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**PRIME MINISTER** 23 February 1990

## TARGETS IN THE NEW GP CONTRACT

In the attached letter (Appendix 1), Dr Clive Froggatt points out a significant weakness in the new GP contract, to be implemented in April. So far Kenneth Clarke has insisted that under the new rules no GP will have any incentive to remove a patient from his list. Unfortunately, there are increasing signs that some GPs are doing just that. If this trend continues there is a danger that our reforms could be undermined by a flaw in the GP contract.

### The Problem

One of the aims of the new contract is to increase both the numbers of childhood immunisations and screening tests for cervical cancer. It is hoped that this will be achieved by replacing the current fee-for-service payments with a target based system linked to incentives.

For example, under the new contract if a half of the women aged 25-64 on a GP's list have been screened, a GP will receive over £700. If 80% or more have been screened, the payment increases threefold.

The main problem is that some patients may refuse to be screened on personal grounds irrespective of the time taken by a GP in convincing the patients otherwise.

If a GP's success rate is just below one of the target bands the GP has a financial incentive to remove a few unscreened patients. Lost capitation fees of about £12 per person for the under 65s will be more than offset by a significant gain in the target payment.



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Perhaps this explains the loss of 120 women patients from a GPs list in Filey, as reported by "The Independent on Sunday" under the headline "Doctors drop unprofitable female patients" (Appendix 2).

Also, a greater problem could be the 'unscreened label' that such patients will carry with them to any new GP. A GP may think twice before accepting a patient who refuses a smear test.

Dr Liam Fox, a Beaconsfield GP, who incidentally has been selected to stand in a safe Conservative seat in the West Country, also expressed his concerns to me. If we are able to tackle the problem, he believes we are simply showing our willingness to help patients by correcting a deficiency in the contract. It would not mean we are offering new concessions under pressure from the BMA.

**The Way Forward**

Kenneth Clarke is understandably reluctant to fine-tune the contract at this late stage. But there is a risk that this problem could escalate unless we remove genuine conscientious objectors from a GP's target list for the purpose of calculating the incentive payment.

You could express your concerns to Kenneth Clarke in a private office minute asking for a note on the effect of the new targets so far and possible remedial action that could be taken.

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