

GMS IT – QMAS PMS Adjustment for Contract Duration

Guidance for PCTs

We wish to ensure correct QOF achievement payments for those practices whose contract commenced after April 1 2004. To ensure that correct achievement payments are made to these new practices the PCT will need to make an adjustment for contract duration. Failure to take action will result in these practices being overpaid. **You are asked to ensure that this guidance is shared with all Finance Directors, QOF leads and all new practices within the PCT to whom this guidance applies.**

For all QMAS Bulletins and Guidance notes visit: www.npfit.nhs.uk/programmes/qmas
For QMAS training: www.qmastraining.nhs.uk

Overview

Where a practice has a contract that starts after April 1 2004 the PCT should adjust the achievement payment value calculated by QMAS to take into account the reduced length of the contract, i.e. to apply a pro-rata adjustment based on the number of days that the contract has run up to the end of the QOF Financial Year 31 March 2005 (SFE paragraph 5.40 refers).

There are three scenarios where the need to make the adjustment might arise:

- a) where a practice comes into existence where there is NO prior contract
- b) where a practice changes contract type, i.e. moving from GMS to PMS or vice versa
- c) where a practice changes contract but not contract type (this could typically occur where there is a practice merger)

For scenarios b) and c), DH have advised that achievement should be settled, i.e. paid up to the end of a contract **at** the time of the contract ending. PCTs are to pay this achievement value 'off system' as QMAS does not address 'contract ends' for the QOF Financial Year ending 31 March 2005. Consequently, at the Year End, the outstanding achievement payment value due is for the latest practice contract period at the Year End 31 March 2005.

The method of calculation differs depending on whether the practice is GMS or PMS at 31 March 2005, and both methods are detailed below.

The different methods are to take into account of the necessity to make a PMS deduction or not. However, regardless of the scenario, the method remains the same i.e. is based on the contract type at 31 March 2005. N.B. The examples shown in the methods below are displayed to 2 decimal places, with the exception of Relative list

Size Adjustment factor which is shown to 15 decimal places. However, all calculations made by the PCT should be performed to 15 decimal places.

1. PCT Adjustment for Contract Duration where the practice is GMS at 31 March 2005 (where no prior PMS contract period exists)

To determine the achievement value for a GMS practice where the latest contract is not for the entire QOF Financial Year, the calculation can be calculated in a single step.

Domain	Aspiration	Achievement
Clinical	58,987.20	43,254.29
Organisational	14,640.00	11,818.75
Additional Services	4,320.00	2,422.76
Patient Experience	12,000.00	7,750.00
Total	89,947.20	65,245.80
Holistic Care	10,347.60	6,917.61
Quality Practice	3,060.00	1,771.43
Access Bonus	6,000.00	3,875.00
Total	109,354.60	77,809.84
Rounding Errors	0.00	-0.01
Relative List Size Adjustment Factor	1.14	1.14
Total	124,811.80	88,812.33

Figure 1 Individual Practice level Summary of Achievement against Aspiration

For the GMS practice concerned access QMAS and choose the Practice Level Summary of Achievement against Aspiration page (Figure 1).

- Adjust the Final Achievement pounds value (shown in the green box in Figure 1) by multiplying the value by the number of days in the latest contract period, divided by the number of days in the year.

For example: If the practice's latest contract started on 1st October 2004, then the calculation would be

Final Achievement value Adjusted for Contract Duration:

$$= \text{£}88,812.33 \times \frac{182}{365}$$

$$= \text{£}44,284.50$$

2. PCT Adjustment for Contract Duration where the practice is PMS at 31 March 2005

To determine the achievement value of a practice that is PMS at the end of the QOF Financial Year (31 March 2005), where the latest contract is not for the entire QOF Financial Year, the calculation must be carried out over a number of steps.

	Aspiration	Achievement
Domain		
Clinical	64,550.40	42,428.44
Organisational	22,080.00	7,168.75
Additional Services	4,320.00	2,917.35
Patient Experience	12,000.00	4,262.50
Total	102,950.40	56,777.04
Holistic Care	12,000.00	6,099.54
Quality Practice	3,600.00	962.07
Access Bonus	6,000.00	0.00
Total	124,550.40	63,838.65
PMS Points Adjustment	0.00	3,723.84
Rounding Errors	0.00	0.01
Relative List Size Adjustment Factor	0.55	0.55
Total	68,903.37	30,490.44

Figure 2 Individual Practice level Summary of Achievement against Aspiration

For the PMS practice concerned access QMAS and choose the Practice Level Summary of Achievement against Aspiration page.

1. Adjust the *Achievement pounds* value for ALL the domains (shown in the yellow box in Figure 2) by multiplying the value by the number of days in the latest contract period, divided by the number of days in the year.

For example: If the practice's latest contract started on 1st August 2004, then the calculation would be:

Adjusted value for Contract Duration (All domains)

$$= \text{£}63,838.65 \times \frac{243}{365}$$

$$= \text{£}42,500.80$$

2. Adjust the *PMS Deduction pounds* value (shown in the red box in Figure 2) by multiplying the value by the number of days in the latest contract period, divided by the total number of days on which the practice has been on a PMS contract in the year.

For example: If the practice's latest (and only) PMS contract started on 1st August 2004, then the calculation would be:

Adjusted value for Contract Duration (All domains)

$$= £8,723.84 \times \frac{243}{243}$$

$$= £8,723.84$$

N.B. Step 2 is not applicable if the PCT has adjusted the PMS Deduction value via the PCT Adjustment function, the PMS deduction value should be taken forward directly to Step 3 below.

3. Deduct the PMS deduction pounds value, calculated in Step 2 above, from the result of Step 1 above.

For example:

Adjusted value for Contract Duration (All domains) minus PMS Deduction:

$$= £42,500.80 - £8,723.84$$

$$= £33,776.96$$

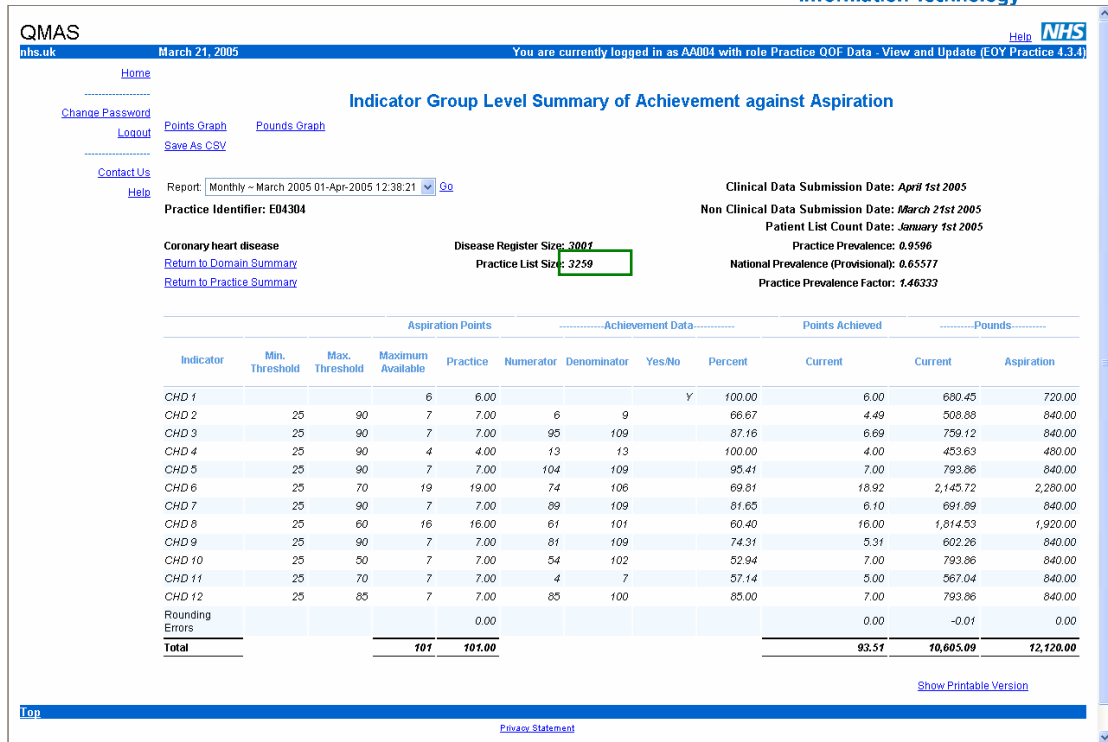


Figure 3 Individual Practice Indicator Level Summary of Achievement against Aspiration

- Calculate the Relative List Size Adjustment Factor for the practice, by dividing the Practice List Size (shown in the green box in Figure 3 above) by the national Average Practice List Size (5891 as defined by the DH).

Relative List Size Adjustment Factor

$$= \frac{\text{Practice List Size}}{\text{Nat. Ave. Practice List Size}}$$

$$= \frac{3259}{5891}$$

$$= 0.553216771346121$$

- Apply the Relative List Size Adjustment Factor, calculated in Step 4 above, to the result of Step 3 above:

$$= £33,776.96 \times 0.553216771346121$$

$$= £18,685.98$$

3 PCT Adjustment for Contract Duration where the practice is GMS at March 31 2005 (where a prior PMS contract period exists)

To determine the achievement value for a GMS practice where there was prior period as a PMS practice and the latest contract is not for the entire QOF Financial Year, the calculation can be calculated in three steps.

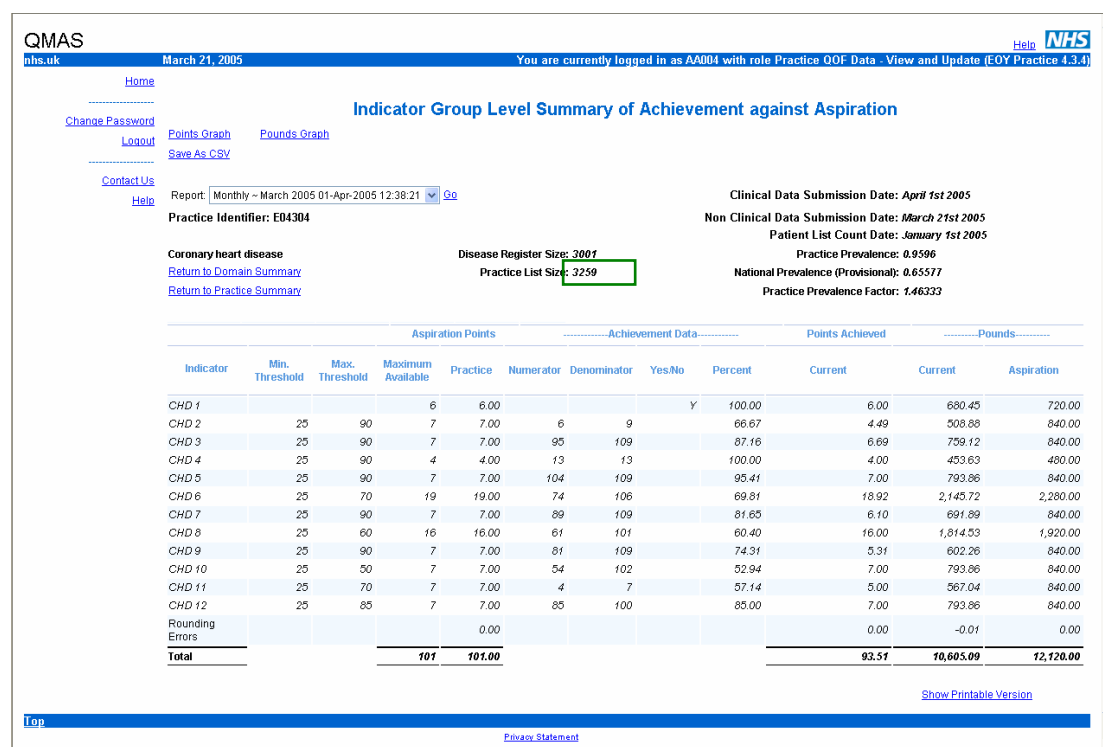


Figure 4 Individual Practice Indicator Level Summary of Achievement against Aspiration

For the GMS practice concerned access QMAS and choose the Practice Indicator Level Summary of Achievement against Aspiration page (Figure 4) to determine the Practice List Size.

1. Calculate the Relative List Size Adjustment Factor for the practice, by dividing the Practice List Size (shown in the green box in Figure 4) by the national Average Practice List Size (5891 as defined by the DH).

Relative List Size Adjustment Factor

$$= \frac{\text{Practice List Size}}{\text{Nat. Ave. Practice List Size}}$$

$$= \frac{3259}{5891}$$

$$= 0.553216771346121$$

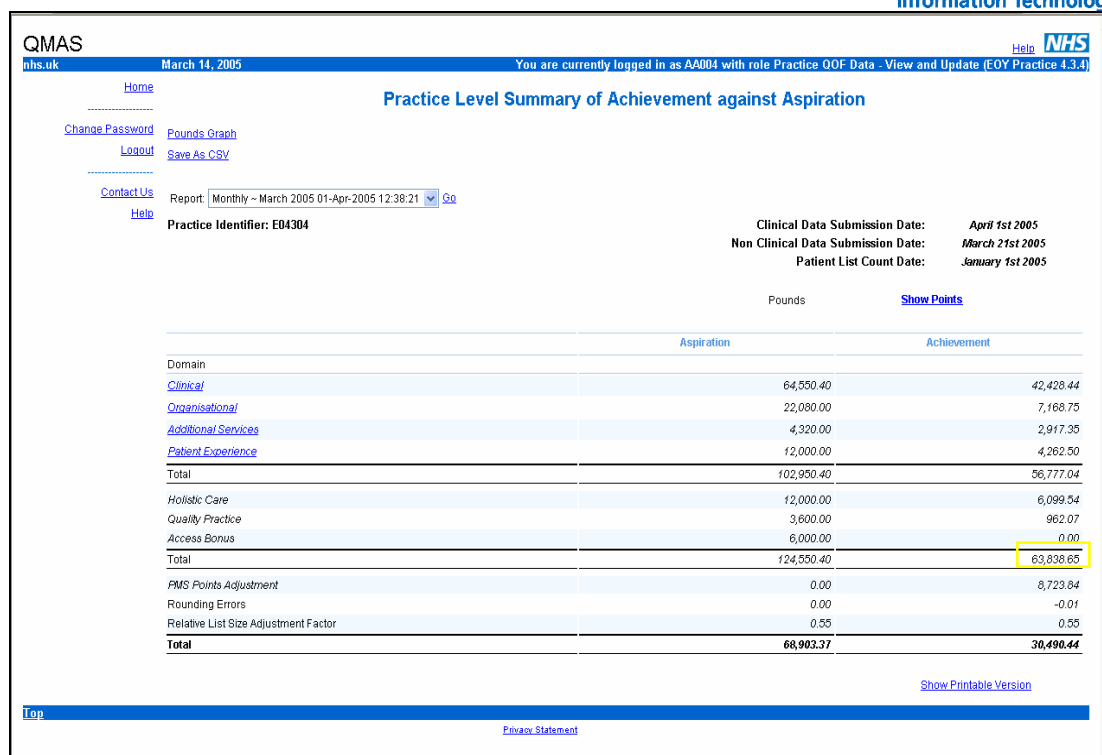


Figure 5 Individual Practice level Summary of Achievement against Aspiration

For the GMS practice concerned access QMAS and choose the Practice Level Summary of Achievement against Aspiration page (Figure 5).

- Adjust the *Achievement pounds* value for ALL the domains (shown in the yellow box in Figure 3) by multiplying the value by the result from Step 1.

For example:

Adjusted value for Relative List Size Adjustment Factor

$$= \text{£}63838.65 \times 0.553216771346121$$

$$= \text{£}35316.61$$

- Adjust the result from Step 2 above by multiplying the value by the number of days in the latest contract period, divided by the number of days in the year.

For example: If the practice's latest contract started on 1st October 2004, then the calculation would be

Final Achievement value Adjusted for Contract Duration:

$$= \text{£}35,316.61 \times \frac{182}{365}$$

$$= \text{£}17,609.93$$

Questions which may be asked

This section outlines the most common questions asked of this PCT adjustment.

When does this adjustment have to be done?

The adjustment for contract duration should be carried out at the PCT pre-payment verification stage i.e. after the practice has approved the Year End Report and completed the Achievement Declaration.

Where is adjustment applied on QMAS?

The adjustment cannot be made on QMAS itself, the PCT will have to make a manual adjustment and inform their PCT Payment Agency of the value.

My practice has more than one period under a PMS contract type. How do I calculate the correct PMS deduction value to take?

In this circumstance the PCT will have paid all prior contract periods 'off system' and therefore only the latest period of PMS should be considered for calculating the PMS deduction amount.

The calculation is the same as in Step 2 for the PMS practices, but an example is included here.

6. Adjust the *PMS Deduction pounds* value (shown in the red box in Figure 2) by multiplying the value by the number of days in the latest contract period, divided by the total number of days on which the practice has been on a PMS contract in the year.

For example:

The practice started 1st May 2004 on a PMS contract.
The practice had a new PMS contract from 1st August 2004.

In this circumstance the calculation would be:

Adjusted value for Contract Duration (All domains)

$$= £8,723.84 \times \frac{243^1}{335^2}$$

$$= £6,328.04$$

¹ 243 days refers to the duration of the latest PMS contract type period.

² 335 days refers to the total duration of all PMS contract type periods in the year.

The PCT has made an adjustment to the practice achievement already using the PCT Adjustment function, does this adjustment for contract duration still need to be made?

Yes, this adjustment must still be made 'off system', i.e. not on QMAS.

Will QMAS be able to do this adjustment for the next financial year?

The functionality to make this adjustment is in the QMAS enhancement log and will be discussed with the DH after the current year end.
