

# BNSSG Primary Care Commissioning Committee (PCCC)

Date: 29<sup>th</sup> September 2020

Time: 9.00am – 11:00am

Location: Meeting to be held virtually, please email [bnssg.corporate@nhs.net](mailto:bnssg.corporate@nhs.net) if you would like to attend.

<b>Agenda Number :</b>	11
<b>Title:</b>	A review of the budget Setting Methodology for Primary Care Prescribing in 19/20
<b>Purpose: Decision</b>	
<b>Key Points for Discussion:</b>	
<p>This paper is to inform PCCC of the outcome from the 'fair share' budget setting which was applied to GP practices across BNSSG for their Primary Care prescribing for 19/20.</p> <p>This paper sets out the method used to calculate the 'fair share' budgets, how the budgets were set at practice level depending on the historical spend for the practice and achievements of these budgets at the end of the 19/20 year.</p> <p>Further work is required during 20/21 to understand the impact of these prescribing budgets</p>	
<b>Recommendations:</b>	To note the outcomes from the last year of budget setting and to agree for the fair share budget setting methodology to continue for 20/21.
<b>Previously Considered By and feedback :</b>	This has been presented to PCOG for information
<b>Management of Declared Interest:</b>	N/A
<b>Risk and Assurance:</b>	There is a risk of to the overall CCG Control Total if the Primary Care Prescribing spend is not monitored and controlled by the Medicines Optimisation Team. By giving practices an 'indicative fair shares budget' it supports both the CCGs and practices to improve monitoring on spend and investigate spend above these set targets to make a judgement as to whether it is warranted or if efficiencies can be made.

<b>Financial / Resource Implications:</b>	Achievement of the budget set was linked to the financial element of the Medicines optimisation Prescribing Quality Scheme with those prescribing within the prescribing budget set being paid 50p per patient according to the list size at October 2019.
<b>Legal, Policy and Regulatory Requirements:</b>	There are no legal implications anticipated in relation to this budget setting. Prescribing Budgets are normal practice in CCGs nationally.
<b>How does this reduce Health Inequalities:</b>	The work does not directly impact on reducing Health inequalities. However all work undertaken or directed by the Medicines Optimisation Team will have any implications for health inequalities considered.
<b>How does this impact on Equality &amp; diversity</b>	This is taken into account within the budget setting methodology. There are no significant implications.
<b>Patient and Public Involvement:</b>	None
<b>Communications and Engagement:</b>	None
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## Agenda item: 11

### Report title: Prescribing Quality Scheme 2020/21

#### 1. Background

For the financial year 19/20 the BNSSG CCG Medicines Optimisation Team worked with the CCG Business Intelligence team to investigate different methods available to produce the fairest budget setting methodology for prescribing at GP practice level taking into account many different variables. From this, each GP practice across BNSSG was set a 'fair share' budget from the overall prescribing budget of £122,090,545.

A number of fair share methodologies were explored and previously presented to PCCC and the method agreed uses an NHSE 'allocation for prescribing' found as part of the overall CCG allocation. This is then adjusted taking into account QOF prevalence and prescribing spend in 4 key clinical areas (namely AF, COPD, asthma and diabetes) and the prescribing associated with these, along with prescribing of high cost drugs (those out of the control of the practice).

Each practice had a budget calculated based on their 'fair share' percentage of the overall pot, taking into account their prescribing spend from 18/19. This was then communicated to them via a letter from the CCG.

At the end of the financial year, achievement of prescribing budget for each practice was calculated and based on their spend from April-January (vs YTD budget) due to the impact of COVID-19 on prescribing during February and March 2020 which was abnormally high.

This paper is brought to PCCC to demonstrate the success of the budget setting and allow evaluation of the budget achievement by practices during 19/20. It will also set out the future aims and work for the Medicines Optimisation Team in terms of prescribing budgets and spend by practices and the link to system activity as a whole.

## 2. Setting the budgets

A method for calculating fair share budgets for practices was agreed at PCCC using a method taking into account the NHS allocation for prescribing, 4 key clinical areas and the prescribing spend in these as well as high cost drug spend outside the control of practices. The 'fair share' percentages were calculated for each practice and these were converted into a monetary budget value from the overall prescribing budget of £122,090,545. This was then reviewed against their prescribing out turn for 18/19 in order to assess how each practice's prescribing spend compared to their fair share prescribing value.

Practices fell into one of 2 groups:

- i. Those currently spending less than their fair share budget
- ii. Those currently spending more than their fair share budget

This is summarised in the table below:

	Number of practices spending LESS than fair share	Number of practices spending MORE than fair share
Bristol Area	31	9
North Somerset Area	10	5
South Glos Area	1	22
<b>TOTAL</b>	<b>42</b>	<b>36</b>

\*During the year 3 practices were closed: Northville, Bishopston and Clarence Park. The relevant budget from these was transferred to the practice receiving the patient on to their practice list. These practices have been removed from the information above.

For those spending in 18/19 less than their 'fair share' budget amount it was felt important to continue to encourage the savings and prescribing level they had already achieved in order to achieve the savings target being set by the CCG for the Medicines Optimisation Team and drive

down overall prescribing spend through these savings. They were therefore set a budget of their 18/19 outturn plus 1% growth.

For those spending in 18/19 more than their 'fair share' budget amount, it was agreed that the CCG would work with the practice over 3 years in order to bring them down to their 'fair share'. They were therefore set a budget of their fair share amount plus two thirds of the difference between their fair share and their 18/19 outturn. This was to encourage savings that were realistic and not unachievable in the first year as we moved them closer to their 'fair share'. This final figure was also given an uplift of 1% growth. In year two (20/21) practices would receive a third of the difference between their fair share and outturn on year 19/20 and in year (21/22) would be asked to achieve their fair share allocation.

In total 36 out of the 78 practices were spending more than their 'fair share' budget and so had savings to be made during 19/20.

During 19/20 the prescribing spend was monitored but due to COVID 19, prescribing spend from April 19 to January 20 was used to assess achievement of budget due to the large increase in prescribing spend in February and March 20 as the pandemic started.

To calculate whether practices achieved their set budget, adjustments were made in order to take into account all the variables that had changed in year that were unknown at the time of setting the budget. This included changes in patient numbers (increases or decreases in list size), Category M pressures on costs of medicines, FreeStyle Libre prescribing, increases in Flu vaccine spend, increases in Substance misuse medicines spend and finally High cost drugs (which includes all Amber drugs, stoma, continence and appliances and PKU dietary products).

Summary of budget achievement:

	Achieved set budget (and prescribing within their 'fair share')	Achieved set budget (but still prescribing spend higher than 'fair share'). <small>In year savings made to bring closer to fair share amount</small>	Spent over set budget (but still prescribing within 'fair share').	Spent over set budget (and their 'fair share')
Bristol Area	31	5	2	2
North Somerset Area	4	0	4	7
South Glos Area	6	3	0	14
<b>TOTAL</b>	<b>41</b>	<b>8</b>	<b>6</b>	<b>23</b>

- During the year 3 practices were closed: Northville, Bishopston and Clarence Park. The relevant budget from these was transferred to the practice receiving the patient on to their practice list.

You will note from the tables that there has been a shift for some practices that were previously spending more than their fair share budget and are now closer to this through the reduced budget that was set for them. There are still 22 practices where the prescribing spend was greater than both the fair share budget and the budget set by the CCG. Within this there were 4 practices who previously spent less than their fair share budget in 18/19 but in 19/20 spent more than the budget set for them and their fair share budget.

For the 31 practices spending more than the budget set for them this ranges from 0.6 to 6.3% over budget, with 9 practices spending less than 1% over budget. There was one practice that spent 15% over the budget set so will need to be reviewed carefully.

### 3. Budget Setting for 20/21

The budgets for 20/21 are being set using the same method as for 19/20. The 'fair share' percentage of the overall pot of £127,244,000 has been recalculated for all the practices taking into account changes in list size and QOF prevalence in the 4 clinical areas. High cost drug spend for 19/20 has also been considered and updated.

Those who are currently spending less than their fair share budget will again be given their 19/20 outturn plus 0.9% for demographic growth. Those spending in 19/20 more than their fair share allocation for 20/21 will have to make savings of 2/3 of the difference between the two in order to try and bring them within fair share for the third and final year in 21/22. This figure will also have 0.9% growth added to it.

On reviewing the new allocation and updated figures for the budgets in 20/21 the following can be seen:

	Number of practices spending LESS than fair share	Number of practices spending MORE than fair share
Bristol Area	32	7
South Glos Area	3	20
North Somerset Area	7	7
<b>TOTAL</b>	<b>42</b>	<b>34</b>

\*39 practices now in the Bristol area due to the merge of Eastville and Maytrees Health Centres to become East Trees Health Centre. There are now 14 practices in North Somerset due to the merge of practices to form 168 Medical Group.

Those spending less than their 'fair share' had an out turn between 1 and 24% less than their fair share allocation from the overall pot. Those spending more than their fair share spend between 1 and 15% more than their 'fair share' allocation.

There are a number of variables which have been discussed in the analysis of the 19/20 spend which are likely to be unique and unavoidable cost pressures during the 20/21 financial year which we are unable to predict at the start of the year. As in 19/20 these will be accounted for and adjusted at the end of the once their impact is fully understood.

#### **4. Further Analysis of prescribing for 20/21**

During 20/21 the Medicines Optimisation Team plan to deep dive into practice spends to review not only those spending more than their fair share, but also those spending less. It is key to identify areas of good practice which are providing savings compared to other practices across BNSSG. We aim to work towards linking practice prescribing spend with their activity perhaps initially focussing on some key clinical areas and long terms conditions e.g. Asthma, COPD, Diabetes and prescribing of DOACs. It will be important to utilise available software e.g. Eclipse live and working with BI colleagues to produce practice level datasets to enable benchmarking with other similar practices along with linking to their activity across the wider system.

During 20/21 the Medicines Optimisation team will also review the budgets set at Primary Care Network level (PCN) working towards prescribing budgets being set at this level in the future particularly as practices move forward together and work towards setting up Prescribing Hubs for the PCN.

#### **5. Recommendations**

For PCCC to note the information above and to agree for the Medicines Optimisation team to continue to work with practices across BNSSG to achieve budgets set for them.

#### **6. Financial resource implications**

Achievement of the budget set is linked to the Prescribing Quality Scheme (the financial element of this). This is worth 50p per patient (based on October 19 list size). Incremental decreases in this amount are paid for small increases in spend over budget up to 2% over budget.

#### **7. Legal implications**

There are no legal implications anticipated in relation to this budget setting methodology. Budget setting for Primary care prescribing is normal practice in CCGs nationally.

#### **8. Risk implications**

There is a risk of to the overall CCG Control Total if the Primary Care Prescribing spend is not monitored and controlled by the Medicines Optimisation Team and use of budget setting will help to support this. Budget setting will enable the team to work with practices to identify areas of unwarranted variation in prescribing spend for particular areas in relation to what is considered a 'fair' budget for their practice population. This budget is an indicative budget for the practice, linked to the Prescribing Quality Scheme. The overall risk to budget overspend lies with the CCG who are holders of the primary care prescribing budget.

#### **9. How does this reduce health inequalities**

All work undertaken or directed by the Medicines Optimisation Team will have any implications for health inequalities considered.

## **10. How does this impact on Equality and Diversity?**

All work undertaken or directed by the Medicines Optimisation Team will have any implications for equalities considered.

## **11. Consultation and Communication including Public Involvement**

No public consultation / engagement required.

## **Appendices**

**NIL**