# General Practice: Finance Matters

July | 2019



## Primary Care Networks - Factsheet

On 31 January 2019 NHS England and the BMA issued a joint document 'Investment and evolution: A five-year framework for GP contract reform to implement The NHS Long Term Plan'.

The document provided an overview of shared discussions and goals to assist primary care [and General Practice] deliver the aspirations of the profession over the next 10 years.

One of the goals was the establishment of Primary Care Networks [PCNs] – the grouping of GP practices within a coherent geographical area, typically covering a population of 30-50,000 patients.

As the 2019/20 GMS GP contract went live on 1 April 2019, so did the ability to elect to patriciate in the Primary Care Network Direct Enhanced Service [PCN DES], also being referred to as the Primary Care Network Contract. 'Whilst not mandatory, there is a strong expectation that there will be extremely few practices choosing not to join one, not least due to financial incentives in place'.

#### Network Agreement

Members of a PCN will have signed up to a Network Agreement providing details of the financial and governance arrangements within their PCN. Whilst PCNs do share many attributes with other initiatives, such as the Primary Care Home model, the PCN DES is more strictly defined and the funding flows have greater clarity.

### Practice Funding

In the first year, an element of funding [E1.761 / patient] will be paid directly to each practice once the CCG has approved the Network Agreement and the PCN has gone live [from 1 July 2019]. This is known as the Network Engagement Funding. By July 2019, all areas of England should be covered by a PCN, even where GP practices have decided to opt out of the DES.

## PCN Funding

Funding under the DES will be to a nominated provider as set out within the Network Agreement. There will be a recurrent funding of E1.50 / patient as an entitlement for PCNs to cover `running ` costs.

#### Workforce

The PCN will also address workload issues resulting from a workforce shortfall. As such, there will be guaranteed funding for an estimated 20,000 additional staff by 2023/24.

From year 1 [FY20], recurrent funding will be available for 100% reimbursement of a Social Prescriber [min 30,000 patients] and 70% reimbursement for a Clinical Pharmacist. If a PCN exceeds 100,000 patients, their workforce entitlement will double accordingly.



•

www.armstrongwatson.co.uk

#### Workforce continued...

From year 2 [FY21], there will be further recurrent funding for 70% reimbursement of a physician associate and physiotherapist and finally FY22 will see recurrent funding for 70% reimbursement of a paramedic.

#### Clinical Directors

PCNs will be led by a clinical director, most likely a local GP from within the PCN. The role will be funded at 0.25 WTE per PCN however, as with the workforce, where a PCN list size exceeds 100,000 pts, the clinical director entitlement will double to 0.5 WTE and so on in 50,000 increments.

#### Services

From 1 July 2019, the Extended Access [EA] DES will be transferred to PCNs to deliver. This will provide cE1.45 / patient with the balance of the EA DES monies [E0.45 / patient] being reinvested in the global sum.

It is anticipated that a more coherent set of access arrangements will be implemented from 2020, including transferring E6 / patient funding under the GPFV Improving Access to Networks scheme – further details to follow.

From 2020 there will be the potential for additional funding for new services in line with the aims set out in the NHS Long Term Plan.

- 1. Medications review and optimisation
- 2. An enhanced health in care homes service
- 3. Anticipatory care
- 4. Personalised care
- 5. Supporting early cancer diagnosis
- 6. CVD prevention and diagnosis
- 7. Inequalities



#### Armstrong Watson LLP in Yorkshire

Third Floor 10 South Parade **Leeds** LS1 5QS T: 0113 22 11 300

Number 3 Acorn Business Park Airedale Business Centre **Skipton** BD23 2UE T: 01756 620 000

York House Thornfield Business Park **Northallerton** 

DL6 2XQ T: 01609 702 000

For more information please contact:

Morag Miller Partner T: 0113 22 11 370 M: 07912 040 810 E: morag.miller@armstrongwatson.co.uk

#### Sharon Ryan

Tax Consultancy Manager T: 0113 22 11 380 E: sharon.ryan@armstrongwatson.co.uk

For more information please contact:

#### Andrea Burnett

Accounting Senior T: 0113 22 11 372 E: andrea.burnett@armstrongwatson.co.uk

#### Anna-Marie Burke Accounting Senior T: 0113 22 11 371 E: anna-marie.burke@armstrongwatson.co.uk



Armstrong Watson Accountants, Business & Financial Advisers is a trading style of Armstrong Watson LLP. Armstrong Watson LLP is regulated by the Institute of Chartered Accountants in England and Wales for a range of investment business activities. Armstrong Watson Audit Limited is registered to carry on audit work in the UK and Ireland by the Institute of Chartered Accountants in England and Wales. Registered as a limited company in England and Wales, number 8800970.

This newsletter is a general guide to issues facing the medical sector. It is not a substitute for professional advice which takes account of your specific circumstances. Subjects covered change constantly and develop. No responsibility can be accepted by the firm or the authors for any loss occasioned by any person acting or refraining from acting on the basis of this publication.

## ArmstrongWatson®

Accountants, Business & Financial Advisers

www.armstrongwatson.co.uk