

4 April 2014

Area Team Reference number 01457

To:

Area Team Heads of Primary Care

Cc:

Area Team Directors  
Area Team Directors of Commissioning  
Area Team Directors of Finance

Dear Colleagues,

**Adjustment to PMS practices 2013/14 QOF Achievement Payments**

This letter advises of a necessary manual adjustment that area teams will need to make to calculate the correct payments due to PMS practices for 2013/14 Quality and Outcomes Framework (QOF) achievement.

What is the adjustment?

The value of the QOF PMS Points Deduction for a PMS practice is to be calculated as:

- £2.22 x number of weighted patients at 1 January 2014.

Area Teams should ensure that 2013/14 QOF achievement payments for a PMS practice are reduced by this amount rather than the amount that will be calculated under the Calculating Quality Reporting Service (CQRS).

When does the adjustment need to be made?

This adjustment only needs to be factored into the calculation of 2013/14 QOF achievement payments as the QOF PMS Points Deduction will not apply from 2014/15<sup>1</sup> onwards.

Why is this adjustment needed?

The adjustment is needed to ensure the QOF PMS Points Deduction is made at the correct value. This is because the current calculation does not take account of April 2013 changes to the Statement of Financial Entitlements (SFE) and in doing so it undervalues the cost of the deduction that needs to be made.

The QOF PMS Points Deduction is £13,050 for a practice with a list size of 5,891 (the average in 2004). Until April 2013 the SFE fixed the average list size at

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<sup>1</sup> [Implementing the 2014/15 GP contract: NHS England changes to Personal Medical Services and Alternative Provider Medical Services contracts, March 2015](#)

5,891. This meant that, as the list sizes of PMS practices increased, so did the QOF PMS Points Deduction. This means a practice of 6,200 patients should have its deduction calculated as  $6200/5891 \times 13050 = \text{£}13,735$ .

The SFE was amended last year so that, from April 2013, the Contractor Population Index (CPI) (para 2.18) is updated each year to reflect the actual national average list size.

Average list size has increased since 2004. So, if the QOF PMS Points Deduction were now calculated by reference to the CPI, a practice of 6,200 patients would have its deduction calculated as  $6200/7084 \times 13050 = \text{£}11,421$ . In this example, the deduction would be undervalued by  $\text{£}2,314$ . This would mean an unintended cost pressure on area teams.

Because of competing priorities, it has not been possible to update the QOF PMS Points Deduction on CQRS and so adjustments will need to be made manually.

When is the adjustment not needed?

Where the PMS baseline of a PMS practice has already been adjusted to reflect the QOF PMS Points Deduction, then this adjustment should not be applied.

Should you have any further queries please contact:

[England.primarycareops@nhs.net](mailto:England.primarycareops@nhs.net)

Yours sincerely



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