

# **PERSONAL MEDICAL SERVICES AGREEMENTS (PAYMENTS FOR SPECIFIC PURPOSES) DIRECTIONS 2005**

The Secretary of State for Health, in exercise of the powers conferred upon him by section 28E(3A) and 126(4) of the National Health Service Act 1977<sup>a</sup>, and of all other powers enabling him in that behalf, gives the directions set out in this instrument.

## **PART 1 GENERAL**

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

1. These Directions may be cited as the Personal Medical Services Agreements (Payments for Specific Purposes) Directions 2005 and shall come into force on 1st April 2005. These Directions apply in relation to England only.

### **Interpretation**

2. In these Directions—

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

“the 2004 Regulations” means the National Health Service (Personal Medical Services Agreements) Regulations 2004<sup>b</sup>;

“contractor”, unless the context otherwise requires, means—

- (a) except in the case of a PMS agreement between a PCT and a Strategic Health Authority, a person who is entering into, or who has entered into, a PMS agreement with a PCT; or
- (b) in the case a PMS agreement between a PCT and a Strategic Health Authority, the PCT;

“employed or engaged”, in relation to a medical practitioner’s relationship with a contractor, includes—

- (a) a sole practitioner who is the contractor;

---

<sup>a</sup> 1977 c.49. Part 28E(3A) was inserted by section 177(8) of the Health and Social Care (Community Health and Standards) Act 2003 (c.43). Section 126(4) has been amended by section 65(2) of the National Health Service and Community Care Act 1990 (c.19), paragraph 37 of Schedule 4 to the Health Act 1999 (c.8) and paragraph 5(13)(b) of Schedule 5 to the Health and Social Care Act 2001 (c.15).

<sup>b</sup> S.I. 2004/627, as amended by S.I. 2004/906 and 2694.

- (b) a medical practitioner who is a partner in a contractor that is a partnership; and
- (c) a medical practitioner who is a shareholder in a contractor that is a company limited by shares;

“FCS” means Flexible Careers Scheme;

“full-time” means, *in* relation to a performer of primary medical services with a contract of employment, a contractual obligation to work for at least 37½ hours per normal working week, and the hours total may be made up surgeries, clinics, administrative work in connection with the performance of primary medical services, or management activities and other similar duties which enhance the performance of the contractor as a provider of primary medical services but do not directly relate to the performance of primary medical services;

“general practitioner” has the same meaning as in the 2004 Regulations;

“GP” means general practitioner;

“GP performer” means a *GP*–

- (a) whose name is included in a medical performers list of a PCT; and
- (b) who performs medical services under a PMS agreement, and who is–
  - (i) himself a contractor (i.e. a sole practitioner); or
  - (ii) an employee of, a partner in or (if the contractor is a company limited by shares) a shareholder in the contractor;

“medical performers list” is to be construed in accordance with regulation 3(1) of the National Health Service (Performers Lists) Regulations 2004<sup>a</sup>;

“part-time” means, in relation to a performer of primary medical services with a contract of employment, a contractual obligation to work for less than 37½ hours per normal working week, and the hours total may be made up surgeries, clinics, administrative work in connection with the performance of primary medical services, or management activities and other similar duties which enhance the performance of the contractor as a provider of primary medical services but do not directly relate to the performance of primary medical services;

“PCT” means Primary Care Trust;

“PMS” means personal medical services;

---

<sup>a</sup> S.I. 2004/585, as amended by S.I. 2004/865 and 2694.

“PMS agreement” means section 28C arrangements which require the provision of primary medical services;

“quarter” means a quarter of the financial year;

“relevant body” means—

- (a) in the case where a contractor is entering or which has entered into a PMS agreement with a PCT, that PCT; and
- (b) in the case where a contractor is entering or which has entered into a PMS agreement with a Strategic Health Authority, that Strategic Health Authority;

“RS” means Returners’ Scheme;

“sole practitioner” means a GP performer who is himself a contractor; and

“time commitment fraction” is the fraction produced by dividing a performer of primary medical services’ actual working commitment by 37½ hours (the hours total may be made up surgeries, clinics, administrative work in connection with the performance of primary medical services, or management activities and other similar duties which enhance the performance of the contractor as a provider of primary medical services but do not directly relate to the performance of primary medical services).

### **Revision of these Directions**

3. These Directions may be revised at any time, in certain circumstances with retrospective effect.<sup>a</sup> For the most up-to-date information, contact the Department of Health at Room 3N34A, Quarry House, Quarry Hill, Leeds, LS2 7UE, or visit the following web-site: [www.dh.gov.uk](http://www.dh.gov.uk).

### **Revocations**

4. The following provisions are hereby revoked—
- (a) the Personal Medical Services Agreements (Payments for Specific Purposes) Directions 2004; and
  - (b) direction 3 of the Primary Medical Services (Payment Arrangements) Amendment Directions 2004,

but those provisions continue to have effect in relation to claims for payments that relate to the financial year 2004 to 2005.

---

<sup>a</sup> See section 28E(3B) of the 1977 Act.

**PART 2**  
**FLEXIBLE CAREER SCHEME**

5. The Flexible Careers Scheme is an established Scheme for certain part-time doctors. It is managed locally by Postgraduate Deaneries and is for employed doctors only. Contractors are eligible for contractor payments under this Scheme, but will also receive payments to be forwarded to doctors.

***Flexible Careers Scheme contractor payments***

6. A relevant body must pay to a contractor under its PMS agreement a FCS contractor payment if–

- (a) it employs a part-time doctor who is a member of the FCS;
- (b) that FCS doctor performs primary medical services under its PMS agreement, as a medical practitioner, with a working commitment that generates a time commitment fraction of at least one fifth but not more than five ninths, except that the doctor may also work–
  - (i) an additional 28 hours, during the membership year, of funded education time for personal and professional development, and
  - (ii) a limited amount of additional time in the NHS, with the approval of his local Director of Postgraduate GP Education.

7. For the purposes of the calculation of time commitment in direction 6(b), the following periods of leave are discounted–

- (a) annual leave up to a maximum of six weeks *pro rata* (compared to full-time);
- (b) maternity, paternity, parental or adoption leave endorsed by the relevant body;
- (c) sickness leave endorsed by the relevant body;
- (d) special leave in an emergency, which is granted in accordance with employment law and guidance issued by the Department of Trade and Industry; and
- (e) other special leave for pressing personal or family reasons, endorsed by the relevant body.

***Amount of FCS contractor payments***

8. Relevant bodies will need to obtain from the contractor at the end of each quarter a return of the actual cost to the contractor, rounded to the nearest pound, of it employing the FCS doctor while he is a member of the FCS. This is–

- (a) to include salary, national insurance contributions and NHS Pension Scheme employer's superannuation contributions (where these are paid by the contractor);
- (b) not to include costs relating to any additional work the FCS doctor is permitted, with the approval of his local Director of Postgraduate GP Education, to undertake outside the FCS.

9. A percentage of that amount is then payable as the contractor's FCS contractor payment, as calculated (subject to the following provisions of this Part) in accordance with the following table—

**TABLE**

*In respect of doctors whose applications to join the FCS have been received by their local Director of Postgraduate GP Education before 1st January 2004 and who join the scheme before 1st April 2004*

Year 1	50%
Year 2	50%
Year 3	25%
Year 4	10%

*In respect of other FCS doctors*

Year 1	50%
Year 2	25%
Year 3	10%

10. For these purposes—

- (a) the qualifying date for the first payment, and so the start of the doctor's first year in the Scheme, is the date the doctor joins the Scheme; and
- (b) if, in relation to any period of leave referred to in direction 7 the local Director of Postgraduate GP Education reasonably determines that, for exceptional reasons, the year of membership of the FCS in which the period of leave started should be extended, that year of membership shall not be taken to have elapsed until a full year has elapsed from the start of that year of membership, discounting the period of leave, and his qualifying date for payments must be adjusted accordingly;
- (c) if the quarterly return relates to costs incurred in respect of different years of membership of the FCS, the contractor must specify which costs relate to which year of membership of the Scheme.

### ***Amount of FCS doctor payments***

**11.** Subject to the following provisions of this Part, if a contractor is eligible for a FCS contractor payment, the relevant body must also pay to the contractor under its PMS agreement, in respect of the doctor who is a member of the FCS–

- (a) an annual FCS doctor payment of £1,050; and
- (b) a payment to cover the amount of any employer’s national insurance contributions which are payable by the contractor in respect of that FCS doctor payment.

### ***Payments in respect of part years***

**12.** If–

- (a) an FCS doctor’s membership of the FCS ceases during a year of membership; or
- (b) an FCS doctor moves to new employer during a year of membership of the FCS but remains a member of the FCS,

the amount of the FCS doctor payment payable to the contractor is to be adjusted by multiplying the amount of the payment otherwise payable by the following fraction: the number of days for which the FCS doctor is contracted to work for the contractor during the membership year, divided by 365 – and any payment of employer’s superannuation contributions under direction 11(b) is to be adjusted accordingly.

### ***Payments in respect of educational sessions***

**13.** In respect of each of up to eight educational sessions attended in a year of membership of the FCS by an FCS doctor, and on the basis of a return from the contractor at the end of each quarter, the relevant body must reimburse the contractor who employs the FCS doctor under its PMS agreement for–

- (a) the actual cost of employing the FCS doctor during those sessions; and
- (b) any expenses claimed by and paid to the FCS doctor by the contractor to cover the cost of his actual travel and subsistence in attending those sessions, if these costs are reasonable in the opinion of the relevant body.

### ***Payment arrangements***

**14.** FCS doctor payments to the contractor are to fall due on the last day of the month during which his qualifying date falls, taking account of any adjustment of his qualifying date in accordance with direction 10.

**15.** The other payments under this Part are to fall due on the last day of the month following the quarter in respect of the quarterly return is made.

***Conditions attached to Flexible Career Scheme payments***

**16.** FCS contractor payments and payments under direction 13(a), or any part thereof, are only payable if the contractor satisfies the following conditions (which, in accordance with regulation 14 of the 2004 Regulations, are to be terms of the PMS agreement under which the payments are to be made)–

- (a) the contractor must make available to the relevant body any information which the relevant body does not have but needs, and the contractor either has or could reasonably be expected to obtain, in order to calculate the payment. In particular, the contractor must, on request, provide the relevant body with written records demonstrating the actual costs it is seeking to recover; and
- (b) all information supplied pursuant to or in accordance with this direction must be accurate.

**17.** FCS doctor payments, or any part thereof, are only payable if the following conditions (which, in accordance with regulation 14 of the 2004 Regulations, are to be terms of the PMS agreement under which the payments are to be made) are satisfied–

- (a) a contractor that receives an FCS doctor payment in respect of a doctor must give that payment to that doctor–
  - (i) within one calendar month of it receiving that payment, and
  - (ii) as an element of the personal income of that doctor, subject to any lawful deduction of income tax, national insurance and superannuation contributions,

once it has secured from the doctor an enforceable undertaking that he will repay to the contractor any amount repayable by the contractor to the relevant body under this Part in respect of him;

- (b) the contractor must inform the relevant body if the doctor in respect of whom the payment is made ceases to be a member of the FCS.

**18.** Payments in respect of expenses under direction 13(b) are only payable if the following conditions (which, in accordance with regulation 14 of the 2004 Regulations, are to be terms of the PMS agreement under which the payments are to be made) are satisfied–

- (a) the contractor must make available to the relevant body any information which the relevant body does not have but needs (including receipts), and the contractor either has or could reasonably be expected to obtain in order to calculate the payment; and
- (b) all information provided pursuant to or in accordance with paragraph (a) must be accurate.

**PART 3**  
**RETURNERS' SCHEME**

**19.** The Returners' Scheme is an established Scheme designed to facilitate the return of qualified GPs to the NHS. It is managed locally by Postgraduate Deaneries, each of which has a local Return Co-ordinator responsible for admitting doctors to the Scheme.

***RS doctor payments***

**20.** If a GP performer has been employed or engaged by a contractor, and that GP performer is a doctor who is a member of the RS, the relevant body must, in respect of that doctor, pay to the contractor, in respect of each year of membership of the Scheme which starts on or after 1st April 2005–

- (a) an annual RS doctor payment of £1,050; and
- (b) a payment to cover the amount of any employer's national insurance contributions which are payable by the contractor in respect of that RS doctor payment.

**21.** If–

- (a) a RS doctor's membership of the RS ceases during a year of membership; or
- (b) a RS doctor moves to a new employer during a year of membership of the RS, or becomes a partner or shareholder in a different contractor, but remains a member,

the amount of the RS doctor payment payable to the contractor is to be adjusted as follows. Multiply the amount of the payment otherwise payable by the following fraction: the number of days for which the RS doctor is contracted to work for the contractor during the membership year, divided by 365 – and any payment of employer's national insurance contributions under direction 20(b) is to be adjusted accordingly.

**22.** Payments under this Part to the contractor are to fall due on the last day of the month during which–

- (a) the date on which the GP performer joins the scheme falls; or
- (b) the anniversary of the date on which the GP performer joined the scheme falls.

***Conditions attached to Returners' Scheme doctor payments***

**23.** RS doctor payments, or any part thereof, are only payable if the following conditions (which, in accordance with regulation 14 of the 2004 Regulations, are to be terms of the PMS agreement under which the payments are to be made) are satisfied—

- (a) a contractor who receives a RS doctor payment in respect of a GP performer must give that payment to that GP performer—
  - (i) within one calendar month of it receiving that payment, and
  - (ii) as an element of the personal income of that doctor, subject to any lawful deduction of income tax, national insurance and superannuation contributions,

once it has secured from the doctor an enforceable undertaking that he will repay to the contractor any amount repayable by the contractor to the relevant body under this Part in respect of him;

- (b) the contractor must inform the relevant body if the GP performer in respect of whom the payment is made ceases to be a member of the RS.

**PART 4  
DOCTORS' RETAINER SCHEME**

**24.** The Doctors' Retainer Scheme is a scheme designed to keep doctors who are not working in general practice in touch with general practice.

***Payments in respect of sessions undertaken by members of the Scheme***

**25.** Where—

- (a) a contractor who is considered as a suitable employer of members of the Doctors' Retainer Scheme by the Regional Dean employs or engages a member of the Doctors' Retainer Scheme; and
- (b) the service sessions for which the member of the Doctors' Retainer Scheme is employed or engaged by that contractor have been arranged by the local Director of Postgraduate GP Education,

the relevant body must pay to that contractor under its PMS agreement £59.18 in respect of each full session that the member of the Doctors' Retainer Scheme undertakes for the contractor in any week, up to a maximum of four sessions per week.

***Payment conditions***

**26.** Payments under this Part are to fall due at the end of the month in which the session to which the payment relates takes place. However, the payments, or any part

thereof, are only payable if the contractor satisfies the following conditions (which, in accordance with regulation 14 of the 2004 Regulations, are to be terms of the PMS agreement under which the payments are to be made)–

- (a) the contractor must inform the relevant body of any change to the member of the Doctors' Retainer Scheme's working arrangements that may affect the contractor's entitlement to a payment under this Part; and
- (b) the contractor must inform the relevant body if the doctor in respect of whom the payment is made ceases to be a member of the Doctors' Retainer Scheme, or if it ceases to be considered a suitable employer of members of the Doctors' Retainer Scheme by the Regional Dean.

## **PART 6 PROLONGED STUDY LEAVE**

**27.** GP performers may be entitled to take prolonged study leave, and in these circumstances, the contractor for whom they have been performing services under its PMS agreement may be entitled to an educational allowance, to be forwarded to the GP performer taking prolonged study leave.

### ***Types of study in respect of which prolonged study leave may be taken***

**28.** Payments may only be made under this Part in respect of prolonged study leave taken by a GP performer where–

- (a) the study leave is for at least 10 weeks but not more than 12 months;
- (b) the educational aspects of the study leave have been approved by the local Director of Postgraduate GP Education, having regard to any guidance on prolonged study leave that Directors of Postgraduate GP Education have agreed nationally; and
- (c) the relevant body has determined that the payments to the contractor under this Part in respect of the prolonged study leave are affordable, having regard to the budgetary targets it has set for itself.

### ***Educational allowance payments***

**29.** Where the criteria set out in direction 28 are met, in respect of each week for which the GP performer is on prolonged study leave, the relevant body must pay the contractor an educational allowance payment of £133.68, subject to the following condition (which, in accordance with regulation 14 of the 2004 Regulations, is to be a term of the PMS agreement under which the payment is to be made): where the contractor is aware of any change in circumstances that may affect its entitlement to the educational allowance payment, it must notify the relevant body of that change in circumstances.

Signed by authority of the Secretary of State for Health

A handwritten signature in black ink, appearing to read 'R. Armstrong', written on a light blue background.

*Richard Armstrong*  
A member of the Senior Civil Service  
Department of Health

30 March 2005