

The new GMS contract explained

Focus on.... Funding for Information Management and Technology – second update

GPC

General Practitioners
Committee

This is the second guidance note produced by the General Practitioners Committee to help GPs and Local Medical Committees understand the funding arrangements for Information Management and Technology under the new GMS contract, and is part of a series of guidance notes on the new contract. The guidance will be updated as progress is made throughout the implementation discussions and negotiations. We would advise all GPs to read the contract document and supporting documentation, available on the BMA website at www.bma.org.uk. The GPC has produced a list of frequently asked questions and answers which can also be found at the website address.

Overall funding for IT

England

The new contract provides for 100% funding, managed by PCOs, backdated to 1st April 2003 of: *'the purchase, maintenance, future upgrades, running costs of integrated systems as well as telecommunications links to branch surgeries and other NHS infrastructure and services'* (paragraph 4.29 refers).

PCTs have been asked to meet practices' entitlements under the new contract. In doing so, they will be expected to use their unified budgets. These will be supplemented by the National Programme for IT in the NHS, which will itself provide an overall investment of £2.3 billion in NHS systems and infrastructure. PCTs have received an additional allocation of £20 million in 2003/4 to contribute to general practice system maintenance and minor upgrades from April 2003. This is in addition to the estimated £50m which is already invested each year by PCTs through their recurrent baseline funding. PCTs have recently received a letter from the Department of Health with details of their individual financial allocations. A copy of this letter is attached at Appendix 1.

- Maintenance is defined as the routine support that is normally provided under annual contracts by the GP clinical system suppliers or third parties.

- Minor upgrades are defined as those required to ensure that existing practice systems continue to perform efficiently. For example: servers, memory or hard disk upgrade, replacement of broken or defective items such as printers, screens or back-up devices.

The Department of Health have publicly confirmed that the terms of the contract will be honoured in full. If this funding is regarded as insufficient to meet the actual cost of maintenance and minor upgrades then additional “top up” funding will be made available to PCTs on the submission of evidence to their Strategic Health Authorities and claims will be handled via monthly top team meetings. GP practices will be required to make claims via their PCT. This mechanism is intended to honour the Department of Health’s commitment to the contract but prevent inappropriate claims by GPs and PCTs and protect GP IT funding. The GPC were concerned that this process could further delay funding reaching practices, however the Department of Health has instructed PCTs to distribute monies to practices without delay.

The funding position on minor upgrades and maintenance is clear. This guidance does not cover replacement of non-compliant systems. Further information regarding this funding will be available in a future guidance note.

Scotland

On 25th July 2003, a circular was issued by the Scottish Executive to NHS Boards and Trusts detailing funding IT arrangements under the new GMS contract. The circular is available at: [http://www.show.scot.nhs.uk/sehd/pca/PCA2003\(M\)13.pdf](http://www.show.scot.nhs.uk/sehd/pca/PCA2003(M)13.pdf)

Ring-fenced IT funding of £3m has been confirmed for 2003/04, £11m for 2004/05 and £11million has been provisionally earmarked for 2005/06. (In 2004/05 and 2005/06, £1 million of this funding for each year will be allocated following updates of the Scottish Allocation Formula and £2 million of the funding each year will be held centrally to provide equipment or services where national arrangements would be more effective than local ones).

Wales

A joint letter from the Welsh Assembly Government and BMA Wales was issued to all Local Health Boards and practices on 5th September. This covered funding arrangements for IM&T maintenance costs, ICT Foundation Programme participants and the Quality Preparation payments. A copy of this letter is available at <http://www.wales.gov.uk/healthplanonline/gms/updates-e.htm>.

Further guidance on the definition and funding arrangements for minor upgrades was issued to Local Health Boards and ICT Foundation Programme Project Managers on 16th October. This states that the Welsh Assembly will reimburse LHBs the appropriate funding required to support essential minor upgrades, providing these comply with the ICT Foundation baseline specification/entitlement and the new funding policy. Until further guidance on IM&T is issued, the definition of a ‘minor upgrade’ should be regarded as **“the minimum upgrade requirement to ensure the Practice RFA99 clinical system remains operational”** during this interim period up to 31st March 2004. During this period, all requests for minor upgrades, once locally determined, will be treated on a case-by-case basis to ensure equity and consistency. Any decisions taken

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during this period should not be regarded as a precedent for future GMS IM&T funding guidance. During this interim period, the 100% funding policy for IM&T, which includes minor upgrades, will be funded via GP reimbursement mechanisms. Any existing IM&T equipment upgraded/replaced and maintained during this period will continue to be **owned by the Practice**.

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Northern Ireland

In Northern Ireland, £1.5 million has been allocated to PCOs for IM&T to top up the 50% reimbursement, for minor upgrades and maintenance which have occurred since 1st April 2003, to 100%. A further £2.3 million is expected to be released in the near future for further IM&T modernisation. This money has been released to the Boards and they are in the process of inviting bids from practices for upgrades.

Although not directly connected to the contract, a further £27 million of IT funding has also been announced, to fund the Health and Care number (previously known as UPCI) for the population of Northern Ireland. This is the equivalent of the new NHS number in England and Wales – a 10 digit unstructured number that will replace the CHI number (NIGPC had serious concerns about CHI regarding confidentiality). The program will fund the infrastructure of the HPSSnet and enable links between GP surgeries and HPSS agencies. The first project will be to allow **all** practices to receive laboratory results electronically. This project is crucial to future IT developments in Northern Ireland.

Education, Training and Development

England

It has been confirmed that the IT Implementation Project for the new GMS contract will deliver products and services to support practices and PCTs in the use of the new and changed payments systems that derive from the new GMS contract. We are still pressing for details of funding for Education, Training and Development from the Department of Health. A further update will be provided in a future guidance note as soon as clarification has been provided.

Scotland

In Scotland, £1.3m of additional centrally held funding has been allocated for training in Scotland. A practice IM&T mentoring programme has been established to assess and develop practice IM&T skills. In addition, the SCIMP (Scottish Clinical Information Management in Primary Care) have issued a guide to good practice in IT 'Making IT work for you' which is available at: <http://www.ceppc.org/scimp/gpg/>.

Wales

The education, training and development (ETD) programme which was already being implemented as part of the ICT Foundation Programme in Wales, is being slightly modified to address the additional IM&T training needs identified for implementation of the new GMS contract. This modified ETD programme will include training for practices and LHBs on the 'Clinical Audit' and 'Contract Manager' software that is being rolled

out as a unified product to support the implementation of the Quality and Outcomes Framework. Further details will be announced soon.

Northern Ireland

The New Contract Regional Implementation Team has produced a Training Needs Analysis and this is being sent to all practices in Northern Ireland. When the training needs are identified, it is anticipated that funding will be available to meet those needs. Preliminary discussions have taken place with a provider of IM&T training about system specific and general IT training.

LMCs: what can you do?

- LMCs should advise GPs not to spend money on IT without approval, in writing from PCOs, together with commitment to 100% funding.
- LMCs should advise GPs to continue current local arrangements of submitting **copies of receipted invoice(s)**, for minor upgrades and maintenance since April 2003 to the PCT. The practice should **keep the original(s)** for audit purposes.
- All payments should be made within 28 days or by the next scheduled payment date.
- LMCs should attempt to resolve situations, locally, where PCOs, claim they do not have funding to meet these costs. When this is not possible, documentary evidence of correspondence between the PCO and LMC should be sent to the GPC so that this can be raised with the NHS Confederation and the appropriate health department.

Enquiries and Information

Please send enquiries and/or information about information management and technology to the GPC office at:

rmerrett@bma.org.uk

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Appendix 1

PCT Director of Finance

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6 November 2003

Dear Colleague

The new GMS contract: Revenue Funding from the National IT Programme

I am writing on behalf of the Secretary of State to notify you of non-recurrent additions of £000,000 to your Primary Care Trust's 2003-2004 revenue resource limits for the purpose of Section 97 of the National Health Service Act 1977 as amended. This allocation has been made pro-rata to weighted capitation targets.

As a consequence of the above I am also writing on behalf of the Secretary of State to notify you of additions of £000,000 to your Primary Care Trust's financing requirement [cash limit] for 2003-2004. This allotment is made under Section 97 of the National Health Service Act 1977 as amended.

This is a non-recurrent addition for 2003-2004. You will also receive the same funding in 2004-05 and 2005-06, when this funding will be subsumed into the new GMS funding system. This is explained in 'Investing in General Practice' and the joint letters of clarification from the GPC and NHS Confederation.

Allocation Purpose

This funding is from the National IT Programme specifically to support the commitment for PCTs to meet in full practice IT costs for maintenance and minor upgrades from 1 April 2003 as defined in section 4.30 of the new GMS contract. This is an entitlement for all GPs, both GMS and PMS, and therefore not discretionary.

We have estimated that around £50m is currently spent by PCTs each year in support of maintenance and minor upgrades of primary care IT systems. The level of funding made by PCTs to their practices varies but we believe an additional £20m nationally should enable PCTs to fund in full the cost of maintenance and minor upgrades of GP systems.

What is included

It is important that both PCTs and practices fully understand what practice entitlements are and what this funding covers and what it does not.

- (a) **Maintenance** is defined as the routine support that is normally provided under annual contracts by GP clinical system suppliers or third parties. PCTs are encouraged to review and consolidate existing maintenance contracts to ensure that they represent value for money and provide the required levels of support.

- (b) **Minor upgrades** are defined as those required to ensure that existing clinical systems continue to perform efficiently. For example; servers, memory or hard disk upgrade, replacement of broken or defective items such as printers, screens or back-up devices.

The funding is not intended to cover the cost of system replacement or significant upgrades e.g. purchase of new hardware other than where existing systems can no longer function effectively. Such purchases will be subject to local prioritisation and business case processes as described in the new GMS contract.

Reporting Arrangements

The Chief Information Officer (CIO) at your SHA will be required to report on the use of the allocation. In the event of the allocation being insufficient to meet the identified needs this should be raised with the SHA but PCTs should not withhold funds to practices whilst this is happening. The SHA will, after satisfying themselves that the requirements are necessary and covered by the definitions above, take the matter to the regular meetings between the Departmental Board, the National Clinical Directors and the strategic health authority chief executives (the Top Team). The Top Team is committed to ensuring that adequate resources are made available to meet this entitlement.

Reference Numbers

The reference number to be quoted on PCT CIC tables H03 and H04 for both the Resource Limit Adjustment and Cash Limit Adjustment is **R/****/****/******.

Enquiries

A copy of this letter has been sent to your Director of Finance and the CIO at your SHA.

Please direct any enquiries to your SHA CIO in the first instance, and Susan Devlin, Department of Health, telephone number 0113 2546881.

Yours sincerely

Rob Webster
Director – GMS and PMS Contract Implementation

Copy PCT Chief Executive – by e-mail
 SHA Chief Executive – by e-mail
 SHA CIO – by e-mail
 SHA GMS Finance Lead – by e-mail
 SHA PMS Finance Lead – by e-mail
 SHA GMS Policy Lead – by e-mail
 SHA PMS Policy Lead – by e-mail
 PMS Finance Team – by e-mail
 PMS Policy Team – by e-mail
 PMS NDT – by e-mail