

Business Plan for the Formation of a Suffolk GP Federation

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This is a business case to form a not-for-profit Suffolk wide Federation of independent GP practices. Membership will be open to all practices which will remain as independent businesses, whilst collaborating in the further development of local primary care and in assisting the CCG with the delivery of its objectives.

Background

The primary care regulatory landscape has changed dramatically since the last election.

- Practice contracts are to be managed by the National Commissioning Board (NCB), which has a Local Area Team (LAT) based in Cambridge and which may be unable to offer the extensive support practices received from NHS Suffolk.
- GP involvement with commissioning has passed from IpsCom and EastFed, to the new CCG which may be tasked with new priorities impacting upon primary care.
- There is an on-going need for financial savings (£6.8m from Suffolk's budget of £390m in 2013/4).
- Powerful private sector competitors have entered the market locally, notably for community services.
- The BMA appears to be less influential than in the past, allowing policy makers to drive the agenda.
- It is likely that LES contracts, previously awarded to GP surgeries will be offered for tender - with potential loss of income for primary care.

The demographic landscape continues to evolve along a now well defined trajectory, with an ageing population and in Ipswich one which is more ethnically diverse and disadvantaged. Patient expectations are rising inexorably and workload is becoming more complex. At the same time, recruiting GPs, and retaining older ones, is becoming more difficult.

Overall, flat income and rising costs means partner drawings from core work will fall by 30% over the next five years, reinforcing recruitment difficulties, encouraging early retirement and placing additional pressures on practices.

Effects of these changes

These significant developments place primary care under increased pressure, and we are seeing

- Declining practice profits.
- Increasing clinical workload.
- A four-fold increase in advertised GP vacancies over the past 2 years.
- Difficulties with senior GP retention.
- Increased numbers of doctors and practices in difficulties.

Potential responses

Against this backdrop, there are a number of responses open to practices:

1. Ignore them - the 'do nothing option'. Practices continue as individual "cottage industries" and focus on delivering only core services and accept that drawings will fall. Such a development may have negative consequences for the CCG with practices looking inward and disengaging from work needed to address the wider NHS challenges.
2. If most practices choose the 'do nothing' option, a number of forward thinking practices may decide that they have the management and infrastructure to expand alone. Such a move could be divisive and cause friction within primary care.
3. Merger is an option which appeals to a small number of practices, sometimes as a means to address specific local issues such as rationalisation of premises. The vast majority wish to retain their independence and individuality and do not wish to pursue this option at the present time. There is good evidence demonstrating mergers have mixed and uncertain outcomes.

The key feature of all the challenges facing primary care are that they are not easily addressed by individual practices on their own, and require a collective response

The two local GP organisations IpsFed & PIPS have been looking at the way forward and have arrived independently at the same conclusion that a fourth option - to Federate - is the most appropriate strategic response. It makes sense for practices from both organisations to work together because:

- The challenges mentioned above cannot be met by practices acting alone. Federating offers the potential to for primary care to address them by acting collectively to build an organisation capable of being successful and credible in the new NHS world.
- To capitalise on economies of scale.
- PIPS, a local GP owned organisation already has the infrastructure, track record and expertise which can act as the foundation for a successful Federation.

A Suffolk Federation

This business case sets out a strategy to form a Suffolk Federation of independent GP practices, thus overcoming the weaknesses inherent in an industry with a large number of small providers. The Federation facilitates practices to work together to jointly address issues which cannot easily be resolved by individual practices and offers skills and expertise that an individual practice would find uneconomic to employ.

The strategy broadly follows that proposed by the RCGP in 2007 and is updated for the current situation. Although we know of no examples of Federations covering large numbers of practices, similar models in other industries such as accountants and lawyers, have been successful and allowed partnerships to address challenges whilst remaining independent.

The fundamental idea behind Federating is that the new challenges outlined above are best faced together. The proposed Suffolk Federation has four objectives and each will have a detailed annual workplan with clear outcomes:

1. Support & strengthen primary care in Suffolk. Illustrative examples could include:

- Promote and assist practices to improve quality and reduce variation in service delivery.
- Assist GP practices to address workload & capacity e.g. via the workshop on telephone triage held in January.
- Develop the role which primary care can play in the move of services from hospital closer to patients in the community.
- Help with challenges identified by practices - workload, GP recruitment sharing best practice.
- Replicate the system of locum chambers, successfully used in Cambridge to create a large pool of high quality locums.
- To work with practices when opportunities for new work emerge.

2. Support practices to maintain existing or generate new income streams and reduce costs. Illustrative examples could include:

1. A common high quality approach to certain new work such as DES QoF dementia screening.
2. Helping practices to reduce the costs and improve the quality of care for patients with long term conditions by sharing comparative data and best practice.
3. Sharing some back office services such as CQC policies.
4. Reducing the duplication of all practices doing the same task e.g. common approaches to recruitment and sharing staff.
5. Offering pharmaceutical companies wanting to conduct research a very large pool of patients.
6. Offer a credible bid where new or existing primary care services are put out for tender by the CCG.

3. To support our CCG to meet its objectives.

- Helping to identify cost savings.
- Promote universally high quality primary care in Suffolk
- Assisting where CCG objectives require primary care involvement.

4. To build a sustainable organisation

- That has strong support from practices.
- Is financially independent.
- Able to exist beyond the next NHS reorganisation.

The culture of the Federation will hold these values:

- Focus on improving patient care.
- Democratic, open and transparent, with work allocated fairly across all practices.
- Collaborative with, and supportive of, our CCG and local hospitals.
- Inclusive of all Suffolk practices regardless of size or type of contract.
- GP owned and managed.
- Facilitative – bringing practices together to create mutual benefits.
- Not for profit.

- Developing people.

Governance, structure and finance

The Federation will be open to all and governed by a members' agreement. The work of existing locality groups will be supported so that local initiatives can flourish and the Federation does not appear too large.

The organisation will be managed by an elected Board of six GPs (3 Ipswich and 1 each for CIA, DHG and SBS), 2 PMs, the Chief Executive, and an option for a co-opted member. The Board will elect the Chair. When votes are required from members, each practice will have one vote. The Board will adopt policies conflict of interest policies reflecting best practice and BMA/GMC guidance.

Partners in Practice Suffolk (PIPS) will be converted into a not for profit Community Interest Company (CIC) as it already has contracts (e.g. community ultrasound), an infrastructure (e.g. CQC registration, insurance and IT) and assets – thus reducing the time and expense of setting up the organisation.

The main income for the Federation will come from expanding the range of services it offers. Its potential market is increasing as CCGs shift work out of hospitals or focus on initiatives which reduce expenditure.

All practices will become members on the same basis namely 30p per patient. Practices will not have to make any further contribution.

Practice contributions and PIPS existing assets will give the new organisation assets of £210k. The Board believe that this funding plus new contract wins in 2013/14 will allow us to cover our overheads.

Obligations of member practices and next steps

Practices wanting to join the Federation will be asked to sign a letter of intent which will confirm they understand the obligations of membership. These include, acting in the spirit of working together, having a nominated lead, participating in decision making, sharing non-commercially sensitive data, playing a fair part in the delivery of services, considering using Federation organised services and paying a one-off 30p membership which will be 'locked' into the new organisation.