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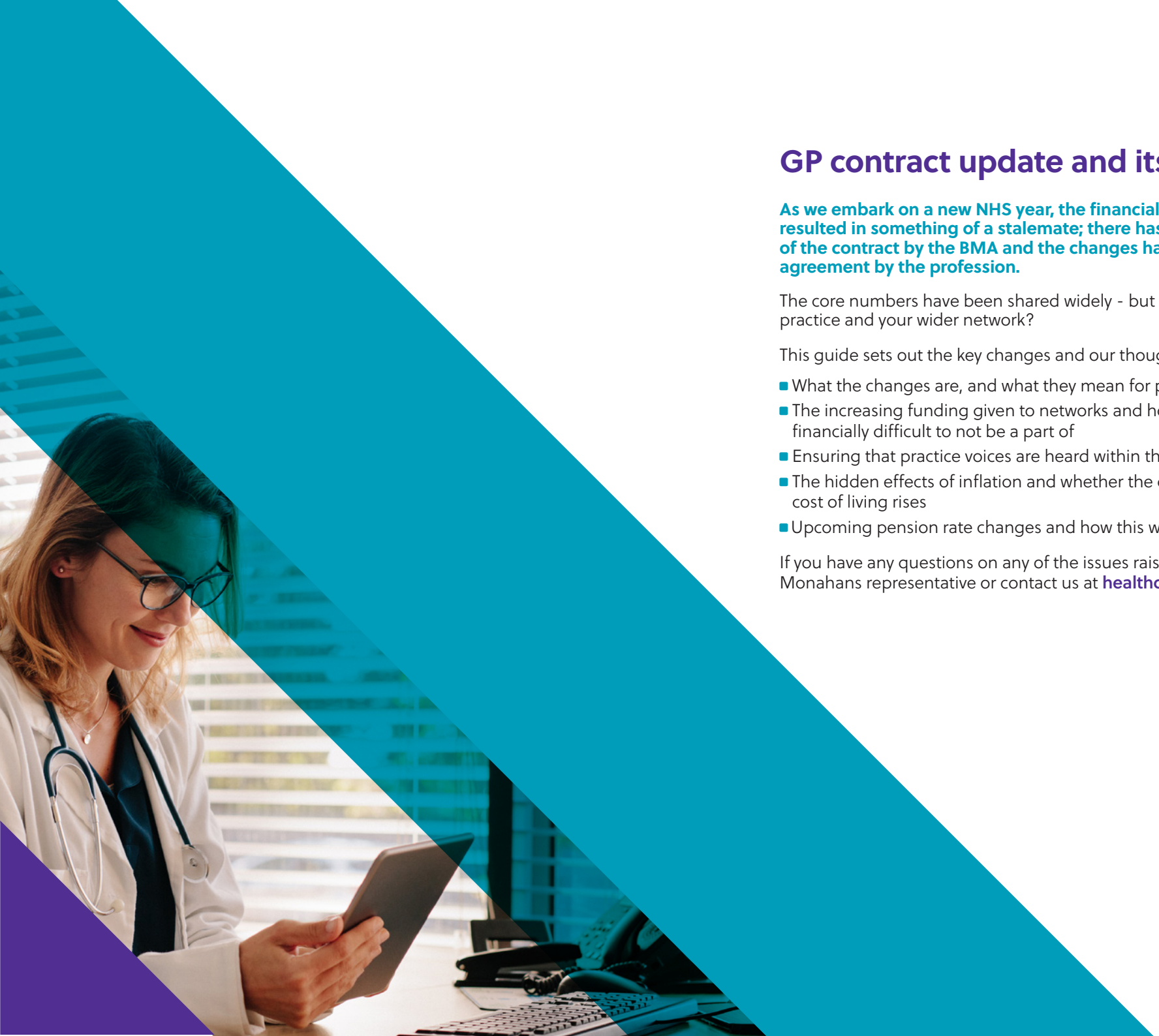
Chartered Accountants & Business Advisers

NHS Contract News

June 2022



GP contract update and its implications

As we embark on a new NHS year, the financial element of the GP contract resulted in something of a stalemate; there has been no formal endorsement of the contract by the BMA and the changes have been enacted without real agreement by the profession.

The core numbers have been shared widely - but what does it all mean for your practice and your wider network?

This guide sets out the key changes and our thoughts on them, including

- What the changes are, and what they mean for practice profits
- The increasing funding given to networks and how this makes this increasingly financially difficult to not be a part of
- Ensuring that practice voices are heard within their network
- The hidden effects of inflation and whether the changes are enough given cost of living rises
- Upcoming pension rate changes and how this will affect staff and partners

If you have any questions on any of the issues raised, please contact your usual Monahans representative or contact us at **healthcare@monahans.co.uk**

Contract and network funding 2022/23- what does it mean for my practice?

Core Contract

NHS England recently published details of the GP contract funding for the 2022/23 year, which it says will focus on long-term conditions management, urgent care needs and 'regaining momentum' on disease prevention. Of course, as medical professionals you will already be doing all this and more. The relevant question will be - what does it mean from a financial standpoint?

You will no doubt have digested the core contract figures and although they are summarised below, the purpose of this newsletter is to set out the key points as we see them.

Overall GMS funding has increased by 3% - but note that in previous years, the out of hours charge (which is a calculated as percentage of GMS funding) had reduced, to ensure that the deduction only increased with increased list size. This year the out of hours percentage charge has remained the same, resulting in the pay increase already being squeezed by increasing out of hours charges.

For an average practice of 9,374 patients, the net GMS increase would equate to funding of £26,059 for the year. PMS practices are paid along the same lines as their GMS counterparts.

The QOF point value has increased but, as in previous years, the average practice size has increased by the same percentage. This determines the actual value of QOF points for a practice and as such the value of offering the QOF services has not increased – with QOF funding only increasing in the event of an increase in list size or a change in disease prevalence.

There are some minor changes to the workload required for various vaccinations, and the weight management enhanced service will continue in 2022/23 at £11.50 per referral, but now needs 'the explicit approval' of the patient before referral.

The overall intended funding increase for practices, taking account of all the contract changes, is 2.1%. Although this may seem positive, practices will, in line with the wider business environment, see increased pressure on their expenses in the coming years.

The cost of living crisis that is beginning to take effect will surely lead to upward pressure on staff costs, particularly those on pay brackets where they may be able to seek less pressurised work elsewhere for a similar salary - and with a 2% increase for staff considered a bare minimum, the only way for additional increases to be funded is from partner profits and drawings unless other efficiencies can be obtained.

It should also be noted that the increase in National Insurance rates of 1.25% to cover the new Health and Social Care Levy will also need to be met by practices – there is no additional funding for this.

Primary Care Networks

The clear intention to divert more funding to primary care networks continues with the transfer of extended hours funding from CCGs to PCNs with effect from October 2022, with PCNs now being obliged to offer a range of services at evenings and weekends.

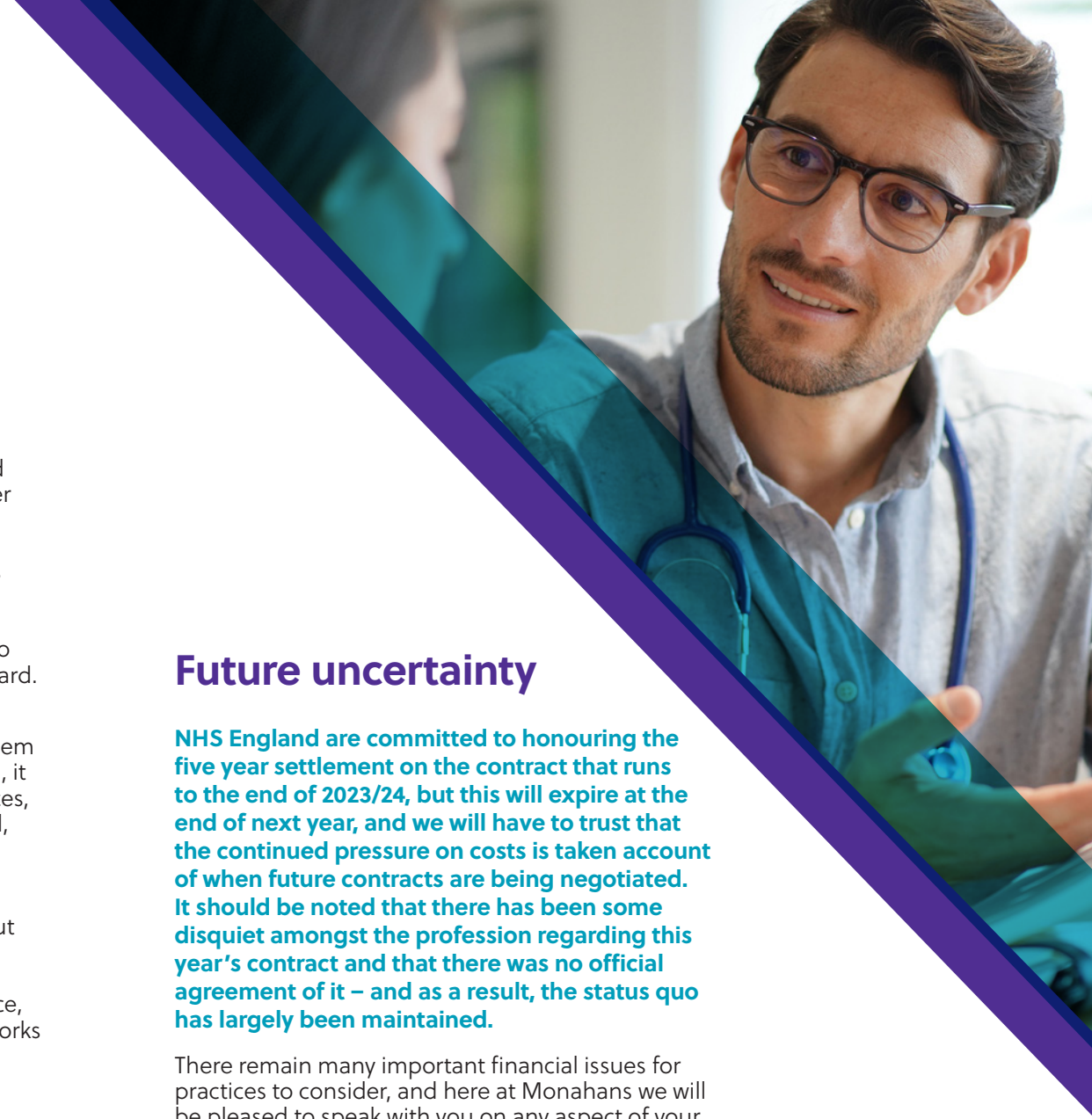
Practices are, of course, not obliged to be a member of a network, but this increasing diversion of funding makes it more and more punitive not to be. There are practices who have chosen to leave their network – but who have often quickly found that the loss of participation funding, their share of network core funding and surpluses, and the loss of access to financed staff, made it financially unviable. The transfer of extended hours funding will surely only exacerbate this.

In addition, there will be a significant increase in Investment and Impact Funding for 2022/23, with the overall IIF points available tripling. The value of each point will vary by network depending on size, as is the case for QOF funding.

The funding available for staffing under the Additional Roles Reimbursement Scheme (ARRS) also continues to increase. However, welcome though this is, the funding only becomes useful if there are people to recruit – many networks are still finding it difficult to recruit for these roles, although it does provide a useful tool for those who are able to recruit the appropriate key people.

What is notable is that the funding paid to practices for participating in a network has remained unchanged since PCNs' inception in the summer of 2019. With inflationary pressures dictating that the funding of £1.761 worth approximately £1.97 in today's money, then the average practice is effectively being underfunded by £1,959 for this. It will be interesting to see if this changes as we move forward.

What of course remains vital is that practices make networks work for them – ultimately, however it is presented, it is money that belongs to the practices, and it is vital that your voice is heard, and your financial entitlement is properly recognised and received, regardless of your size or perceived influence. There are still networks out there who are not preparing proper accounts of their funding, with full breakdown of entitlement by practice, which is just not acceptable as networks increase in size and complexity.



Future uncertainty

NHS England are committed to honouring the five year settlement on the contract that runs to the end of 2023/24, but this will expire at the end of next year, and we will have to trust that the continued pressure on costs is taken account of when future contracts are being negotiated. It should be noted that there has been some disquiet amongst the profession regarding this year's contract and that there was no official agreement of it – and as a result, the status quo has largely been maintained.

There remain many important financial issues for practices to consider, and here at Monahans we will be pleased to speak with you on any aspect of your practice or network finances, and how this can be maximised and enhanced in these uncertain times.

Contact us on **healthcare@monahans.co.uk** or via any of the contacts shown on this newsletter, for more information.

Pay transparency – a respite?

The much maligned requirement to publish details of pensionable earnings where these exceed £150,000 has again been delayed.

Recent changes to the GP contract regulations have, for now, removed the requirement to publish earnings for the 2020/21 NHS year – and commissioners are not being instructed to chase the equivalent submissions for the 2019/20 year which has been due last autumn.

The intention is apparently to revisit this requirement in the future – but we can hope that this polarising requirement is quietly dropped in due course.

Superannuation – more complexity on the horizon

If administering the NHS pension scheme – for employees and partners alike - was not already fraught with bureaucracy and complexity, there are more changes coming from October 2022 which will need to be understood and explained to your staff.

Due to the changes in the NHS pension scheme and a change in how benefits are calculated, a consultation was recently held to try and more fairly share the costs and benefits of the scheme. As a result, there are two key changes; firstly, that rates of pensionable pay will be based on actual pay, rather than a notional whole time equivalent, and secondly, a change on the pension thresholds and rates, as set out below.

This is expected to mean an increase in rates for more than half of NHS staff, and at a time of pressure on household budgets, it is a conversation to have with staff now. Any pay increases should also be looked at to see what tier rate it will leave the staff member in – sometimes an increase can have the unintended consequence of leaving people worse off after pension is taken.

The proposed changes are to take place over two years – which means that not only will there be a change on October this year, but also next October as well.

Quite how PCSE will cope with two separate mid-year changes remains to be seen – it is also already unclear how this will apply to GPs completing Type 1 and Type 2 forms.

Note that there will be an increased number of tier rates in the first year of change, but these will reduce to six (from the current seven) in the following October, with 12.5% becoming the highest tier rate, compared with the current 14.5%.

This will directly affect partner drawings (where they are members of the pension scheme) and this may be something that practices wish to consider.

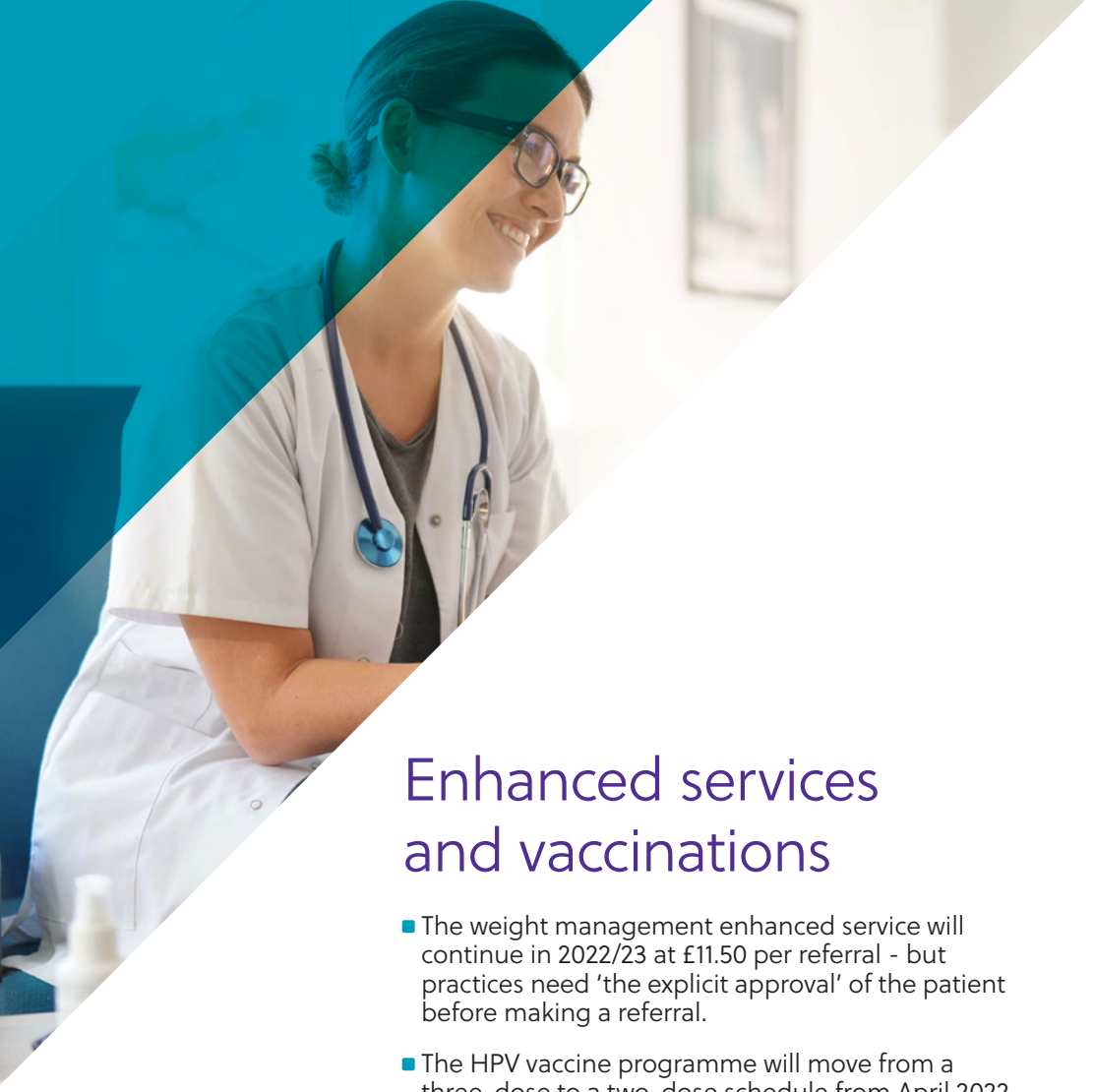
Superannuation rates

Current tier number	Pensionable earnings	Current rate (WTE pay)	Rate from 1 October 2022 (actual pay)	Tier from 1 October 2022	Rate from 1 October 2023 (actual pay)	Tier from 1 October 2023
Tier 1	0 - 13,231	5.0%	5.1%	Tier 1	5.2%	Tier 1
	13,232 – 15,431	5.0%	5.7%	Tier 2	6.5%	Tier 2
Tier 2	15,432 – 21,478	5.6%	6.1%	Tier 3	6.5%	
Tier 3	21,479 – 22,548	7.1%	6.8%	Tier 4	6.5%	
	22,549 – 26,823	7.1%	7.7%	Tier 5	8.3%	Tier 3
Tier 4	26,824 – 27,779	9.3%	8.8%	Tier 6	8.3%	
	27,780 – 42,120	9.3%	9.8%	Tier 7	9.8%	Tier 4
	42,121 – 47,845	9.3%	10.0%	Tier 8	10.7%	Tier 5
Tier 5	47,846 – 54,763	12.5%	11.6%	Tier 9	10.7%	
	54,764 – 70,630	12.5%	12.5%	Tier 10	12.5%	Tier 6
Tier 6	70,631 – 111,376	13.5%	13.5%	Tier 11	12.5%	
Tier 7	111,377 and above	14.5%	13.5%		12.5%	

GP Contract changes 2022/23

	2022/23	2021/22
Core funding		
Global sum funding (per weighted patient)	£99.70	£96.78
Out of hours deduction	4.75%	4.75%
Out of hours deduction (per registered patient)	£4.73	£4.59
QOF point value	£207.56	£201.16
Average population for QOF	9,374	9,085
No. of QOF points	635	635
PCN practice participation (per weighted patient)	£1.761	£1.761

	2022/23	2021/22
PCN funding		
Core PCN (per registered patient)	£1.50	£1.50
Clinical Director (per registered patient)	£0.736	£0.736
Leadership & Management Support (per PCN adjusted patient)	£0.699	£0.707
Additional Roles Reimbursement (weighted)	£16.696 maximum	£12.314 maximum
Subcontracted social prescribing service Up to £200pm for contributions towards additional costs charged by subcontractor providers		£2,400
Care Home Premium	£120 per bed	£120 per bed
Extended Hours Access (registered) (1/4/22 – 30/9/22)	£0.72 (for 6m)	£1.44
Enhanced Access (registered) (1/10/22 - 31/3/23)	£3.764 (for 6m)	
Previously this was £6/patient from the CCG and £1.44 from the PCN funds		
Impact & Investment Fund (IIF) (registered)		
IIF point value (adjusted for list size and prevalence)	£200	£200
No. of IIF points (per PCN)	1,153	389



Enhanced services and vaccinations

- The weight management enhanced service will continue in 2022/23 at £11.50 per referral - but practices need 'the explicit approval' of the patient before making a referral.
- The HPV vaccine programme will move from a three-dose to a two-dose schedule from April 2022.
- The 10- and 11-year-old MMR catch up campaign will end, and practices will no longer be required to take part in one MMR catch-up campaign a year.
- The Men ACWY freshers programme will end in March 2022.
- There will be a wider catch-up campaign on childhood immunisations in early 2022 aimed at capturing children that missed these immunisations due to the pandemic.

ARRS - Maximum reimbursable amounts per role 2022/23

Role	AfC band	Annual maximum reimbursable amount per role £	Annual maximum reimbursable amount per role plus inner HCAS £	Annual maximum reimbursable amount per role plus outer HCAS £
Clinical pharmacists	7-8a	57,318	66,414	63,684
Pharmacy technicians	5	36,428	43,958	42,076
Social prescribing link worker	Up to 5	36,428	43,958	42,076
Health and wellbeing coaches	Up to 5	36,428	43,958	42,076
Care co-ordinators	4	29,987	36,228	34,983
Physician associates	7	55,313	64,410	61,680
First contact physiotherapists	7-8a	57,318	66,414	63,684
Dieticians	7	55,313	64,410	61,680
Podiatrists	7	55,313	64,410	61,680
Occupational therapists	7	55,313	64,410	61,680
Nurse Training Associates	3	26,418	32,325	31,415
Nursing Associates	4	29,987	36,228	34,983
Community Paramedics	7	55,313	64,410	61,680
Advanced Practitioners	8a	63,243	72,340	69,610
	4	14,993	18,114	17,492
Adult Mental Health Practitioner	5	18,214	21,979	21,038
	6	22,637	27,186	25,820
	7	27,657	32,205	30,840
CYP Mental Health Practitioner	8a	31,622	36,170	34,805

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