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Dear colleague

Proposed GMS contract and its impact on remote and rural areas

I wanted to take this opportunity to write to LMCs and their constituents about the proposed GMS contract and in particular its impact on remote and rural areas in Scotland. There appears to have been a lot of misunderstanding and misinformation about the contract offer and I thought it was important that I take this chance to offer both reassurance and clarification.

At the outset, I want to confirm once again that **no practice in Scotland will see any reduction in nationally agreed funding as a result of this contract.** The income and expenses guarantee ensures this. That guarantee is not time limited, will be uprated along with wider practice funding, and would only change if there is agreement from the profession to move to the second phase of the proposed contract, at which point rural practices would have their higher costs directly met.

This has been confirmed by the Cabinet Secretary for Health and the Scottish Government and is clearly stated in the proposed contract framework that you are currently being polled on. There is no ambiguity on this fact.

The Workload Allocation Formula

I am aware that criticism has been made that the proposed workload formula does not recognise the pressures and challenges of rural general practice. The simple answer to this is that it does not attempt to.

During our negotiations it became clear that there was no formula that would automatically work well for remote and rural practices and especially for practices with small list sizes. The Scottish Allocation Formula introduced in 2004, which had an explicit remote and rural factor, still required that many practices in remote and rural areas depended on a very large MPIG. And many of these practices have since required additional funding from the health boards to remain sustainable.

The income and expenses guarantee means that remote and rural practices continue to get the funding that the 2004 formula delivered for them, while other practices with unrecognised workload now also get additional funds to fill that shortfall. No practice can lose income from the changes to the formula that are being proposed. This new Income and Expenses Guarantee is not time-limited and will only change if the profession later decides in the subsequent poll to move to phase 2 of the new contract.

Phase two

Because our priority is to ensure that no practice is destabilised by any change that takes place, we took the decision to put forward the contract in two phases. However, the intention to negotiate a second phase of the contract by 2021 has created the incorrect impression that the Income and Expenses Guarantee expires at this point regardless of whether phase two is agreed. It does not.

However, this second phase will only proceed if the profession agrees to it. If it did not, the income and expenses guarantee would continue. This new Income and Expenses Guarantee is more secure than the previous MPIG arrangements and indeed all future pay uplifts will be applied to the total sum.

Rural recruitment and multi-disciplinary teams

The overall intention of the new Scottish GMS contract was to resolve some of the fundamental problems facing general practice in Scotland. It is intended to improve the attractiveness of being a GP, reduce workload, secure income going forward, reduce risk and improve recruitment and retention.

In remote and rural areas, additional support will be given to help rural practices to recruit GPs. This will see golden hellos of £10,000 expanded from the current 44 practices to 160 practices and offered to any GP taking up their first rural post. Additionally, relocation grants of up to £5,000 will be made available.

Whilst rural general practice is often the first place where recruitment and retention problems show themselves, this has become a critical problem in every single part of Scotland. It is only by making general practice as a whole attractive that the recruitment and retention problem can truly be solved.

We have also heard from rural GPs that “rural practices are different” and that “no one size fits all”, particularly in relation to plans for expanded multi-disciplinary teams and health board provided services.

It is important to address the incorrect suggestion that the proposed contract would mean we no longer employ our practice staff. What is being proposed is that GPs will continue to employ our practice managers, receptionists, nurses, and health care assistants. The health board will employ the additional nurses, pharmacists and other professionals to deliver services that they will take responsibility for, including pharmacotherapy services, treatment room services, and vaccination services.

The proposed services developments in the contract are intended to enable local solutions. Health boards will need to put in place plans for how they will deliver services and additional professionals to every area that they cover. In more remote areas the national agreement may allow them to conclude that the best option will be to contract with GP practices to continue delivering services such as vaccinations. The contract framework fully acknowledges this.

We are fully conscious of the need to ensure that implementation of phase 1 is working in rural areas and to ensure that negotiations around phase 2 meet the needs of rural areas. A short life working group will be established with expertise from rural general practice to help inform the negotiations on implementation of phase 1 and development of phase 2 so that remote and rural general practice is supported.

<u>More funding for general practice</u>

While a lot of attention has been paid to the proposed formula, it is also important not to lose sight of the other additional resources that will come to practices if the contract is implemented.

Interest free premises loans of up to 20% of a practice’s existing-use value will be offered to every practice in Scotland every five years, starting with those who are most in need. These will substantially reduce the business risk of GPs providing premises and make it easier to recruit new GP partners.

There is also the new optional arrangement for practices with private leases to pass the lease to the health board.

The income and expenses uplift for 2018 is yet to be announced following the DDRB report which is expected to be late this year in June 2018 and will be backdated to April 2018. Every practice will then receive their uplift applied to the total sum in the new workload formula or income guarantee.

The following words are taken directly from the contract framework document for reference. *"The guarantee to protect GP practice income and expenses in Phase 1 will continue until there is a proposal acceptable to the profession for the introduction of Phase 2. Future funding uplifts will apply to all GP practices' share of the total, derived by the new formula during Phase 1, including the new income guarantee."*

Conclusion

This proposed contract, agreed between the Scottish Government and SGPC, is the best opportunity to ensure that the whole of general practice in Scotland survives into the future and is able to keep providing care to the people of Scotland.

It is a contract that maintains our autonomy as independent contractors, but puts in place additional support to allow us to return general practice to a sustainable footing.

The decision we now face as a profession is whether to implement this new contract and secure the benefits that will come with it, or to maintain the status quo that is increasingly pushing practices to the point of failure.

I fully believe that the contract we are proposing is the best way forward for general practice in Scotland and I hope that you will take the chance to give it your backing.

Yours sincerely

Dr Alan McDevitt
Chair, BMA Scotland GP Committee