

IMPLEMENTING LOCAL COMMISSIONING FOR PRIMARY CARE DENTISTRY



Factsheet 2 – Making New Agreements with PDS Dentists

This Factsheet is designed to remind PCTs of the key issues to take into account in agreeing new contracts for dentists in Personal Dental Services (PDS) pilots.

PDS dentists providing the full range of 'mandatory services' are entitled to either a new PDS agreement or a new GDS contract.

Key information sources

The Dental Practice Board (DPB¹) will have sent you:

- a) GDS profiles for dentists who moved into the PDS during the reference period or immediately before the start of the reference period (1 October 2004 to 30 September 2005) and will therefore have fee payments and activity reported for part of the reference period;
- b) GDS profiles for dentists who moved into the PDS after the end of the reference period, and will typically therefore have a full 12 months' reference payments and activity.

For PDS practices, the DPB will have sent the registration totals (by age) for each registration quarter (December 2004 etc.,) and the reported courses of treatment during the reference period (part or full year) expressed as Units of Dental Activity. Please bear in mind the caveats flagged up in the DPB guidance notes, namely:

- potential under-reporting of PDS activity
- reported activity levels artificially depressed by transitional effects during adjustment to new ways of working
- lack of reporting for services not associated with Units of Dental Activity.

The DPB has not provided information on orthodontic treatment, as this has not proved sufficiently robust within PDS pilots for it to be useful for agreeing new contracts. If you specifically request it, the DPB will calculate Units of Orthodontic Activity for PDS practices that provide orthodontic services, but we do not regard this data as robust.

PCTs may also wish to take into account comparative activity levels (relative to contract values) likely to be agreed for other dentists in your area. There will be a number of reasons why activity levels vary between different providers including the average treatment needs of their patient base and the extent to which the contract value covers additional activity (e.g. health promotion)

¹ Note that from 1 April 2006 the DPB will be replaced by the Business Services Authority which will perform all the functions of the existing DPB. All references in this Factsheet to the DPB refer to the BSA if after this time.

PCTs will also wish to refer to the assumptions about patient charge income, and the associated levels of Units of Dental Activity, that the Department has made in setting net PCT budgets (as set out in the allocations AWP letter).

Key points

1. The **transition from PDS pilots to substantive PDS agreements** should largely be one of refreshing existing agreements. PCTs should already be very familiar with the dentist or practice. By virtue of the new regulations governing substantive PDS agreements (and the link to the new charging system), PCTs and dentists will however need to agree an appropriate level of Units of Dental Activity (see below).
2. **Contract holder:** if a current PDS pilot is with a practice rather than an individual dentist, then this will continue to be the case for whatever new arrangement is agreed.
3. **Term of agreement:** If moving to a new PDS agreement the minimum term for the agreement should be at least as much as the unexpired term of their existing PDS pilot.
4. The **contract value** should be the same as the existing PDS, providing the level of NHS commitment is equivalent to the level agreed for the pilot arrangements and subject to agreeing an appropriate level of Units of Dental Activity (see below). PCTs should take care to ensure that activity or sessions contracted for under PDS pilots has been delivered and vacancies have been filled.
5. **Pay/prices uplift:** the agreed contract value should be subject to the uplift that you agree with the dentist or practice following the DDRB recommendations in early 2006. You will need to agree the contract amount in 2005/06 values and then instruct the DPB after January 2006 to apply the appropriate uplift. (NB: This is different to GDS contracts where the DPB will automatically apply the uplift.)
6. If you agree a **higher contract value** for any of your PDS agreements (beyond the effect of pay/prices uplift), you will wish to ensure an appropriate increase in agreed levels of activity. In terms of assuring appropriate levels of charge income, PCTs may wish (as a starting point) to take into account the average relationship between contract values and agreed Units of Dental Activity across all their GDS and PDS providers.
7. **Seniority payments** should not be included in the contract value. PCTs will need to authorise the DPB to include a seniority payment in the contractor's monthly payment for qualifying dentists. Terms of entitlement to these payments are explained in the Statement of Financial Entitlements.
8. **Employers' Superannuation** payments should not be included in the contract value. These will be automatically calculated by the DPB (see Factsheet 4 for further information).

9. **Business rates:** reimbursement will be additional to contract values and, where a practice provides a mix of NHS and private dentistry, will be subject to the abatement requirements in the Statement of Financial Entitlements (see Factsheet 4 for further information).
10. **Contract value adjustments:** the value of the existing PDS pilot agreement will need to be adjusted for any changes in Vocational Trainee arrangements, maternity/sickness payments and rates reimbursement.
11. **Units of Dental Activity:** the activity levels for new PDS agreements are a matter for agreement between the PCT and the dentist or practice. PCTs will wish to ensure that there is sufficient activity agreed as part of the PDS agreement to deliver an appropriate level of activity for local patients and to ensure that an appropriate level of patient charges is collected.

In setting PCTs' net budgets (which need to take into account anticipated income from patient charges), the Department has recognised that contracted activity levels for PDS agreements (measured in terms of Units of Dental Activity) are likely to be lower on average than for new GDS contracts of comparable value. We have assumed an average differential of 15% (see Factsheet 4 on 'PCT Dentistry Budgets and Patient Charge Income'. This reflects:

- the fact that many PDS pilots have included agreements with practices to deliver other activities that cannot be measured in terms of 'Units of Dental Activity' and which do not attract patient charges, e.g. specific health promotion activities
- the wish to ensure that agreed activity levels are sensitive to the expectations that PDS practitioners will have had when they entered into pilot agreements.

SHA planning assumptions

We have given each SHA figures showing the aggregate levels of activity that we have assumed are reflected in GDS contracts and PDS agreements for their area. These figures are aggregated from the assumptions made in setting PCT budgets. The figures are intended as a guide to SHAs in satisfying themselves that the contracts agreed for their area are equitable, provide value for money and adequately underpin expected patient charge income levels.

To support SHA-wide financial and service planning, it is important that you discuss with your SHA what levels of activity you are planning to reflect in new PDS agreements.

Dentists transferring from PDS to GDS

If a practice wishes to move from a PDS pilot to a new GDS contract, then care will need to be taken when agreeing appropriate levels of Units of Dental Activity. For PDS pilots, the Department's assumptions about Units of Dental Activity allow for the need to reflect the expectations that PDS practitioners will have had when they entered into pilot agreements. Where PDS practitioners choose to move to

open-ended GDS contracts, the PCT will wish to take into account the typical relationship between contract values and Units of Dental Activity for other GDS providers in their area.

Signing New PDS Agreements

New PDS agreements can only be signed once the necessary regulations have come into force, which is likely to be on 1 January 2006. Where PCTs reach agreement with a dentist (or a practice) prior to this date, we recommend signing a letter of intent covering the agreed contract value, the associated level of Units of Dental Activity, and any other relevant provisions. A model new PDS agreement will be available by 16 December 2005 on the DH website.