

Primary Care Commissioning Committee

22 February 2016

Details	Part 1	<input checked="" type="checkbox"/>	Part 2	<input type="checkbox"/>	Agenda Item No.	6
Title of Paper:	Practice Merger Process & Request					
Board Member:	Dr Jeff Schryer, Clinical Lead (Primary Care)					
Author:	Rachele Schofield, Primary Care Manager					
Presenter:	Amy Lepiorz, Deputy Director of Primary Care & QIPP					
Please indicate:	For Decision	<input checked="" type="checkbox"/>	For Information	<input type="checkbox"/>	For Discussion	<input type="checkbox"/>

Executive Summary

Summary	The following paper has been written with the intent of providing the Primary Care Commissioning Committee PCCC with the formal arrangements which need to be followed when a practice merger request has been submitted to the CCG.					
----------------	--	--	--	--	--	--

Risk	High	<input type="checkbox"/>	Medium	<input checked="" type="checkbox"/>	Low	<input type="checkbox"/>
-------------	-------------	--------------------------	---------------	-------------------------------------	------------	--------------------------

Please indicate **above** the overall level of risk associated with the paper then state here what the risks are and how this paper aims to address them. If the above summary itself is around managing risk etc. state "Included in Summary". **NB** Risks can include failure to act and lost opportunities.

Risk	Mitigating Action
Conflicts of interest in both the Primary Care Workstream Group PCWG and PCCC decision making panels as, to be quorate, a Clinical Lead for Primary Care must be present	Any person in either Group who has an interest within one of the suggested merger practices be excluded from all decisions. If the conflict becomes too great, NHS England can be asked to make the decision re the merger on behalf of the CCG.
Merging a practice means one database which may impact on performance monitoring at a site level thereby making it difficult to isolate areas of underperformance within "branch practice"	PCCC discussion needed regarding strategic vision on performance/quality monitoring Currently exploring with vision a technological solution
Where newly merged practices choose to provide multiple sites then site specific data will be maintained for Quality/Performance Monitoring purposes. The emphasis will be on the practice to maintain this information.	PCCC discussion needed - is it acceptable to place this expectation on Practices or should this sit with the CCG?
A greater understanding of the impact that the Carr-hill formula has is needed as this has the potential to	NHSE/Finance to advise

	increase contractual value dependant on which practice code is retained	
	A greater understanding of how financial implications of mid-year merges can be calculated is needed	Would recommend mergers are only supported at a quarter end point but further clarity is needed from NHSE/Finance re how entitlements would be calculated

Recommendations	<p>The PCCC are asked to:</p> <ul style="list-style-type: none"> - Support the proposed Merger Process to be implemented at Bury CCG - Agree that any merger applications received will be initially considered by the Primary Care Workstream Group who will review and feed their recommendations into the PCCC for final agreement - Agree that any member of the PCWG or PCCC who has a COI within either of the practices wishing to merge be excluded from all decision making. - Discuss and agree the merger principles set out above - Provide advice on the associated risks as detailed
------------------------	---

Strategic theme

To deliver improved outcomes and reduce health inequalities for patients through better preventative strategies	x
To deliver service re-design in priority areas through innovation	
To develop primary care to become excellent and high performing CCGs	x
To develop the CCG leadership to work with the Local Authority to be excellent integrated CCGs	
To develop robust and effective working relationships with all stakeholders and partners to drive integrated commissioning	x
To deliver long term financial sustainability through effective commissioning and innovative investment across the wider system	
To develop and influence the provider landscape through development of a Locality Care Organisation (LCO)	
Equality Analysis Assessed?	<input type="checkbox"/>
	Supports NHS Bury CCG Governance arrangements

Practice Merger Process and Request

1. Introduction and background

The following paper has been written with the intent of providing the Primary Care Commissioning Committee with the operational arrangements which need to be followed when a practice merger request has been submitted to the CCG.

2. Merger Process

There are two ways in which practices may propose to merge:

- i. by informal arrangements such as sharing staff which requires no change to the contracts – it is a private arrangement between the practices; or
- ii. by "merging" the contracts which may be done by:
 1. each contractor becoming a party to the other contractor's contract (through variations of the contracting parties¹); or
 2. terminating one of the existing contracts, continuing the other contract but varying it to include the other contractor as a party to the contract; or
 3. by terminating the two existing contracts and creating a single organisation or partnership which will enter into one new contract;

If one or both contracts are terminated, the relevant contractor must give notice to the Commissioner to terminate (giving either three or six months' notice depending on the type of contractor and contract).

Any Practice/s expressing an interest to merge must submit a merger request to create a single organisation, operating under one single contract with a single registered list (**Appendix 1**).

Any formal applications received will be reviewed by the Primary Care Workstream Group (PCWG) to determine if the application is viable by following the process laid out in **Table 1**. The recommendations of that Group will be submitted to the Primary Care Commissioning Committee for their formal response (approve / decline).

The Policy Book for Primary Medical Services is attached as Appendix 2

3. Commissioning Principles

Merging contracts is a complex matter which should not be approached lightly by either the Practices or the CCG. The final commissioning decision on whether contracts should be merged lies with the CCG and, in order to ensure the CCG is robust in its decision making process regarding the practice mergers and request process, the CCG will adhere to the Commissioning Principles laid out in the Primary Care Health & Wellbeing Strategy alongside the following subset of principles for Practice Mergers.

3.1 Practice Merger Commissioning Principles (Subset)

- The CCG is generally in support of practice merger requests (particularly if the merger absorbs a single-handed practice into a larger arrangement)
- The Practices wishing to merge may hold contracts with different financial arrangements:
 - In general terms contractual mergers should only be considered in the case of like for like contracts because of the potential differences in financial arrangements - Where this occurs, the merger would only be approved if both Practices agree to enter into a GMS arrangement / rate

¹ Please note, Point 1 refers to a Contract Variation, not merger e.g. Practices will still retain the same number of "P Codes" following the change. The CCG is limited in the extent it can prevent Partners entering into a contract, whereas the CCG has control over practice mergers.

- The CCG will not support practice merger requests where there is an increased cost to the CCG, any merger must be cost neutral upon its completion (Car-hill formula implications will need to be clearly considered with the support of Finance)
- The CCG are required to fund IT requirements in line with regulations.
- The CCG will pay estate reimbursement in line with the original costs provided that the proposed estates footprint is equal to or smaller than previously held. A merger will only be approved where there is no adverse impact on patients therefore, merging into one site could be potential grounds for refusal.
- All other costs associated with the merger will be funded by the practice/practices requesting the merger.
- Any approved merger will take place ideally at year end but in the absence of this at quarter end (All financial implications will need to be considered e.g. PMS transitional arrangements, QoF and all other entitlements)
- The new merged practice will be expected to provide all directed and locally commissioned services, regardless of previous delivery arrangements
- The new merged practice will adopt the same access model and opening times
- Where newly merged practices choose to provide multiple sites then site specific data will be maintained for Quality/Performance Monitoring purposes. The emphasis will be on the practice to maintain this information.

4 Risks

There are several risks associated with Practice Mergers which the PCCC need to be aware of as follows:

Risk	Mitigating Action
Conflicts of interest in both the Primary Care Workstream Group PCWG and PCCC decision making panels as, to be quorate, a Clinical Lead for Primary Care must be present	Any person in either Group who has an interest within one of the suggested merger practices be excluded from all decisions. If the conflict becomes too great, NHS England can be asked to make the decision re the merger on behalf of the CCG.
Merging a practice means one database which may impact on performance monitoring at a site level thereby making it difficult to isolate areas of underperformance within "branch practice"	PCCC discussion needed regarding strategic vision on performance/quality monitoring Currently exploring with vision a technological solution
Where newly merged practices choose to provide multiple sites then site specific data will be maintained for Quality/Performance Monitoring purposes. The emphasis will be on the practice to maintain this information.	PCCC discussion needed - is it acceptable to place this expectation on Practices or should this sit with the CCG?
A greater understanding of the impact that the Carr-hill formula has is needed as this has the potential to increase contractual value dependant on which practice code is retained	NHSE/Finance to advise
A greater understanding of how financial implications of mid-year merges can be calculated is needed	Would recommend mergers are only supported at a quarter end point but further clarity is needed from NHSE/Finance re how entitlements would be calculated

5 Recommendations

The PCCC are asked to:

- Support the proposed Merger Process to be implemented at Bury CCG
- Agree that any merger applications received will be initially considered by the Primary Care Workstream Group who will review and feed their recommendations into the PCCC for final agreement
- Agree that any member of the PCWG or PCCC who has a COI within either of the practices wishing to merge be excluded from all decision making.
- Discuss and agree the merger principles set out above
- Provide advice on the associated risks as detailed

Rachele Schofield
Primary Care Manager
racheleschofield@nhs.net

Appendix 1

Practice Merger Application Form



Merger Application
Form.docx

Appendix 2

Policy Book for Primary Medical Services (refer to pages 78-82)

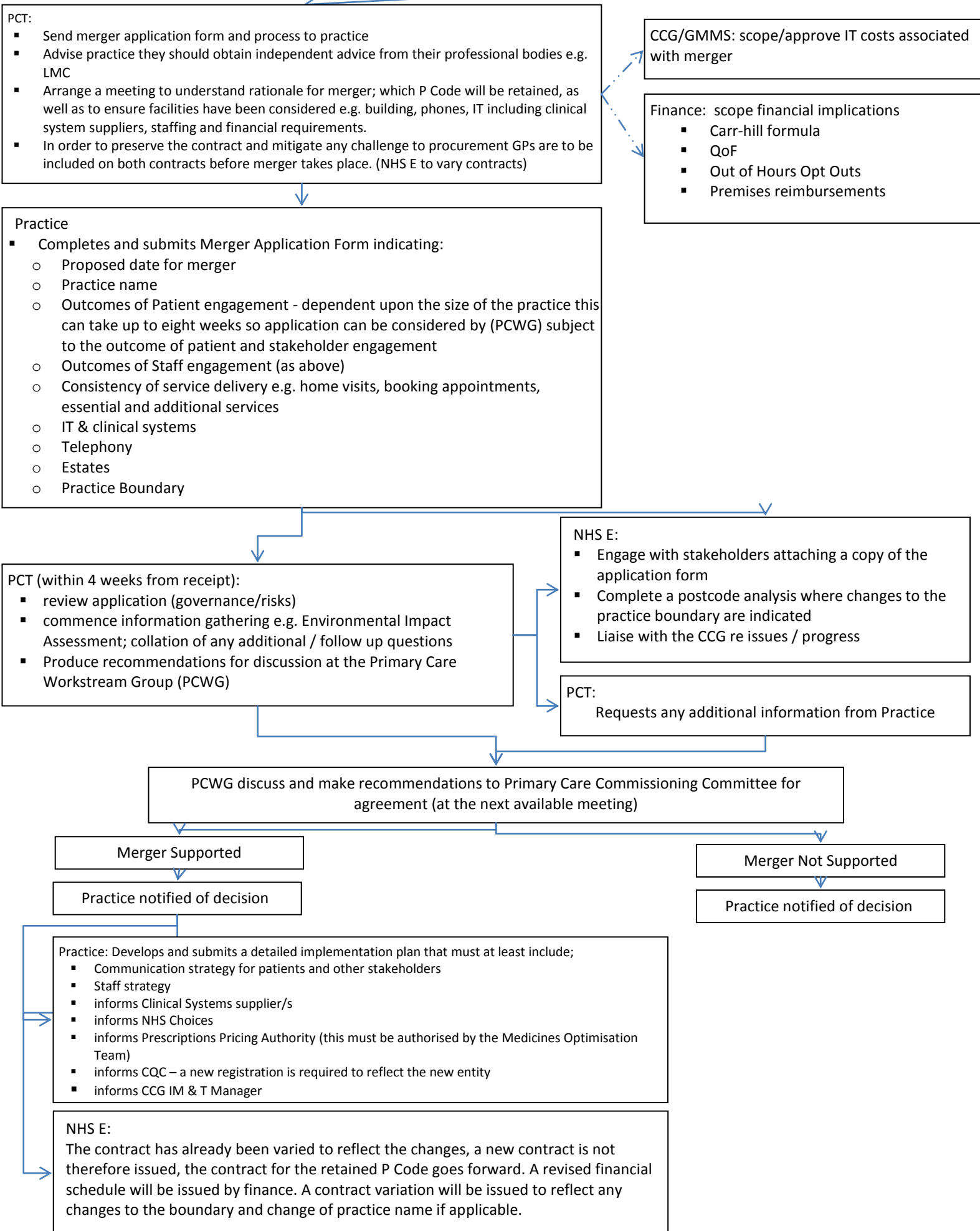


policy-book-pms.doc

<https://www.england.nhs.uk/commissioning/wp-content/uploads/sites/12/2016/01/policy-book-pms.pdf>

Table 1

Practice submits Expression of interest to merge to the Primary Care Team (PCT)



Proposal for a practice merger

Applications to merge practices must be submitted at least 4 months before the intended effective date

Practice Name	Number of partners	Contract Type	Registered Population
Reasons for Proposed Merger			
Benefits of Proposed Merger for Patients			
Benefits of the Proposed Merger for the Practices			

Please attach a map showing the proposed practice boundary.

What type of contract will the practice hold (PMS or GMS)

--

Practice Premises and opening hours

Premises	Address	Opening Hours

Are any changes to the existing premises planned? – If so please give details

--

Are any changes planned to opening hours; if so please give details for each site affected.

--

Please give details of any changes to the Telephone Systems

Please confirm which Clinical System will be used

Please confirm the agreed timescales for making any necessary IT changes

Details of Consultation already undertaken with patients (It is expected that a degree of consultation has taken place prior to a merger application being submitted.)

Details of any patient feedback received

Details of future plans for patient consultation should the merger be approved

Details of Consultation with the CCG

