

GP Contracts Go Private

Private firms will have the chance to bid for all new contracts for GP surgeries. NHS England has told the GP magazine Pulse that the change is necessary because of competition law.

Bidding for new GP contracts will normally only arise when the doctors running an existing practice retire or give up. However, there is a rising tide of practice closures in which GPs are throwing in the towel in response to increasing demands from both patients and the NHS. In addition, the ending of a minimum income guarantee has put around 100 surgeries at risk.

GP surgeries are usually run as partnerships contracted to the NHS, but the last Labour government opened the way for private companies to become involved. Unlike normal GP contracts, the Alternative Provider version introduced by Labour is usually limited to no more than five years.

NHS England now intends that contracts for all new GP practices will be in the five-year Alternative Provider form whether they are won by a partnership or a private company. Contract renewals must be in line with competition law.

Pulse reports that GPs' representatives are concerned that the five-year contracts could end continuity in general practice. They also fear that using a strict bidding process for these contracts could exclude GPs who are not equipped to take part in such competitions.

Both companies and partnerships contracted for only five years are likely to be less committed to a practice than under normal GP contracts. Earlier this year Care UK walked out of a five-year contract to run Grainger GP practice in Newcastle which still had three years to run.

A reader of Pulse posted a query about whether practices run by private companies would become members of the Clinical Commissioning Groups that run local NHSs. All GP surgeries elect representatives to CCGs, which are increasingly purchasing services from private companies to comply with competition law.

Following the introduction of the Health and Social Care Act last year, European and home-grown competition law was cited as the source of a series of bizarre decisions including bans on mergers of cash-strapped hospitals and challenges to the integration of NHS services.