

The new GMS contract explained

Focus on...

Funding for Information Management and Technology

This guidance note has been 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 one 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

Under the new GMS contract a total of £277 million funding has been guaranteed for covering existing costs and investment in IT for Primary Care in England. This includes funding which has already been allocated to PCTs for IT in 2003-04 and will cover both PMS and GMS practices.

- 2003/04 £60 million
- 2004/05 £108.5 million
- 2005/06 £108.5 million

This also includes funding which is part of the National Programme for IT in the NHS in England which will see an overall investment of £2.3 billion (£400m 2003/04, £700m 2004/05, £1.2 billion 2005/06). Equivalent programmes of overall investment in IT are operating in Scotland, Wales and Northern Ireland.

A total of £25 million has been guaranteed in Scotland:

- 2003/04 £3 million
- 2004/05 £11 million
- 2005/06 £11 million

A total of £7 million has been guaranteed in Wales:

- 2003/04 £2 million
- 2004/05 £3 million
- 2005/06 £2 million

A total of £7 million has been guaranteed in Northern Ireland however details of additional investment will be confirmed in future guidance.

- 2003/04 £2 million
- 2004/05 £3 million
- 2005/06 £2 million

Definition of IT costs:

Under the new contract, which goes live on April 2004, PCOs will directly fund 100% of IT costs. We are aware that some PCTs are seeking further clarity before accepting this responsibility. IT costs include:

- IM&T systems – maintenance and upgrades of existing hardware and software
- Legacy system upgrades – currently to reach the standard for RFA99 compliant systems (new RFA in Scotland)
- Infrastructure e.g. telecommunication links between surgeries
- IT Training for staff

The GPC are working with the NHS Confederation to clarify if any other IT costs will be included e.g. insurance.

Transfer of Ownership

Ownership of IT hardware and software systems will transfer from practices to PCOs as it is replaced. Hardware and software, which the practice has invested in, will continue to be owned by the practice. As PCOs invest in IT equipment, and original equipment owned by the practice depreciates in value and is replaced with components funded by PCOs at 100%, IT ownership will gradually transfer to PCOs.

Transitional Arrangements 2003-2004

As a priority all legacy preRFA99 systems will need to be upgraded by PCOs. PCOs in England, Wales and Northern Ireland will shortly be informed of their individual funding allocations so that work can begin on minor upgrades and maintenance. (Scottish PCOs have already received details of their allocations). Minor upgrades are defined as upgrades to ensure the continued running of existing clinical systems. The funding will not be ringfenced but will be distributed from the Department Health with explicit instructions on how it should be spent by PCTs.

Practices with RFA99 accredited systems already have most of the functionality that they need to manage the quality and outcomes framework of the new GMS contract, however some new functionality will be required. This is being specified nationally and supplier's systems will be tested to ensure that they comply with these specifications. New releases of software to support the new contract will be issued by suppliers towards the end of 2003. GPs and practice staff will need to become familiar with this new functionality when it is rolled out. However practices should begin reviewing the quality of clinical information in their existing systems and adding data where appropriate. They can also begin inputting data now, however they will not need to specify their 'aspiration' points for the quality and outcomes framework until April 2004 and their actual 'achievement' (and therefore their achievement payments) will not be measured until April 2005.

An IT training programme for the new contract is being developed jointly between the GPC and four health departments. The overall amount of funding for IT training is yet to be confirmed and will be detailed in future guidance, however it is included within the "Overall Funding for IT" figures referred to above. The GPC feels that initial figures are insufficient and will be raising this with the Department of Health. The funding will be made available to PCOs and training programmes will be organised at that level.

Minimum functionality specification

As part of the New Contract agreement the GPC is working with the Department of Health in England and the health departments of Scotland, Wales and Northern Ireland on finalising a generic minimum functionality specification that practices can reasonably expect from the new arrangements for IT and under the Integrated Care Record System (ICRS). Not all practices will have reached this, but most will have the majority of the requirements.

Payment systems

Funding for IT is separate from the global sum payments. In the short-term during the transition period, maintenance work on IT equipment owned by the practice will be reimbursed by PCOs. Once IT equipment is owned by PCOs, IT costs will be funded at PCO level and will not appear in the financial accounts of practices.

Payment for IT support staff within the practice will be funded through the global sum allocation. Consumables such as disks, ink cartridges will also be funded by the practice from the global sum allocation. Further guidance will follow on this issue.

All practices will be guaranteed a minimum level of IT functionality, funded by the PCO. Practices wishing to develop their system beyond the minimum functionality specification will be able to bid for funding for such innovations.

Funding Guarantee

We are aware that, in the past, the IT budget has been used by PCOs to meet overspend in other budgets and practices are expressing concern that funding will not be made available. New funding for IT will be managed within the National Programme for Information Technology (NPfIT) or other National programmes and PCOs will only be able to use it for IT purposes. The new contract provides a Gross Investment Guarantee and IT monies will contribute to this. The government's commitment to ensure this funding is used for IT is outlined in John Hutton's letter to the profession of 1st May 2003. (<http://www.bma.org.uk/ap.nsf/Content/hutton01503>). IT has become one of the priorities in the government's agenda for the NHS and the primary care investment in IT is part of a wider National Programme. IT is also the backbone to the new GMS contract and will provide the vehicle for calculating payments. IT funding will therefore be of considerable importance and will not be available for PCOs to raid.

LMCs: how to get started

- LMCs should encourage practices, both GMS and PMS, to collate evidence of any maintenance and minor upgrade costs incurred since April 2003. Practices should also be made aware that they will need to gain *prior* PCO approval for any IT improvements they wish to make between now and April 2004, if they wish to apply for reimbursement.
- Funding during the implementation period has been identified and should be shortly made available to PCOs. Practices would be unwise to spend money on IT development before this money has been distributed to PCOs. Once details of PCO allocations are made available, LMCs may wish to discuss proposed spends with their PCOs.
- LMCs should discuss with the PCOs arrangements for IT training in the local area and encourage practices to attend. In Scotland, a mentor-based programme has been agreed with SCIMP.
- LMCs should be aware that PCOs should be compiling a full inventory of hardware and software for each practice so that as PCOs invest in the contract it is clear what is owned by the practice and what is owned by the PCO.

Enquiries and Information

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

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