



How does primary care funding vary per patient?

April 2018

“Two practices with the same count of registered patients may have very different populations with very different needs; this is partially reflected in the weighted patient numbers. These practices, while apparently similar in terms of list size, may thus receive very different levels of funding.”

- NHS Digital

NHS Digital published data has been analysed to show the extent of the variation

Two NHS Digital data sets were combined:

1. Payments data at practice level: [NHS Payments to General Practice, England, 2016/17](#)
2. Age structure data at practice level: [Numbers of Patients Registered at a GP Practice \(practice level, 5 year age groups\)](#)

GMS practices were selected (as Global Sum payments are not available for PMS and APMS practices) – total of 5,301 practices, and £5.4bn of expenditure. For comparison the total 2016/17 NHS payments to General Practices was £8.1bn

Data was cleaned to only include practices where the Global Sum per patient was over £0 and up to £300 (removes 3% of practices) – which leaves a total of 5,134 practices in our analysis, and £5.3bn spend

Payment per registered patient was calculated for each practice, and each practice allocated to an age band according to the percentage of 15-44 year olds on the registered list. As this involves combining data from the two listed datasets, an additional 220 GP practices that cannot be matched between datasets were excluded from the analysis, leaving a total of 4,914 (total spend remains at £5.3bn).

An average payment per patient for all practices within each age band was then constructed through summing the average payments per patient at each practice in the age band and dividing by the number of practices in the age band.

Total payment per registered patient uses the data set for “Total NHS payments to General Practice minus deductions (for Pensions, Levies and Prescription Charge Income).”

QOF and Global Sum payments are taken directly from the NHS Digital payments data fields for these items

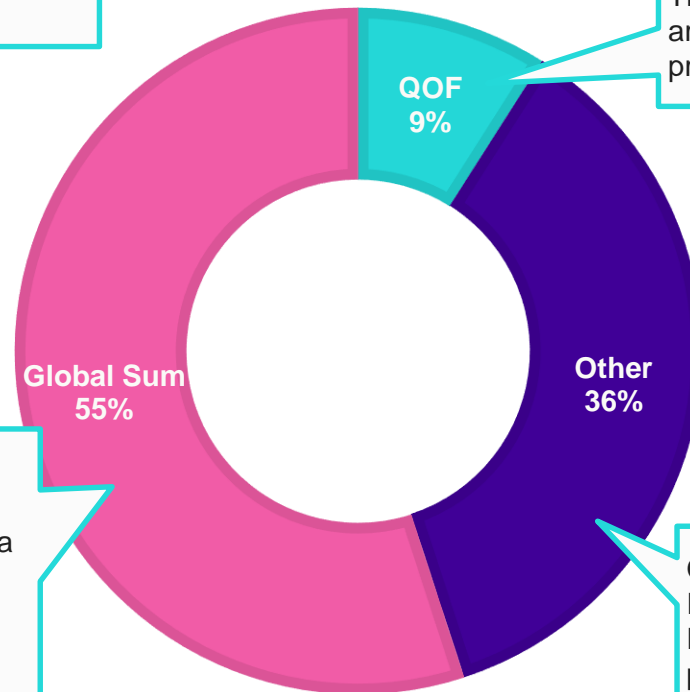
Practice payments have several components, so variation is considered for total payment and individual elements

£5.3bn total payment to GMS practices (analysed on slide 5)

Combination of all the payments made to GMS practices, after cleaning the dataset as set out on slide 3.

Quality and Outcomes Framework (analysed on slide 7)

The objective of the QOF is to improve the quality of care patients are given by rewarding practices for the quality of care they provide to their patients.



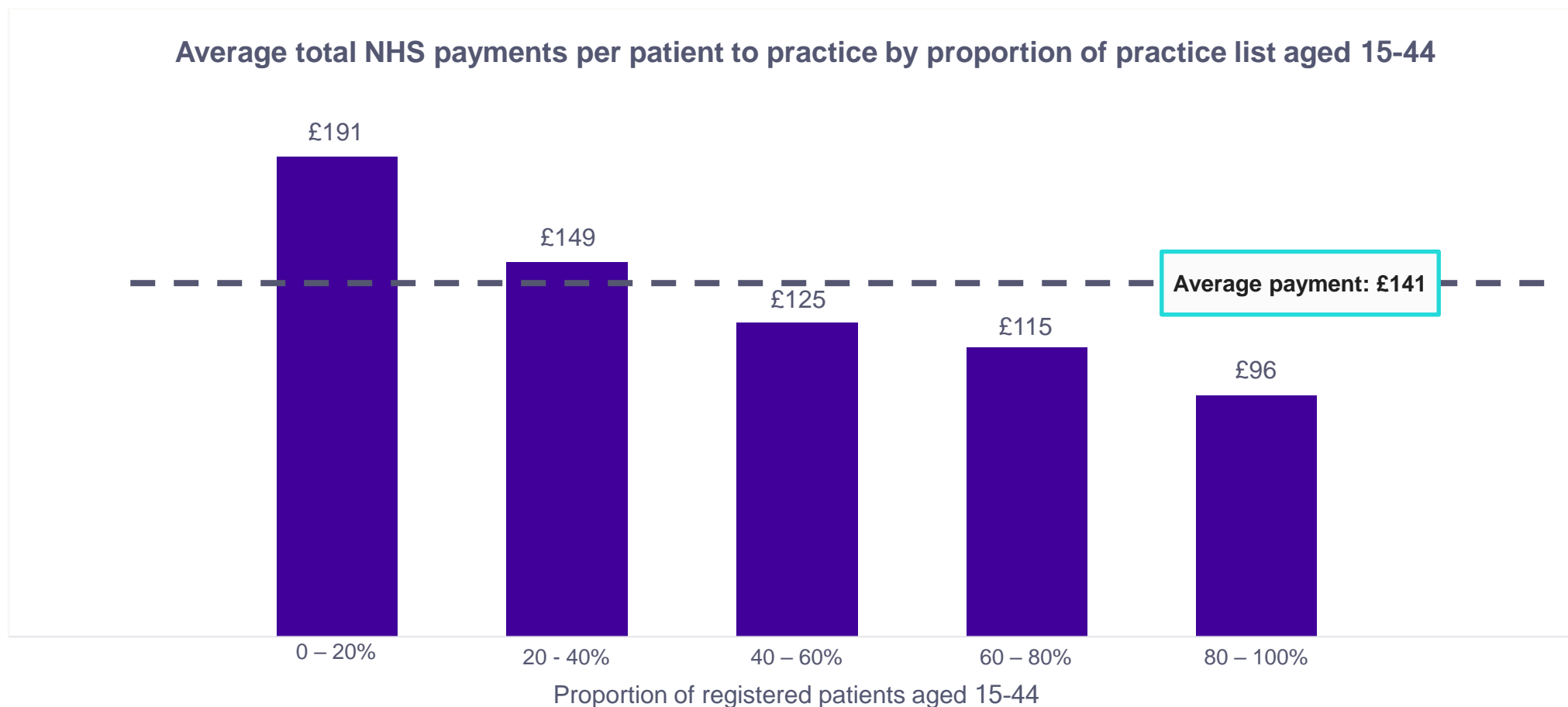
Global sum (analysed on slide 6)

The main payment to practices - based upon each practice's registered patient list, adjusted according to the Carr-Hill Formula to produce a "weighted patient list" for payment. The weighted patient list takes into consideration the age and sex of the patients, as well as any in nursing or residential care, additional patient need due to medical conditions, patient turnover and unavoidable costs based upon rurality and staff market forces for the area.

Other elements of payment (not analysed here)

Includes National and Local Enhanced Schemes, Minimum Practice Income Guarantee, Seniority payments and prescribing payments

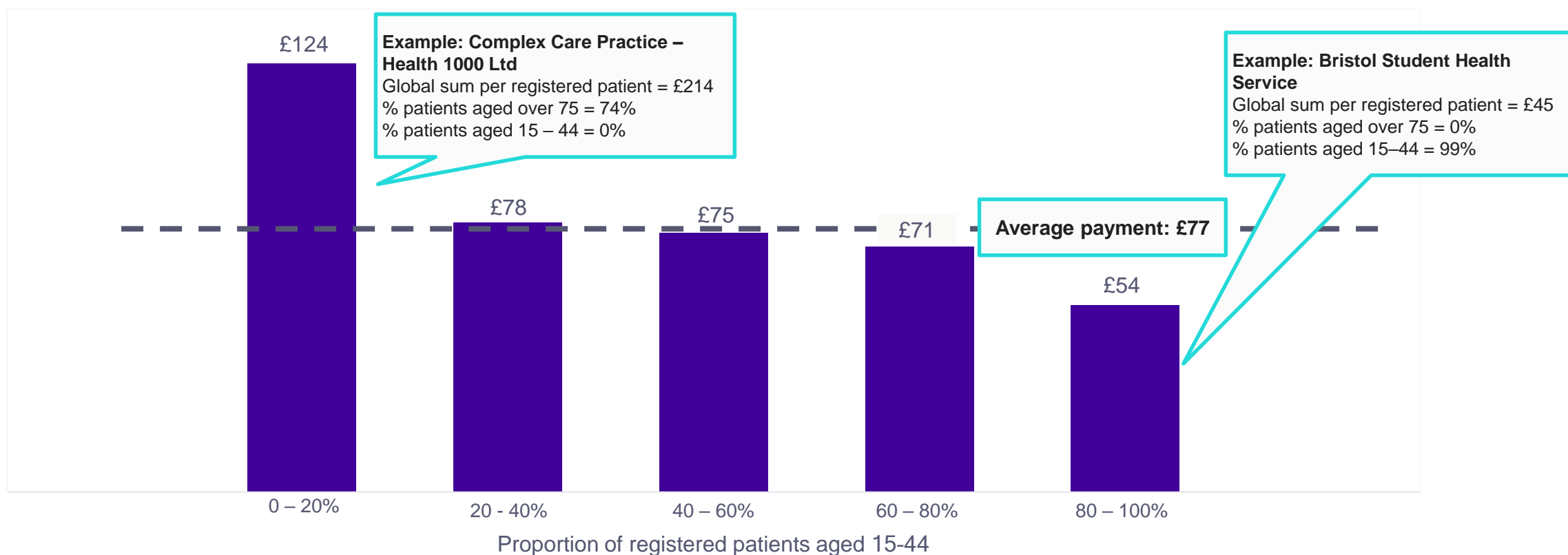
Practices with a low proportion of 15-44 year olds get twice the funding per patient as those with mostly younger patients



Source: "Total NHS payments minus deductions" field in [NHS Payments to General Practice, England, 2016/17](#). Proportion of patients aged 15-44 taken from [Numbers of Patients Registered at a GP Practice \(practice level, 5 year age groups\)](#). The 15-44 year old age band was selected to reflect the age bands used in the Carr-Hill formula (see slide 8)

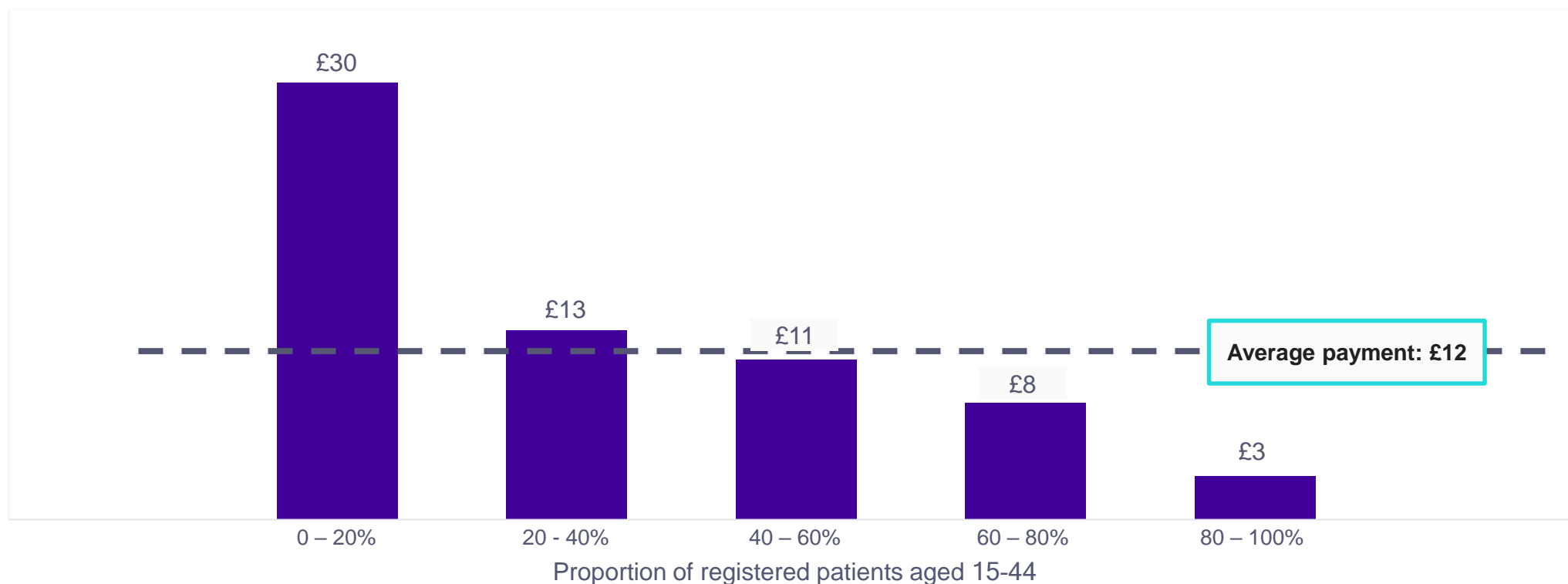
The variation in payment per patient is seen in the “capitated” (Global Sum) component of practice funding...

Average Global Sum payment per patient to practice by proportion of practice list aged 15-44



... and in non-capitated elements of funding like QOF

Average QOF payment per patient to practice by proportion of practice list aged 15-44



Note: "QOF" = Quality and Outcomes Framework

Source: "TotalQOFPayments_£" field in [NHS Payments to General Practice, England, 2016/17](#). Proportion of patients aged 15-44 taken from [Numbers of Patients Registered at a GP Practice \(practice level, 5 year age groups\)](#). The 15-44 year old age band was selected to reflect the age bands used in the Carr-Hill formula (see slide 8)

The main reason for the variation is that payment is deliberately linked to resource utilisation: The Carr-Hill formula includes a 6-fold variation in global sum funding for patients of different ages and sexes

Carr-Hill weightings*							
	0-4	5-14	15-44	45-64	65-74	75-84	85+
Male	3.97	1	1.02	2.15	4.19	5.81	6.27
Female	3.64	1.04	2.19	3.36	4.9	6.56	6.72

Convert to Global Sum using national population in each age-sex group, combined with national average payment of £83.64**

Global Sum payment per patient							
	0-4	5-14	15-44	45-64	65-74	75-84	85+
Male	£ 126	£ 32	£ 32	£ 68	£ 133	£ 184	£ 199
Female	£ 115	£ 33	£ 69	£ 106	£ 155	£ 208	£ 213

>6x difference

* From: Table 3, [NHS Employers "Carr-Hill resource allocation formula" document](#)

** From: Annex B, ["NHS England Letter: GMS Contract Changes 2018/19"](#)



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