B cclackup R12/3 * AM310 Paul Gray Esq Richmond House Private Secretary 10 Downing Street 79 Whitehall LONDON SCANNED London SW1A 2NS 12 March 1990 Telephone 01 210 5155 From the Secretary of State for Health Dear Paul NEW GP CONTRACT: LETTER FROM DR CLIVE FROGGATT Thank you for your letter of 27 February enclosing one from Dr Froggatt about target payments under the GPs' new contract. A draft reply for the Prime Minister is attached. It is rather long but the Secretary of State thought that as the issue is complex the Prime Minister would want to set out the Government's position fully. My Secretary of State does not accept the points made by Dr Froggatt. He and Dr Froggatt frequently discuss policy but this is one of the comparatively few issues on which they have always disagreed. It was never intended that the higher targets in particular should be achieved by all GPs. The high level of payment gives a real incentive for the best organised practices to put in the extra health promotion effort required to achieve it. The gaps between the targets (90%) for immunisation and 80% for cervical cancer screening) and 100% coverage give sufficient leeway for the kind of circumstances which Dr Froggatt envisages. The payments for the higher targets will be additional to the average remuneration recommended by the Review Body so no GP will lose any money to which he or she would previously have been entitled if he or she fails to achieve the higher targets. Dr Froggatt has also been rather selective in his criticism of the new arrangements omitting, for example, reference to the lower level target payments payable to GPs who do fairly well but do not reach the higher levels. A GP would achieve the lower target if half the women on his list refuse screening for cervical cancer

which is a highly improbable situation. For this and other reasons (as stated in the draft) the Secretary of State feels that the Government should not modify the scheme at this stage but monitor its effectiveness and change it only if it is clear from experience that that is necessary.

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It would be also necessary to make fresh Regulations and have another debate in the House if Dr Froggatt were suddenly able to persuade the Secretary of State to make the changes he proposes.

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A J McKEON Private Secretary