primary care sources.

**Table 4: Indicative year 6 budget**

<b>Service</b>	<b>Budget (£)</b>
ECG Service	205,052
Ambulatory Blood Pressure Monitoring	322,296
Residential Homes Support (as part of Care Homes with Nursing LCS)	99,000
Doppler Service	12,858
Spirometry	36,613
Basket LES 2 of low volume procedures	68,400
Health Inequalities Schemes	160,000
Child Safeguarding (St.Michaels)	91,292
EMI Nursing Home	8,899
Rolling small equipment fund	46,406
SMI Health Checks	95,513
Contingency & Other Expenditure	10,572
	<b>1,156,900</b>

2.5 The CCG also plans to work closely with its member practices to ensure that the services born out of the PMS review remain relevant to the local needs of the BaNES population. These services will continue to be reviewed on an annual basis and practices will be at the forefront of discussions.

## **3. Recommendation**

3.1 PCOG are asked to recommend the paper for approval at Primary Care Commissioning Committee on Thursday 22<sup>nd</sup> October 2020.

**Table 2: PMS Review forecast as at 31<sup>st</sup> August 2020**

Funding available	Year 1	Year 2			Year 3			Year 4			Year 5			Funding Re-Invested
	Budget / Actual	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	FOT	FOT Variance	
BANES PMS Premium	188,280	376,560	376,560	0	564,840	564,840	0	753,120	753,120	0	941,400	941,400	0	2,824,200
Plus Remaining BANES QOF reinvestment	215,500	215,500	215,500	0	215,500	215,500	0	215,500	215,500	0	215,500	215,500	0	1,077,500
<b>Total</b>	<b>403,780</b>	<b>592,060</b>	<b>592,060</b>	<b>0</b>	<b>780,340</b>	<b>780,340</b>	<b>0</b>	<b>968,620</b>	<b>968,620</b>	<b>0</b>	<b>1,156,900</b>	<b>1,156,900</b>	<b>0</b>	<b>3,901,700</b>
<b>Service Reinvestment - Collective</b>														
ECG Service	137,889	137,889	146,410	8,521	146,410	158,035	11,625	195,775	200,437	4,662	199,815	205,052	5,237	847,823
Ambulatory Blood Pressure Monitoring	110,267	110,267	156,127	45,860	156,127	187,438	31,311	218,162	256,407	38,245	250,962	322,296	71,334	1,032,535
Residential Homes Support (as part of Care Homes with Nursing LCS)	99,000	99,000	99,000	0	99,000	99,000	0	99,000	99,000	0	99,000	99,000	0	495,000
Doppler Service	28,304	28,304	12,041	-16,263	12,041	14,336	2,295	11,250	12,735	1,485	12,835	12,858	23	80,274
Spirometry		63,432	63,432	0	63,432	63,432	0	69,107	69,819	712	36,613	69,325	32,712	266,008
Spirometry training / development											30,000	30,000	0	30,000
Basket LES 2 of low volume procedures		60,000	60,000	0	60,000	60,000	0	68,400	68,868	468	68,400	68,400	0	257,268
24 Hour Event Monitoring					23,404	0	-23,404							
	<b>375,460</b>	<b>498,892</b>	<b>537,010</b>	<b>38,118</b>	<b>560,414</b>	<b>582,241</b>	<b>21,827</b>	<b>661,694</b>	<b>707,266</b>	<b>45,572</b>	<b>697,625</b>	<b>806,930</b>	<b>109,305</b>	<b>3,008,908</b>
<b>Service Reinvestment - Proposed</b>														
Health Inequalities Schemes	1,163	47,752	1,016	-46,737	100,000	113,820	13,820	164,946	19,987	-144,959	160,000	0	-160,000	135,986
Child Safeguarding (St.Michaels)	18,258	36,517	36,517	0	54,774	54,774	0	63,641	73,034	9,393	91,292	91,292	0	273,874
EMI Nursing Home	8,899	8,899	8,899	0	8,899	8,899	0	10,340	8,899	-1,441	8,899	8,899	0	44,495
Rolling small equipment fund					30,000	27,500	-2,500	34,857	22,136	-12,721	46,406	31,870	-14,536	81,506
SMI Health Checks								75,000	94,076	19,076	95,513	94,571	-942	188,647
LCS Review service uplifts								0	28,551	28,551	0	28,551	28,551	57,103
Contingency & Other Expenditure					8,619	0	-8,619	55,693	45,435	-10,258	10,371	10,371	0	55,806
Advanced Care Planning								0	45,295	45,295				45,295
	<b>28,320</b>	<b>93,168</b>	<b>46,431</b>	<b>-46,737</b>	<b>202,292</b>	<b>204,993</b>	<b>2,701</b>	<b>404,477</b>	<b>337,413</b>	<b>-67,064</b>	<b>412,481</b>	<b>265,555</b>	<b>-146,926</b>	<b>882,712</b>
<b>Total Reinvestment</b>	<b>403,780</b>	<b>592,060</b>	<b>583,441</b>	<b>-8,619</b>	<b>762,706</b>	<b>787,234</b>	<b>24,528</b>	<b>1,066,171</b>	<b>1,044,679</b>	<b>-21,492</b>	<b>1,110,106</b>	<b>1,072,485</b>	<b>-37,621</b>	<b>3,891,620</b>
											<b>Underspend</b>			<b>10,080</b>

**Table 3: PMS Review Forecast without COVID-19 impact in year 5**

Funding available	Year 1	Year 2			Year 3			Year 4			Year 5			Funding Re-Invested
	Budget / Actual	Budget	Actual	Variance	Budget	Actual	Variance	Budget	Actual	Variance	Budget	FOT	FOT Variance	
BANES PMS Premium	188,280	376,560	376,560	0	564,840	564,840	0	753,120	753,120	0	941,400	941,400	0	2,824,200
Plus Remaining BANES QOF reinvestment	215,500	215,500	215,500	0	215,500	215,500	0	215,500	215,500	0	215,500	215,500	0	1,077,500
<b>Total</b>	<b>403,780</b>	<b>592,060</b>	<b>592,060</b>	<b>0</b>	<b>780,340</b>	<b>780,340</b>	<b>0</b>	<b>968,620</b>	<b>968,620</b>	<b>0</b>	<b>1,156,900</b>	<b>1,156,900</b>	<b>0</b>	<b>3,901,700</b>
<b>Service Reinvestment - Collective</b>														
ECG Service	137,889	137,889	146,410	8,521	146,410	158,035	11,625	195,775	200,437	4,662	199,815	199,815	0	842,586
Ambulatory Blood Pressure Monitoring	110,267	110,267	156,127	45,860	156,127	187,438	31,311	218,162	256,407	38,245	250,962	322,296	71,334	1,032,535
Residential Homes Support (as part of Care Homes with Nursing LCS)	99,000	99,000	99,000	0	99,000	99,000	0	99,000	99,000	0	99,000	99,000	0	495,000
Doppler Service	28,304	28,304	12,041	-16,263	12,041	14,336	2,295	11,250	12,735	1,485	12,835	12,835	0	80,251
Spirometry		63,432	63,432	0	63,432	63,432	0	69,107	69,819	712	36,613	36,613	0	233,296
Spirometry training / development											30,000	30,000	0	30,000
Basket LES 2 of low volume procedures		60,000	60,000	0	60,000	60,000	0	68,400	68,868	468	68,400	68,400	0	257,268
24 Hour Event Monitoring					23,404	0	-23,404					0		
	<b>375,460</b>	<b>498,892</b>	<b>537,010</b>	<b>38,118</b>	<b>560,414</b>	<b>582,241</b>	<b>21,827</b>	<b>661,694</b>	<b>707,266</b>	<b>45,572</b>	<b>697,625</b>	<b>768,959</b>	<b>71,334</b>	<b>2,970,936</b>
<b>Service Reinvestment - Proposed</b>														
Health Inequalities Schemes	1,163	47,752	1,016	-83,253	100,000	113,820	13,820	164,946	19,987	-144,959	126,463	126,463	0	262,449
Health Inequalities: Weight Loss Pilot											33,537	33,537	0	33,537
Child Safeguarding (St.Michaels)	18,258	36,517	36,517	36,517	54,774	54,774	0	63,641	73,034	9,393	91,292	91,292	0	273,874
EMI Nursing Home	8,899	8,899	8,899	0	8,899	8,899	0	10,340	8,899	-1,441	8,899	8,899	0	44,495
Rolling small equipment fund					30,000	27,500	-2,500	34,857	22,136	-12,721	46,406	46,406	0	96,042
SMI Health Checks								75,000	94,076	19,076	95,513	95,513	0	189,589
LCS Review service uplifts								0	28,551	28,551	0	89,560	89,560	118,112
Contingency & Other Expenditure					8,619	0	-8,619	55,693	45,435	-6,640	10,371	10,371	0	55,806
Advanced Care Planning								0	45,295	45,295				45,295
	<b>28,320</b>	<b>93,168</b>	<b>46,431</b>	<b>-46,737</b>	<b>202,292</b>	<b>204,993</b>	<b>2,701</b>	<b>404,477</b>	<b>337,413</b>	<b>-67,064</b>	<b>412,481</b>	<b>502,041</b>	<b>89,560</b>	<b>1,119,198</b>
<b>Total Reinvestment</b>	<b>403,780</b>	<b>592,060</b>	<b>583,441</b>	<b>-8,619</b>	<b>762,706</b>	<b>787,234</b>	<b>24,528</b>	<b>1,066,171</b>	<b>1,044,679</b>	<b>-21,492</b>	<b>1,110,106</b>	<b>1,271,000</b>	<b>160,894</b>	<b>4,090,134</b>
													<b>Overspend</b>	<b>188,434</b>