



Pharmaceutical Services Negotiating Committee



Devolving The Global Sum – Contractors' Perspective

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Current situation

- Funding for 2009/10 = £2.3b
- Of this c£1.1b held centrally as Global Sum
- PCTs cover c£1.2b for practice payments, MURs, EPS and retained margin. They also fund the balance of the drugs bill
- PCTs have been bearing the risk around contractor funding on practice payment and retained margin levels. Funding included within general allocation formula



Risks of change

- PCTs currently concerned to understand allocation calculations.
 - Growth in funding and payments to new contractors will need to be met by PBR savings
- Cash strapped PCTs seek to spend less than their allocations
- PCTs short-term lever is to seek to extend periods of treatment, thus saving volume based fees and reduce fair sharing costs
- This will impact on **distribution** of funding – DH has indicated total funding will need to be distributed



Approach to mitigation

- DH are alert to the risks and are working with us to help mitigate them
- Short term shared three-tier approach currently with Minister:
 - Messages (false economy, shortages, waste, CP viability)
 - deterrents and
 - income support mechanisms
- Long term commitment to review how funding is distributed



What can LPCs do?

- Extending PoT may be difficult to spot
- PSNC is seeking access to data to model this centrally by PCT but:
- Big role for LPCs in gathering intelligence locally:
 - Understanding whether PCT has issued guidance
 - Understanding which surgeries pursuing this policy and on what basis
 - Understanding which contractors are affected
 - Communicating to other contractors who may be able to claim income support