GP contract – background briefing

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Note: This paper is intended as background information for the media. It is not intended as a comprehensive BMA policy paper

How does the GP contract work in the UK?

GPs and the NHS

GP practices are run effectively as small businesses, contracted to NHS England, but with most of their services commissioned by their local Clinical Commissioning Groups (CCGs). Contracts are held by the practice rather than individual GPs. The practice is contracted to provide care for patients between 8am and 6.30pm Monday – Friday, although many practices now provide additional services which include extended opening beyond these core hours and weekend opening.

How is general practice funded?

Almost all funding in the current contract is practice-based with resources directed into practice budgets. This funding must cover all practice expenses, for example, rent, utility bills and staff wages, and the cost of providing clinical services to patients.

The funding formula for individual practices is extremely complex. Funding is distributed to practices according to the weighted needs of their population - for example a practice with a large elderly population, and therefore a greater workload, will get more funding than a practice with a relatively young, healthy population.

GP practices receive their funding through the following mechanisms:

Global sum

The global sum includes various components but the main payment is based on the GP registered patient list-size adjusted, through the Carr-Hill Formula, to reflect differences in the age and sex composition of the practice, together with a range of factors which take into account the additional pressures generated by differential rates of patient turnover, morbidity, mortality and the impact of geographical location.

The Quality and Outcomes Framework (QOF)
The QOF was introduced as part of the 2004 GP contract and contains groups of evidence-based indicators or targets. It was designed to ensure that the provision of care across the UK was more systematic and evidence-based. The QOF has continued to evolve since the inception of the contract, being amended as new evidence becomes available, to improve the diagnosis and management of some of the most prevalent chronic diseases.

Additional Services

Additional services are normally provided by all contractors, but they can opt out of them. They include cervical screening, contraceptive services, childhood vaccinations and immunisations, child health surveillance and maternity services.

Enhanced Services

Enhanced services are commissioned by NHS England and provided optionally by practices to cover services not regarded as 'essential' under the contract. Enhanced services that are nationally commissioned through the GP contract by NHS England and legally directed by the Secretary of State are known as Directed Enhanced Services (DESs). These include services such as phlebotomy, extended hours, minor injuries and minor surgery.

Community Based Services

Previously known as Local Enhanced Services, these are now commissioned by CCGs and provided according to a specific local need or initiative. Rates for these services are negotiated locally with CCGs and may vary. For example, a CCG with a high number of homeless people, who will have specific needs, may wish to introduce a service aimed at improving their care.

Premises Payments

Some practices may receive additional funding to cover the cost of their premises from their CCG if their building are partly owned by the CCG or a third party source.

How are GPs paid?

GP pay can vary depending on the type of GP and the practice they work in. GP partners are paid from the practice budget only once all other expenses are covered, including clinical services, practice upkeep and staff wages, which includes salaried and locum GPs.

How much are GPs paid?
The latest figures for GP earnings are for the 2013/14 period from the Health and Social Care Information Centre, these showed:

- In 2013/14, the average taxable income for combined GPs (contractor and salaried) working in either a General Medical Services or a Primary Medical Services practice (GPMS) in the UK was £90,200. This is compared to £92,900 in 2012/13 and is a decrease of 2.9 per cent which is statistically significant.

- The average taxable income for GMS or PMS (GPMS) salaried GPs in the UK in 2013/14 was £54,600 which is compared to £56,400 in 2012/13. This is a decrease of 3.3 per cent which is statistically significant.

For further information, please email mediaoffice@bma.org.uk or call 020 7383 6448.