

JANUARY 2008

Practice based commissioning in 2008-09

GPC guidance for LMCS and GPs
(England only)



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1 INTRODUCTION

The Department of Health (DH) published a fairly brief guidance note '*Practice based commissioning – budget setting refinements and clarification of health funding flexibilities, incentive schemes and governance*' on 20 December 2007. This guidance note, which applies to 2008-09, can be found online:

www.dh.gov.uk/en/Publicationsandstatistics/Publications/PublicationsPolicyAndGuidance/DH_081101

For the most part, PBC will continue along the same lines in 2008-09 as at present and so the requirements and arrangements detailed in the DH guidance for 2007-08, 'Practice based commissioning: practical implementation' and the correlating GPC guidance note¹, still stand.

This GPC guidance sets out the changes that will apply from April 2008.

2 MOVEMENT TOWARDS 'FAIR SHARE' BUDGETS

See paragraphs 7-29 and annex A of the latest DH guidance

For details on the budget setting process for 2007-08, see chapter 5 of the relevant GPC guidance note here:

www.bma.org.uk/ap.nsf/Content/pbdpolicy0307

In 2008-09, the same toolkit is to be used by PCTs to calculate individual practice 'fair share' budgets. **Where the last available 12 months costed activity (at 2008-09 prices) and the 'fair share' budget differ by more than 10%, then the difference should be corrected by a minimum of 1%.** [Note that in 2007-08, movement towards the 'fair shares' budget was set at a *maximum* of 1%.] There is provision for the minimum reduction not to be imposed '...where activity, prevalence or exceptional circumstances provide strong evidence against that movement...'

The maximum movement towards the 'fair share' is down to PCT discretion and the DH recommends that this '...should be informed by a triangulation of 'fair share', activity, and

¹ 'Practice based commissioning in 2007-08: detailed analysis of policy and guidelines', March 2007.

prevalence and deprivation information for the practice in question.'

The DH guidance also states that the 'fair shares' toolkit '...should not be applied too mechanistically. So in 2008/09 **PCTs are encouraged to use additional local information to inform the fair shares budget setting process...**' Best practice will be viewed as where PCTs '...use local discretion to influence the final indicative budget'.

3 LOCAL INCENTIVE SCHEMES

See paragraph 6 of the latest DH guidance

For details on local incentive schemes (LISs) for 2007-08, see chapter 7 of the relevant GPC guidance note here:

www.bma.org.uk/ap.nsf/Content/pbdpolicy0307

In 2008-09, the most significant change is that **the latest DH guidance says that LISs should be '...funded from savings made from PBC'**. In addition, LISs '...should include incentivising practice based commissioners to reduce people's lifestyle risks.'

4 USING NHS FUNDING FLEXIBLY

See paragraphs 2-4 of the latest DH guidance

The DH published guidance and a consultation in March 2007 'Commissioning framework for health and well-being'. A GPC summary of the document can be found online here:

www.bma.org.uk/ap.nsf/Content/commframeworkpbc

For 2008-09, **the DH instructs PCTs to agree with practice based commissioners a 'menu of local flexibilities' or interventions that represent a cross-over between health and social care**. In order to use funding for these interventions, practice based commissioners should submit a 'light touch business case' to the PCT. A list of possible interventions/flexibilities is given in the guidance.

There is also scope for practice based commissioning to use funding for interventions not listed on the local menu by submitting a business case to the PCT.

5 GOVERNANCE

See paragraph 5 of the latest DH guidance

For details on governance arrangements for 2007-08, see chapter 2 of the relevant GPC guidance note here:

www.bma.org.uk/ap.nsf/Content/pbdpolicy0307

For 2008-09, the DH guidance specifically tasks PCTs with putting in place '**...clear governance and accountability to manage transparently any potential conflicts of interest of GPs working within a PCT and on the PEC or other decision making boards.**' A list of conflicts of interest in relation to PBC is given.