

**REPORT TO THE PBC Governance Committee  
TO BE HELD ON: 8<sup>th</sup> July 2009**

<b>Enclosure:</b>							
<b>Subject:</b>	Prescribing Incentive Scheme – East Staffordshire PBC						
<b>Lead Director:</b>	Sue Price						
<b>Lead Officer:</b>	Gill Killbery						
<b>Recommendation:</b>	<table border="1" style="width: 100%; text-align: center;"> <tr> <td style="width: 25%;">For Approval</td> <td style="width: 5%;">X</td> <td style="width: 25%;">For Discussion</td> <td style="width: 5%;"></td> <td style="width: 20%;">For Information</td> <td style="width: 20%;"></td> </tr> </table>	For Approval	X	For Discussion		For Information	
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**PURPOSE OF THE REPORT:**

To explain the Prescribing Incentive Scheme (PIS) proposed by East Staffs PCT

**KEY POINTS:**

The PIS is a contingent on a certain level of savings being achieved by individual practices.

Value of payment is linked on effort required to achieve.

Target savings are calculated using four indicators – ACE usage, generic prescribing, PPI's, Statins and ISO mono 60mg.

Reduction in Category M costs or other windfall savings will be removed from underspends before comparison to savings targets.

Movement of costs from primary care into secondary care will be monitored any savings generated in this way will be removed from underspends before comparison to savings targets.

**CORPORATE OBJECTIVES:**

9 Financial Health, 10 Delivery of performance targets.

**RESPONSIBLE COMMITTEE:**

NAME:

APPROVED at cmte: YES/NO

Date of Cmte:

**IMPLICATIONS:**

<b>Legal and/or Risk</b>	Savings made non recurrently.
<b>Standards for Better Health</b>	Quality cost effective services being delivered
<b>Financial</b>	Financial savings
<b>Training</b>	Non needed

<b>PBC</b>	PBC initiative.
<b>Patient Engagement &amp; safety</b>	Encouragement of NICE evidenced best practice

**RECOMMENDATIONS / ACTION REQUIRED:**

**The PBC Governance Committee are asked to: approve this scheme**

**Prescribing Incentive Scheme**  
**East Staffordshire PBC Consortium**

The East Staffs PBC Consortium is proposing a prescribing incentive scheme to encourage quality cost effective prescribing across the district.

The practices within East Staffordshire vary considerably in size and rural position. Seven practices are dispensing practices.

The consortium is proposing a scheme based on savings identified across five areas of quality prescribing, these values are being validated by the PCT medicines management team.

Payment from the scheme should be made on a fair basis allowing practices delivering best practice in these areas an equal opportunity to benefit from the scheme.

The fund available for payment of the PIS has maximum value of 65k.

Any windfall savings will be removed from underspends before comparison to target is made.

**Details of Scheme:**

Quality prescribing in five particular areas theoretically will result in a savings of £427,000 across the district. The five areas are:

- Statins
- Generic prescribing
- ISO Mono 60mg
- PPI
- ACE

Due to the individuality of patients the expected medicines will not be appropriate for everyone. Therefore it is proposed that a savings target of £213,000 is set for the district as a whole (i.e. 50% movement).

The value for each practice varies considerably. Before these figures are distributed medicines management have been asked to validate the components.

It is proposed that 30% of the target savings are used to provide a prescribing incentive fund. This would provide £65,000 for distribution under the scheme.

Practices who are very good prescribers will have a small target, however the quick wins regarding achievement of cost reduction will already have been done therefore making that small reduction as hard if not harder to achieve that a larger reduction linked to a practice that has not implemented some simple changes.

In order to ensure every practice has potential to earn funds under the PIS it is proposed that practices access £0.42 per patient from the fund on achievement of their target. The population base will be calculated using 1/1/10 raw list sizes. i.e. a practice with a population of 10,000 patients could receive access to £4200.

Should practices achieve 75% of their savings target they will be entitled to access £0.25 per patient from the fund.

Any changes in prescribing habits which shift costs for from one area of budget to another will be compensated for before the comparison to target savings at the end of the year. Any windfall savings made from category M cost changes will also be removed before comparison to targets.

Although savings targets have been calculated using five particular areas of prescribing the practices are not restricted to the work on these areas alone. Delivery of the financial savings using quality prescribing from all areas will result in achievement of the PIS.

The scheme will be measured over the full financial year 2009/10 therefore will not be payable until June 2010 when March actual costs become available.

Practices all have access to prescribing advisors to assist them in identifying and implementing areas for quality and cost improvement for their particular patients. This should help ensure changes are embedded and ideas are shared across the district.