

**NATIONAL HEALTH SERVICE ACT 1977**

**PERSONAL MEDICAL SERVICES AGREEMENTS**  
**(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 Personal Medical Services Agreements (Financial Provisions) Directions 2006, shall come into force on 31st March 2006.

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

(3) In these Directions—

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

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

“PMS Agreement” means an agreement for primary medical services made under section 28C of the 1977 Act;

“PMS provider” means the person who has entered into a PMS Agreement with a relevant body; and

“relevant body” means—

- (a) in a case where a Primary Care Trust is providing services under a PMS Agreement with a Strategic Health Authority, that Strategic Health Authority; and
- (b) in all other cases, a Primary Care Trust.

**Review of financial provisions**

2.—(1) A relevant body must review, at the earliest opportunity and in any event no later than 1st May 2006, the terms of all the PMS Agreements it has entered into and which remain in force.

(2) In carrying out a review, the relevant body must identify those financial provisions and other terms of a PMS Agreement which, if amended, could constrain any increases in payments made under the PMS Agreement from 1st April 2006.

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(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).

(3) Having identified such financial provisions and terms, the relevant body shall discuss and where possible agree with the PMS provider changes to those financial provisions and terms.

(4) The aim of such changes should be to constrain any increases in payments made under the PMS Agreement during the period from 1st April 2006 to 31st March 2007 so as to keep 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 relevant body shall have regard to the provisions of the publication “Guidance on non-GMS Contracting Arrangements for 2006/07”(a) issued by the Department of Health on 14th March 2006.

### **New PMS Agreements**

**3.** A relevant body 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 PMS Agreements 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

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(a) [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)