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Dear colleague

**EQUALITY IMPACT ASSESSMENT OF A PROPOSED NEW
FORMULA FOR ALLOCATING RESOURCES TO GP
PRACTICES IN NORTHERN IRELAND**

Purpose

1. The purpose of this letter is to seek your views on the equality implications of a proposal to use Northern Ireland specific data in a formula which will be used to allocate part of the resources to general practitioners under the new General Medical Services contract. Section 75 of the Northern Ireland Act 1998 requires public authorities to have due regard to the need to promote equality of opportunity, and in keeping with the Department's equality commitments, this consultation seeks to test the Department's preferred resource allocation formula.

Background

2. In June of this year, GPs voted to accept a new contract which had been negotiated between the NHS Confederation representing the four Health Departments in the United Kingdom and the BMA. The new contract will apply on a UK-wide basis and will come into operation on 1 April 2004. The new contract will be accompanied by significant investment in primary care over a three year period and resources will be allocated to practices through a number of new funding streams, one of which will be a global sum which will

provide for the delivery of “essential” and “additional” services to patients, staff costs, career development and protected time.

3. Currently GPs are entitled to payments in respect of the numbers of patients registered with them and the work carried out and may also claim reimbursement of certain practice expenses and a range of fees and allowances which are prescribed in a Statement of Fees and Allowances published by the Department. The current arrangements have meant that case-mix is not adequately reflected, differing practice circumstances are not adequately taken into account, and resources follow the distribution of doctors rather than patients and their needs. Resources are lost if the numbers of doctors in a practice reduces; practices do not have security of income, and changes in skill mix are not encouraged.

4. The introduction of a global sum was aimed at addressing these flaws. A workload allocation formula will be used to allocate the global sum on the basis of the practice population, weighted for factors that influence relative needs and costs. **It is important to note that the allocation formula will not be used to allocate resources in relation to any of the other funding streams under the new contract.** The formula takes account of six key determinants of practice workload and circumstances:
 - Patient gender and age for frequency and length of surgery consultations and home visit contacts;
 - Patient gender and age for nursing and residential home consultations;

- Additional needs of the population relating to morbidity and mortality;
 - Newly registered patients, who generate around 40% more workload in the first year of registration than is the average;
 - Unavoidable costs of delivering services to the population in rural areas;
 - Unavoidable higher costs of living through a Market Forces Factor applied to practice staff.
5. During the negotiations on the contract, it was recognised that the key determinant factors in the formula could differ if available Northern Ireland specific data was used. A working group was established to examine the need for refinements to the formula in Northern Ireland and have produced a report entitled “A Report of a Statistical Analysis for an Equality Impact Assessment of a UK GMS Resource Allocation Formula”. An Executive Summary of this report is enclosed with this letter and the full text is available on the DHSS website www.dhsspsni.gov.uk/hss/gp_contracts/

Provisional Conclusions

6. The Department has considered the report and has concluded that in three main elements of the allocation formula, age/gender, additional needs and rurality a Northern Ireland specific curve or index would provide a more equitable distribution of resources in the Province. In the additional needs element, these resources would be better skewed to a larger number of people who have additional need arising from deprivation, morbidity and socio-economic circumstances. In relation to the rurality index, a Northern Ireland index would distribute more resources to more rural areas to permit

rural GPs to provide the same level of services as an urban one.

7. In the other three elements of the allocation formula it was felt that insufficiently robust data was available to justify a Northern Ireland-specific factor or that Northern Ireland was adequately represented in the UK research carried out to arrive at their formula. However, the Department will wish to subject the inclusion of the market forces factor in the Northern Ireland formula to further research in the course of the next year.

Questions

8. In relation to the allocation formula, I would be grateful for your views on the following points:

Do you agree that a Northern Ireland allocation formula should include a NI-specific age/gender workload curve, and NI-specific indexes in relation to additional needs and rurality? If not, please give reasons.

Do you agree that the use of Northern Ireland specific data would provide for a more equitable distribution of resources in the Province? If not, please give reasons.

Have you any additional comments in relation to the use of NI-specific elements in the allocation formula? Please provide details.

Responses

9. Responses should be addressed to:

GMS Contract Unit

Room D:3:21

Castle Buildings

Stormont

BELFAST BT4 3SQ.

or by fax on 9076 5624 or by e-mail to

clairita.Flynn@dhsspsni.gov.uk.

Responses should reach the Department by Tuesday 16 March 2004

10. DHSSPS officials will be happy to meet groups or individuals to discuss any aspect of this issue. To arrange a meeting please contact Clairita Flynn on 9052 2929. The Department will ensure that the venues for such meetings are accessible.
11. Further copies of this letter and the Executive Summary may be obtained from the above address or by telephoning 9052 2929. These documents are also available on the Departments website www.dhsspsni.gov.uk/hss/gp_contracts/
12. Versions of the letter and Executive Summary can also be made available in Chinese, Braille, audiocassette and large type.

13. The Department may wish, and may be asked, to make responses public. The Department will do so except where a respondent has asked that their response be treated in confidence.

Yours sincerely

Dr J F Livingstone
Director of Primary Care