PAYMENT BY RESULTS AND QUALITY ASSURANCE IN ENGLAND

"HOPELESSLY SERIOUS"

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INTRODUCTION

- The Quality and Outcomes Framework (QOF) for primary care physicians – a quick recap
- The Quality and Outcomes Framework – one year further on
- Brief look at contracts for Hospital Doctors

RECAP ON THE QOF

- General practice – a long tradition of co-ordination, gatekeeping and independence
- But in 2001:
  - Excessive workload, lack of control (the John Wayne clause) and not enough money
  - Low morale, 86% threatening mass resignation
- And from the government's point of view
  - Variable quality, poor access, little choice, many outdated premises and services

HEALTH SPENDING 1997 - 2008

Year terms	Spend £bn	% increase	% real increase
97/98	34.7	5.1	1.9
98/99	36.6	5.6	2.8
99/00	40.2	8.9	6.4
00/01	44.2	9.8	7.4
01/02	49.4	11.9	9.3
02/03	55.8	8.8	6.1
03/04	61.3	10.0	7.5
04/05	67.4	10.0	7.5
05/06	74.4	10.3	7.6
06/07	81.8	10.0	7.3
07/08	90.2	10.2	7.5

DH Department of Health

THE GOVERNMENT PROMISE

- 3,000 premises modernised
- 2,000 more GPs (a 7% increase)
- £1.8bn investment in primary care over 3 years (a 36% increase)
- A new contract with a significant proportion of payment based on quality and outcomes

THE NEW 2004 CONTRACT

- 70% of funding for ‘essential and additional services’ (including premises and staff costs)
- Calculated by patient needs formula
- Backed by a Minimum Practice Investment Guarantee (MPIG)
- 30% of funding for QOF – dependent on quality and range of services
- Independent, evidence based measures

ORIGINAL QOF STRUCTURE
5 DOMAINS COVERING

- Clinical – 655 points over 10 disease areas
- Additional services – 36 points
- Holistic care – 20 points
- Organisational – 181 points
- Patient Experience – 108 points
- Plus Access bonus – 50 points
- Max 1050 points
- 1 point = £78 (04-05), £128 (05-06)

ACHIEVEMENT 04-05 (05-06)

- Cholestorol lowering standard – 71% (79%)
- Aspirin/anti-coagulant use – 90% (94%)
- Beta blocker standard – 63% (68%)
- Flu immunisation standard – 87% (90%)
- Average score 958 (1011) points
- 2.6% (9.7%) of practices achieved maximum

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HOW SUCCESSFUL?

- Quality outcomes good but perhaps too easy
- Cost overrun at least £200m
- GPs earnings have mushroomed
- GPs much happier (hospital doctors less so)
- HM Treasury concerned about value for money

RENEGOTIATION 06-07

- Zero inflation on any price
- Seven new clinical areas to drive up quality at no cost (through recycled points)
- Guarantees significant efficiencies
- Supports government priorities: commissioning, choice, national IT systems, disease management, patient access
- Includes minimal, if any, profit element for GPs
- Equates to efficiency savings of 6%

07/08 AND BEYOND

- Further contract negotiations with 3 aims
  - Tackle inequalities in funding through reducing level of MPIG
  - Improving performance attracts more reward than standing still
  - Deliver a similar level of efficiency as other public sector services.
- Remaining big issues
  - Devolution does not sit easy with a centrally negotiated contract
  - Contract negotiations vs market forces (competition) as future key to getting a more responsive provider

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THE OLD NATIONAL CONTRACT

- All consultants have same basic salary
- Eleven session (3.5 hrs) contract with typically six ‘fixed’ and five ‘flexible’ sessions
- No pay for growing on-call workload
- Drop 10% of salary and one session to earn >10% more in private practice
- Salary supplement up to double through ‘Clinical Excellence Awards’

WHAT THE BMA DEMANDED

- Control of increasing workload and more family friendly working
- Fair pay for all work done including on-call
- Increased earnings and pensions
- Abolish private practice constraints
- A national contract and national conditions

WHAT GOVERNMENT WANTED

- Proper management of the working week with more time on direct clinical care
- Align pay progression with delivery of personal and service objectives
- Give most to those who do most
- Support 24 hour, 7 day working
- Remove perceived conflict of interest with private practice
- Improved morale and retention

WHAT HAPPENED

- Acrimonious national negotiation over 18 months
- Initial 67% ‘No’ vote over fears of excessive management control
- Collision course between BMA and government
- A new secretary of state
- A quick renegotiation (very little real change)
- 60 % voted ‘Yes’

THE NEW NATIONAL CONTRACT

- All consultants have same basic salary
- Ten programmed activities (4 hrs) with typically 7.5 direct clinical care and 2.5 supporting
- Up to 8% supplement for on-call working
- Annual job planning with agreed objectives
- Pay rises for meeting job plan and objectives
- 15% increase in consultant lifetime earnings
- Code of conduct for private practice
- Up to double through ‘Clinical Excellence Awards’

WHAT HAPPENED?

- Contract implemented with 95% take-up
- A large extra investment in consultants pay and overspent by £100m approx
- Managers wary of using contract levers
- Generally satisfactory job plans but few real changes and few agreed objectives
- Very little reduction in workload
- Some increase in direct clinical care but relatively little demonstrable benefit to patients
- Relatively little non-financial benefit to consultants

COMPARISON WITH GP CONTRACT

- A more adversarial negotiation and implementation
- Had to be implemented through local individual negotiation
- Much less radical than the GP contract
- No explicit link with quality
- Both contracts overspent significantly
- Reliance on incentives more effective than reliance on management
- Both have potential for much better results

SUMMARY

- UK government has invested huge amounts in medical pay reform
- Cost has exceeded expectation
- Benefits have been less than expectation
- GP morale has climbed, consultant morale has fallen
- Both contracts can still do better
- “Hopelessly serious”

THANK YOU