

## **What will this year's DDRB report mean for your practice?**

Publication of this year's Doctors and Dentists Review Body (DDRB) report is expected very soon. This year's arrangements for translating any uplift recommended by the DDRB into practice resources are more complicated than in previous years. Practices will not necessarily receive the DDRB's headline increase. Instead the amount received by each practice will depend on each surgery's circumstances. So, what will the DDRB's recommendations mean for your practice?

### **Background**

Last year the DDRB awarded a 2.7% increase to only one part of the GMS contract (the patient capitation 'global sum' payments) which was offset against other income streams with the result that most practices received nothing at all. The unfavourable 2008 recommendation was made with the intention of decreasing practices' reliance on historical funding patterns.

### **Historical funding - background**

Historical funding was carried over into the new GMS contract in 2004 through the Minimum Practice Income Guarantee (MPIG) which became necessary only because the government failed to put enough money into the new capitation element of GP funding. The extra money given to 90% of practices in 2004 through MPIG, known as correction factor payments, ensured practice stability but also preserved funding anomalies and led to wide variations in per patient practice funding. The government is now determined to move the profession away from historical funding towards practice funding that better reflects patient characteristics. This is an objective shared by the profession. The GPC's negotiations are informed by a resolution from the 2008 Conference of Local Medical Committees which 'urges the government to fund essential services in such a way that redistribution will become possible and inequity will be reduced'. GPC is of course determined to make any such transition in a manner that does not destabilise any GP practice.

### **The arrangements for this year**

The GPC has negotiated an agreement with NHS Employers about the way in which any DDRB uplift for 2009-10 will be implemented for GPs. Essentially we have agreed that for 2009-10 there should be differential uplifts to various GMS funding streams to reduce practice's reliance on historical funding using a more acceptable method than the 2008 approach. This agreement has both advantages and disadvantages for GPs.

### **Advantages**

- By agreeing an implementation method with NHSE which goes some way towards achieving the government's objectives, we are less likely to receive a 0% award as we did in 2007 or an award like that in 2008 which increased global sum only and thus reached very few GPs.
- By agreeing to spread any award over several different contract streams we ensure that, all GMS contractors should receive some uplift to their practice's resources. QOF income, enhanced services spending and basic practice income will all increase if the DDRB recommends an increase to GP funding. Some practices will receive more than the DDRB's headline figure.
- A proportion of GP practices, which will be determined by the level of the DDRB's award, will move away from their reliance on correction factor funding. We hope this is a step towards more transparent funding for practices.
- As some practices move away from historical funding, the money saved will be ploughed back into general practice capitation payments. The retention of this money was not always guaranteed and is a negotiated win for the profession.

## **Disadvantages**

- This year's agreement is complicated and does not translate into a straightforward uniform increase in resources for all practices.
- Increases to practice funding will vary between practices and in some cases will vary between practices with apparently similar circumstances. We believe there is little correlation between historical funding and patient need so in some cases the biggest winners from this year's DDRB recommendation may not appear to be any more 'deserving' than those who receive a lower award.
- Practices whose historical funding (correction factor) payments make up a substantial proportion of overall resources will receive less money than the DDRB's headline figure.
- Although this arrangement increases the likelihood of the DDRB recommending some award for GP contractors, the current economic climate makes it unlikely that this award will be substantial.

## **What will happen to my practice's funding?**

The easiest way to get an idea of what will happen to your practice's funding is to look at your last monthly statement from the PCO.

If you do not receive any correction factor payments at the moment, your practice will receive more than the headline DDRB award. The absolute increase to practice funding will depend on your practice's patient population but you could see a notable increase in resources.

If you receive correction factor payments the increase to your practice's resources could be higher or lower than the DDRB's headline figure, depending on your practice's unique circumstances. The less your practice relies on correction factor payments, the higher the increase to your practice funding is likely to be. If your correction factor payments constitute a small proportion of total practice income from global sum payments plus correction factor payments (under 5-10% for example) it is possible you will receive an increase to your total practice income that means you will not need correction factor payments anymore. Practices that receive a greater proportion of their funding from correction factor payments are likely to receive less than the headline DDRB award. Their practice funding will change in such a way as to increase the proportion of total funding made up by global sum payments and decrease the proportion of funding received through correction factor payments.

All practices will receive an increase in QOF and directed enhanced services funding but the increase to these two funding streams will be less than the DDRB's headline award.

## **When will I know for certain the impact on my practice's funding?**

As soon as the DDRB reports we will write to all GPs informing them of the headline award and giving as much information as we can regarding the impact on each funding stream.

## **Where can I get more information on this year's agreement?**

You can find full information on the 2009-10 agreement here

[www.bma.org.uk/employmentandcontracts/independent\\_contractors/general\\_medical\\_services\\_contract/focusgmscontract0309.jsp?page=1](http://www.bma.org.uk/employmentandcontracts/independent_contractors/general_medical_services_contract/focusgmscontract0309.jsp?page=1)

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