

## **DEVOLUTION OF THE GENERAL OPHTHALMIC SERVICES (GOS) BUDGET PCT BRIEFING**

This briefing has been produced for PCTs in response to the announcement in paragraph 3.20 of the Operating Framework for the NHS in England 2010-11 that the Department has decided to devolve the central budget for general ophthalmic services to PCTs. The GOS budget consists predominantly of the cost of NHS sight test fees payable to ophthalmic contractors, and the cost of NHS optical vouchers issued to eligible patients to help with the cost of glasses. The Operating Framework notes that the Department of Health will be issuing further guidance on the detail of PCT-specific allocations for this and other devolved services shortly. In the meantime, PCTs should take note of the following points.

### **WHAT WILL NOT CHANGE?**

- Entitlement of patients to NHS funded sight tests
- Entitlement of patients to NHS optical vouchers
- Eligibility of providers for NHS contracts
- Policy on General Ophthalmic Services
- National fee rates for NHS sight tests and uniform national voucher values
- Contractors' right to set up practices in locations of their choice subject to local decisions on premises and equipment
- Sight testing service governed by national regulations which PCTs administer locally

### **WHAT WILL PCTS NOT BE REQUIRED TO DO?**

- Introduce new commissioning arrangements
- Change GOS contracts
- Change payment procedures

### **WHAT WILL PCTS NOT BE ALLOWED TO DO?**

- Limit GOS contracts by introducing quotas or limits on the number of sight tests performed or the number or value of optical vouchers issued and redeemed
- Limit patient access to services

### **WHAT WILL CHANGE?**

- PCTs will assume responsibility for funding the GOS
- Non discretionary status of GOS budget will cease
- PCTs will manage the financing of GOS services within their overall resource and cash limits

## **PROCESS FOR CHANGE**

- The process for change is outlined in the Operating Framework for 2010-11 paragraph 3.20
- Details of the indicative level of funds to be devolved to PCTs will be issued by the Department of Health shortly. Typically the additional funding responsibility will add less than 1% to a PCT's total budget responsibility
- PCTs will fund any growth in expenditure in 2010-11 from general NHS efficiency savings, i.e. from the headroom in PCT budgets as a result of lower like for like tariff prices

## **2011-12 ONWARDS**

- The devolved budget provision for the GOS will be included within PCT baselines from 2011-12 onwards
- The Advisory Committee on Resource Allocations (ACRA) will advise how the weighted capitation formula which determines PCT target allocations should reflect this and other new responsibilities

## **GOS EXPENDITURE LEVELS ARE MAINLY DETERMINED BY:**

- Sight test and associated domiciliary visit fee rates
  - Under final phase of a three year pay deal agreed previously with the profession they will increase by 2.2% from 1 April 2010
- Value of optical vouchers
  - Any change in the value of optical vouchers from April 2010 will be decided by Ministers and announced before April
- Volume of NHS sight tests performed and optical vouchers redeemed
  - No changes planned in the categories of people eligible for GOS

## **VOLUME FACTORS ARE:**

- Numbers of people eligible can change over time because of
  - demographic or other factors
  - changes in the rate of take up of sight tests
- Significant changes in the location and activity of GOS contractors may also have some effect on demand at a local level
- PCTs already have access to back data on local trends in expenditure and activity in their individual locality because of their previous experience in administering GOS

## **MINOR BUDGET ELEMENTS CONSIST OF:**

- Continuing education and training allowances for optometrists
- Supervisors allowance for optical practices that host the one year placements of pre-registration optometrists. Incidence varies widely from area to area but overall cost is very low

**PCT BUDGET MANAGEMENT PROCESS SHOULD BE BASED ON:**

- Planning of realistic budget provision. PCTs may be able to anticipate significant local developments, such as a large scale increase in unemployment leading to more people being eligible for GOS services, which may have a particular impact in their locality
- Regular in-year monitoring of expenditure trends to check whether planned provision is adequate or over-generous
- Managing any appropriate in-year redistribution of local resources to meet the expected outturn. If the initial budget provision is realistic, the scale of any unexpected variation in outturn should be relatively low in comparison with a PCT's overall budget resource.

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