

BRIEFING ON GP CONTRACTS

Sheffield
LMC



THE ISSUE

Historically GP practices that held Personal Medical Services (PMS) contracts and General Medical Services (GMS) contracts received different levels of funding for provision of slightly different primary medical services. Practices with above average levels of funding - Minimum Practice Income Guarantee (MPIG) for GMS practices - and practices with historic high PMS payments (PMS premiums) - had their funding reduced over a 7 year period to the same level.



April 2013 NHS England assessment of GMS and PMS funding

*Global sum was £66.25 when these changes were announced, it will be £102.28 for 2023/24.

Whilst the transition phase of 7 years has caused significant issues for many practices, compounded by workforce shortages and the pandemic towards the end, that process has now concluded. All GMS and PMS practices are now on similar funding for the provision of a similar primary medical service. However, there are contractual elements that are different in PMS agreements and GMS contracts, and practices may choose to consider their options to see if they are on the right contract at present, and to potentially secure themselves going forward.

The potential risks/benefits are theoretical, and there has not been any reported unfavourable treatment of practices based on what contract they hold. The situation in Sheffield is that more practices are PMS practices who have seen their funding cut. This was intended to be redistributed across the patch for city wide service provision.

GMS Practices	PMS Practices	APMS Practices
<i>Patients - 245,568</i>	<i>Patients - 364,007</i>	<i>Patients - 20,568</i>
Beauchief Medical Practice	Barnsley Road Surgery	Clover City
Broomhill Surgery	Birley Health Centre	Clover Group
Buchanan Road Surgery	Burngreave Surgery	
Carrfield Medical Centre	Chapelgreen Practice	
Carterknowle & Dore Medical Practice	North Darnall Health Centre	
Charnock Health Primary Care Centre	Deepcar Medical Centre	
Crookes Practice	Dovercourt Surgery	
Crystal Peaks Medical Centre	Dykes Hall Medical Centre	
Devonshire Green Medical Centre	East Bank Medical Centre	
Duke Medical Centre	Falkland House Surgery	
Ecclesfield Group Practice	Firth Park Surgery	
Elm Lane Surgery	Forge Health Group	
Far Lane Medical Centre	Foxhill Medical Centre	
Grenoside Surgery	Gleadless Medical Centre	
Greystones Medical Centre	Green Cross Group Practice	
Handsworth Medical Centre	Jaunty Springs Health Centre	
Harold Street Surgery	Manchester Road Surgery	
Heeley Green Surgery	Manor & Park Group Practice	
Hollies Medical Centre	Meadowgreen Health Centre	
Mill Road Surgery	Mosborough Health Centre	
Norfolk Park Medical Practice	Nethergreen Surgery	
Norwood Medical Centre	Page Hall Medical Centre	
Oughtibridge Surgery	Porter Brook Medical Centre	
Sharrow Lane Medical Centre	Richmond Medical Centre	
Shiregreen Medical Centre	Rustlings Road Medical Centre	
Steel City General Practice	Selborne Road Medical Centre	
Stonecroft Medical Centre	Sheffield Medical Centre	
The Matthews Practice	Sloan Medical Centre	
The Medical Centre	Sothall Health Centre	
Tramways Medical Centre (54)	South Green Medical Centre	
Upperthorpe Medical Centre	The Thorpe Practice	
Veritas Health Centre	Tramways Medical Centre (54A)	
Walkley House & Stannington Medical Centres	University Health Service	
White House Surgery	Upwell Street Surgery	
	Valley Medical Centre	
	Wincobank Medical Centre	
	Woodhouse Medical Centre	
	Woodseats Medical Centre	

GMS CONTRACT

The GMS contract is the nationally negotiated contract between general practices and the NHS for delivering primary care services to local communities. It provides greater flexibility in the way its contractors are structured. The GMS contract is the only GP contract that can be held in perpetuity, ie there is no time limit on the duration of the contract. GMS contracts are limited to the more traditional types of primary care provider. Contractors can be single-handed GPs, partnerships or certain types of limited companies.

Individuals:

Individual medical practitioners must be qualified general medical practitioners to enter into a GMS contract.

Individuals who fall within paragraph 5(2) of the GMS regulations (eg because they are subject to a national disqualification, are bankrupt or have been convicted of murder etc) may not hold GMS contracts.

Bodies:

GMS contracts may be held by partnerships as long as at least one partner (who must not be a limited partner) is a general medical practitioner, and any other medical practitioner is a qualifying general medical practitioner or employed by a PCT, a Local Health Board, an NHS Trust, an NHS Foundation Trust, a Health Board or a Health and Social Services Trust. Other partners could be NHS employees, health care professionals, primary medical services employees etc.

GMS contracts may be held by *a company limited by shares* as long as at least one share in the company is legally and beneficially owned by a qualifying general medical practitioner, and any other share or shares in the company that are legally and beneficially owned by a medical practitioner are owned by a qualifying general medical practitioner, or by a medical practitioner who is employed by a PCT, a Local Health Board, an NHS Trust, an NHS foundation trust, a Health Board or a Health and Social Services Trust. It is also a condition that the company, any person legally and beneficially owning a share in the company and any director or secretary of the company must not be subject to a national disqualification, bankrupt or convicted of murder etc. It must be remembered that legally a person includes an entity with a separate legal identity, such as a corporate body. Any company limited by shares must have appropriate clauses in its memorandum and Articles of Association which ensure that shares are not acquired by disqualified individuals, and which has arrangements for the surrender of shares held by an individual who becomes unqualified; without these restrictions the company may be able to hold a contract, but would lose it on such a transfer or incident.

Who cannot hold a GMS contract?

- Individuals who are not general medical practitioners;
- Limited liability partnerships;
- Companies limited by guarantee;
- Publicly owned companies;
- Industrial and provident societies, friendly societies, voluntary organisations etc unless they meet criteria above.

PMS AGREEMENTS

Although there are many PMS practices that operate as partnerships and hold open ‘one’ PMS agreement, it is clear that the PMS agreement is signed by each individual GP, each of whom has an individual agreement with NHS England (NHSE) to provide services. The fact that they choose to operate as a partnership is relevant in as much as the agreement will normally specify those arrangements, but this is not part of the PMS regulations and any change to the means of delivery of the services may require the agreement of NHSE.

Individuals

The PMS agreement regulations (2004) state that PMS agreements may be made with medical practitioners only if they:

- (a) are a qualifying general medical practitioner or
- (b) are employed by a PCT, a Local Health Board, an NHS Trust, an NHS foundation trust, a Health Board or a Health and Social Services Trust.

Bodies

A qualifying body may only enter a PMS agreement if the qualifying body, any person legally and beneficially owning a share in the qualifying body and any director or secretary of the qualifying body is not subject to a national disqualification, is bankrupt or has been convicted of murder etc. Any company limited by shares must have appropriate clauses in its memorandum and Articles of Association which ensure that shares are not acquired by disqualified individuals, and which has arrangements for the surrender of shares held by an individual who becomes unqualified; without these restrictions the company may be able to hold a contract, but would lose it on such a transfer or incident.

Partnerships and other types of body

Partnerships cannot hold PMS agreements. PMS agreements can, however, be made with individuals who operate as part of a partnership. Similarly, although the regulations do not cater specifically for limited liability partnerships (LLPs) or other types of entity, a group of GPs who individually or collectively hold PMS contracts could form themselves into these types of entities to provide services under their own commercial arrangements. Although services may be provided under these types of commercial arrangements, the actual contracts will not be held by the entities and any obligations will continue to be held by the individual.

Who cannot hold a PMS contract?

- Individuals who are not medical practitioners or NHS employees;
- Medical partnerships*;
- Limited liability partnerships (LLPs)*;
- Companies limited by guarantee*;
- Industrial and provident societies, friendly societies, voluntary organisations etc*;
- Publicly owned companies.

**Individuals holding PMS contracts could form themselves into and operate under partnerships, LLPs, companies limited by guarantee etc, but these bodies cannot hold PMS contracts.*

COMPARISON: WHO CAN AND CANNOT HOLD PRIMARY MEDICAL SERVICES CONTRACTS?

	GMS	PMS	APMS
General medical practitioners	Yes	Yes	Yes
Medical practitioners	No	Yes	Yes
NHS employees	No	Yes	Yes
People who are not medical practitioners/NHS employees	No	No	Yes
Medical partnerships*	Yes	No	Yes
Companies limited by shares with at least one general medical practitioner shareholder	Yes	Yes	Yes
Companies limited by shares owned by medical practitioners, NHS trusts, individuals providing personal medical services or NHS employees	No	Yes	Yes
Limited liability companies inc. publicly owned companies	No	No	Yes
Limited liability partnerships*	No	No	Yes
Companies limited by guarantee*	No	No	Yes
Industrial & provident societies*	No	No	Yes
Voluntary organisations*	No	No	Yes
Friendly societies*	No	No	Yes

*These bodies cannot hold PMS contracts however individuals holding PMS contracts could form themselves into and operate under these arrangements.

British Medical Association (BMA) guidance [Key Point General Comparison: PMS Agreement and GMS Contract](#) highlights the latest fundamental differences between the GMS contract and the PMS agreement. As referenced in the document, most of the differences are theoretical and have little to no practical implications for practices.

The most fundamental (theoretical) difference between the contracts is that unlike the PMS regulations, the GMS regulations do not allow the commissioner to voluntarily serve notice to end their core contract. This right is bestowed solely on the contractor in the GMS regulations.