

# **NATIONAL HEALTH SERVICE ACT 1977**

## **ALTERNATIVE PROVIDER MEDICAL SERVICES (FINANCIAL PROVISIONS) DIRECTIONS 2006**

The Secretary of State for Health, in exercise of the powers conferred by section 17 of the National Health Service Act 1977(a), gives the following Directions:

### **Citation, commencement and application**

1. —(1) These Directions, which may be cited as the Alternative Provider Medical Services (Financial Provisions) Directions 2006, shall come into force on 31st March 2006.

(2) These Directions are given to Primary Care Trusts in England and apply in relation to England.

(3) In these Directions—

“1977 Act” means the National Health Service Act 1977;

“APMS Contract” means arrangements made under section 16CC(2)(b) of the 1977 Act for the provision of primary medical services and includes any arrangements which are made in reliance on a combination of section 16CC(2)(b) of the 1977 Act and any other powers available to a Primary Care Trust;

“APMS contractor” means the person who has entered into an APMS Contract with a PCT; and

“GMS Contract” means a contract under section 28Q of the 1977 Act.

### **Review of financial provisions**

2.—(1) A Primary Care Trust must review, at the earliest opportunity and in any event no later than 1st May 2006, the terms of all the APMS Contracts it has entered into and which remain in force.

(2) In carrying out a review, the Primary Care Trust must identify those financial provisions and other terms of an APMS Contract which, if amended, could constrain any increases in payments made under the APMS Contract from 1st April 2006.

(3) Having identified such financial provisions and terms, the Primary Care Trust must discuss and where possible agree with the APMS Contractor changes to those financial provisions and terms.

(4) The aim of such changes should be to constrain any increases in payments made under the APMS Contract during the period from 1st April 2006 to 31st March 2007 so as to keep

---

(a) 1977 c. 49. Section 17 was substituted by the Health Act 1999 (c.8) (“the 1999 Act”), section 12 and amended by the Health and Social Care Act 2001 (c.15), Schedule 5, paragraph 5 and the National Health Service Reform and Health Care Professions Act 2002 (c.17), Schedule 1, paragraph 7; section 18(3) was amended by the Health Authorities Act 1995 (c.17), section 3(8) and Schedule 1, paragraph 9(c) and the 1999 Act, section 12(4).

such increases at a level similar to the level of increases which will apply with effect from 1st April 2006 in the case of contractors providing primary medical services under a GMS Contract.

(5) In its consideration of the amendments necessary to achieve such constraints, the Primary Care Trust shall have regard to the provisions of the publication "Guidance on non-GMS Contracting Arrangements for 2006/07"<sup>(a)</sup> issued by the Department of Health on 14th March 2006.

### **New APMS Contracts**

3. A Primary Care Trust shall have regard to the provisions of the publication "Guidance on non-GMS Contracting Arrangements for 2006/07" issued by the Department of Health on 14th March 2006 in negotiating the terms of any APMS Contracts it proposes to enter into for the provision of primary medical services for any period after 31<sup>st</sup> March 2006.

Signed by authority of the Secretary of State for Health



30<sup>th</sup> March 2006

A member of the Senior Civil Service  
Department of Health

---

<sup>(a)</sup> [http://www.dh.gov.uk/PublicationsAndStatistics/LettersAndCirculars/DearColleagueLetters/DearColleagueLettersArticle/fs/en?CONTENT\\_ID=4131393&chk=LNXSnT](http://www.dh.gov.uk/PublicationsAndStatistics/LettersAndCirculars/DearColleagueLetters/DearColleagueLettersArticle/fs/en?CONTENT_ID=4131393&chk=LNXSnT)