

## Summary of Framework to strengthen Practice Based Commissioning

PCTs will support the development of PBC by providing information, budgets, public health needs assessment, analysis of cost-effectiveness of interventions and training and development for practices.

*Health reform in England: update and commissioning framework* is designed to strengthen commissioning arrangements. The main points for practice based commissioners are:

- **Local PBC incentive schemes** - PCTs are encouraged to offer additional incentive schemes above the DES. Money made would be treated as direct income, rather than as savings, to be used as the practice chooses.
- **No tendering** - No tendering is required before developing PBC proposals from GMS & PMS providers (and APMS & SPMS providers holding a registered list). Approval can be given under a Local Enhanced Service (LES) arrangement or within other GMS/PMS contractual arrangements.
- **Two levels of service provision** - Two levels of primary care provision against which proposals are considered: services for a single practice population and services provided to a wider population.
- **Pump-priming loans** - PCTs able to give loans to develop services re-provided from secondary care settings but not for core GMS services.
- **Payment of tariff** - Full payment will be guaranteed to the provider practice for patients referred from other practices. If the service is the same as an existing hospital service, payment should be at tariff rate.
- **Greater flexibility for tariff unbundling** - Work is ongoing to identify procedures that can be offered in community settings and put an indicative price on different parts of the care pathway. Particular focus on fractured neck of femur, elective hip replacement, community acquired pneumonia and stroke patients. This 'unbundling' will take effect from next April. In addition, unbundling of diagnostic costs from acute tariffs is being examined to support the provision of diagnostic services by different providers. There will also be an expectation that local health communities will agree approaches to unbundling which facilitate care pathway redesign.

## Proposed PBC governance & accountability framework

A governance & accountability framework for PBC is proposed and comments invited on the content. Comments should be sent to [nhs.reform@dh.gsi.gov.uk](mailto:nhs.reform@dh.gsi.gov.uk) by 6th October 2006. Main elements of this are:

- **Right of appeal to SHAs** - The SHA will seek a solution where local agreement cannot be reached with PCT.
- **Practice business cases** - A decision on these are made by PCT within 8 weeks.
- **Management accountability** - Practice-based commissioners are required to produce a PBC plan. Expenditure and activity will be monitored on a monthly basis against this plan.
- **PBC in deficit areas** - Where the PCT is working to restore financial balance, a fair and realistic budget based on historical usage, must still be provided. Practices must use 70% of any resources released through service redesign to address national or local priorities.
- **Clinical and professional accountability** - Any additional services provided must meet all national standards of clinical governance including those set out in Standards for Better Health. Clinical governance arrangements must be proportionate to the service provided. Annual clinical audit plans should be briefly set out for new services.

## Other Elements of the Framework

- **Provider Reform** PCTs can continue to directly provide services where this is best for patients and provides value for money but government supports in principal the establishment of community foundation trusts. Current FTs though would be invited to extend their role into community services or PCTs could commission from private sector or new social enterprise providers.
- **Referral management centres** - Must carry clinical support and abide by clear protocols that provide clinical benefits to patients. Should not be imposed on practices without their agreement. RMCs should not preclude practices from redesign of services under PBC where this might mean changes to pathways used by the RMC. Further guidance and practical toolkits on RMCs, prior approval and utilisation management will be published in October.
- **Prospectus** - A PCT publication setting out commissioning priorities and opportunities for service development.
- **Community petitions** - mechanism for the public to oblige PCTs to review service provision. A petition could relate to a demand for new service or dissatisfaction with an existing one.