OFNC
Association of British Dispensing Opticians
Association of Optometrists
British Medical Association
Federation of Ophthalmic and Dispensing Opticians
Optometric Fees Negotiating Committee
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Chairman: Mike George Secretary: Ann Blackmore

Minutes of the meeting between the OFNC and NHS England
23 February 2015
Skipton House, London and Quarry House, Leeds

Present:

OFNC	**NHS England**
Mike George (Chair)	David Roberts
Henrietta Alderman	David Brown
Sir Anthony Garrett	Andrew Laycock
David Hewlett	
Gordon Ilett	
Prof. Nagasubramanian	
Claire Slade	
Trevor Warburton	
Ann Blackmore	

1. Welcome and introductions

1.1 As it was OFNC's turn to chair, Mike George welcomed all present and thanked NHS England for hosting the meeting.

2. Context

2.1 NHS England summarised the context against which these negotiations were taking place. In many respects the position remained the same as it had been for the negotiations in the previous year. However the funding situation for NHS England was even more difficult and officials were under even greater pressure to find efficiencies across all budgets including primary care.

2.2 OFNC recognised the pressures of the current funding environment and in particular the Government's cap of 1% on public sector pay but pointed out that GOS fees cover both pay and expenses. Notwithstanding, the recent falls in inflation, historically expenses had been rising at a much faster rate and still were in respect of pay and premises rents

2.3 The sector was encouraged by many of the current policy drivers in relation to eye health – the Call to Action, the Five Year Forward View, the emphasis on care at scale outside hospital – but the simple truth was that the optical sector would not be able to deliver these strategic benefits for the

NHS and patients until the issue of crucial IT connectivity with the NHS was addressed. Funds may be tight but they were also being wasted on piece-meal commissioning of local services in the community where the agreement of national pathways commened to all CCGs could save significant funds. The OFNC would be looking for movement on these strategic issues as well as GOS fees and grants.

3. OFNC Bid 2015-16

GOS Fee

3.1 The OFNC briefly summarised the key points in the bid letter for 2015-16. Further the Government's the cap on pay did not square with the Prime Minister's recent call for the private sector to give staff pay rises. As far as running cost were concerned the current year's difficulties were compounded by the fact that there had been no recognition of the increase in costs in 2014-15, which now needed to be urgently addressed. The NHS sight test was already significantly subsidised by spectacle sales and could not be squeezed for any further efficiency. Moreover spectacles prices in real terms had fallen significantly in recent years whilst quality had improved, leaving no scope for further cross subsidy without threatening the viability particularly of independent and SME practices, which offered an essential eye health service in often deprived communities and more difficult-to-access locations, and widening health inequalities.

3.2 NHS England argued that:

- they are under serious pressure to achieve efficiency savings, and would be looking for 3-4% from GPs and dentists;
- many public sector employees will receive no pay rise at all;
- they have received no feedback of anyone having difficulty in accessing a sight test;
- while there is a turnover in the number of practices, in fact more are opening than are closing;
- private sector sight test fees are often below the NHS fee and spectacles can cost as little as £25, which suggests the NHS fee contributes to core costs; and
- inflation is currently low or even negative and therefore they would expect the expenses element of the fee to be lower than the salary element.

3.3 In response the OFNC explained that:

- The GOS fee goes entirely towards the cost of the service, it in no way contributes to overheads, indeed it does not meet the true costs of the service.
- comparisons between public sector employee pay and the optical sector are false as they do not compare like with like – clinicians in the optical looked with envy at the n terms, conditions, job security and index -linked publicly funded pensions that many public sector employees enjoyed.
- The current very low CPI cannot be used to argue that there have been no increases in costs. The CPI does not include, for example, business rates and premises which are unsubsidised by the NHS and optical practices do not benefit from the medical discount for business rates because they are classed as retail outlets. Costs have also increased as optical practices take

on additional administrative burdens, such as higher level safeguarding and Prevent training and providing data to NHS England, at no extra cost.

- As a healthcare profession the sector invests heavily in maintaining and modernising the equipment used for sight tests. Over the years this has significantly improved the quality of the sight test, with no direct support or investment from the NHS. Sight tests are also more complex now and take longer to perform, particularly for those who have more complex conditions, such as the growing elderly population. The profession has continually absorbed more clinical work over the years, far beyond what it is realistic to provide within the NHS sight test fee which has added significantly to NHS efficiency by minimising the number of referrals to hospitals and GP services.
- While the total number of practices may be stable or increasing, the types of practice and the locations they can be found is changing. Practices are increasingly finding it hard to manage without volume which jeopardises services in remote or more deprived areas.
- If the objectives of the Call to Action and Five Year Forward View are to be delivered, it is essential that there is a viable network of practices to deliver eye care in the community at local and convenient locations.
- **NHS England agreed to collect and share data about the number and location of practices that are both closing and opening to better understand the change that may be happening**.
- There is therefore no scope to make efficiencies, what in fact is being discussed is cuts, not efficiencies. The GOS budget is a crucial but very small part of the NHS' total expenditure and by far the smallest allocation to a primary care service by several orders of magnitude: it is much harder to make cuts in a small budget than it is a large one, without directly affecting the services that are provided.

3.4 NHS England agreed to consider the points made when making recommendations to the Department for Health for GOS fees for 2015-16.

CET grant

3.5 The CET grant is not a retention tool. It is a grant towards the cost of maintaining and developing essential skills and represents a contribution to the loss of chair time incurred in undertaking continuing professional education and training. The grant falls substantially short of the minimum cost of loss of chair time required to undertake CET. The OFNC is not seeking to meet the whole of the shortfall but is seeking an increase of 2.5% to recognise the costs of increased training requirements on the sector including meeting the new safeguarding and Prevent requirements. Without this reasonable increase and contrary to Government policy it is likely that optometrists will be less able to travel for quality CET events and will depend more on distance learning.

Training grant for pre-registration optometrists

3.6 The OFNC drew attention to the fact that the training grant to employers for pre-registration optometrists is only £3,409 compared with £18,000 for pharmacists despite the training requirements being very similar.

3.7 There is now a growing problem with secondary care requiring 20% of the training grant as a fee for the required two week placement. This significantly reduces funding for supervising time.

Fewer optometrists in small and independent practices are now willing to take on this role and there has also been some difficulty in finding training places for some graduates. One option could be for CCGs to require hospitals to provide optometrist placements at cost, since they benefit from properly trained optometrists, and it makes little sense to provide a grant from one part of the NHS and then take it back in a charge in another part.

3.8 NHS England noted these points and wondered whether this grant and guidance in relation to placements should more appropriately be the responsibility of Health Education England. OFNC said that they would be content with this in principle but warned that the sum involved was very small and could easily be swallowed by distribution costs whilst the current payments system con contractors as part of GOS was very efficient. The sector would not be able to support the totality of funds going to pre –registration optometrists' training – already minimal - being reduced simply for administrative alignment.

Voucher values

3.9 This was of course a benefit for NHS patients and thus primarily a matter for the Department for Health. However voucher values also had important implications for optical practices and the services they could offer patients which had been recognised previously and by Ministers. Practices always tried to do their best for patients and offer choice. However, as a result of declining real terms voucher values and despite the fall in overall spectacle prices, every year more were reporting that they were struggling to provide a range of adult spectacles within voucher values. On public interest grounds all practices still tried to provide high quality children's spectacles within voucher values but ranges were having to be cut back for adults, limiting choice. **OFNC agreed to seek early data from the Optics at a Glance survey to see what practices were reporting for the current year.**

3.10 NHS England was asked to reinforce the point to the Department of Health of the illogical link between increases for voucher values and those for dental and prescription charges. Low increases help the patient for the latter, but are a charge on patients for the former. It would be helpful if Ministers could be reminded of this in considering voucher values and charges rates for the coming year.

IT bid

3.11 Regrettably progress on the IT bid had stalled after the meeting between OFNC and NHS England in January 2014 despite the fact that IT connectivity is critical to achieving many of NHS England's objectives, particularly the move to a paperless NHS, and the desire to move to point of dispensing checks rather than post payment verification. (NHS England had not yet reached a policy position on this to put to the profession which would need to be the subject of future negotiations.)

3.12 Whilst the original bid for connectivity and IG readiness had been couched in terms of capital, this was because OFNC had understood that this is what might be available especially following the significant NHS underspend in 2013-14. However it could equally be funded from revenue as one off expenditure which would incur no ongoing revenue investment. The optical sector was not asking for support to develop or purchase IT connections per se – almost all practices already have this – the bid relates specifically to costs arising from connectivity with NHS England.

3.13 As a next step the **NHS England Primary Care Policy Development Group would review the bid**, and if they supported it in principle, then the finance teams and others would review it and if necessary advise on whether it needed to be revised and how it could be taken forward. It was emphasised that it would be helpful if NHS England's/the Department's response letter on fees reported on some of this progress. It would send an important message to the profession about the value of eye health beyond the sight test, that the profession was listened to and its role valued in modernising NHS eye health services outside hospital and preventing avoidable visual impairment through high-quality referral and discharge back to community practice.

National pathways

3.14 As highlighted in the Optical Confederation response to the Call to Action in September 2014, the NHS could make significant savings and deliver the *Five Year Forward View* objectives if NHS England promoted the use of national pathways, rather than allowing every CCG to develop its own version of '1000 flowers'. The LOCSU pathways already provided ready peer reviewed models. These could be linked to the proposed simplified version of the NHS standard contract further to reduce costs. Again, it would be helpful if NHS England could pull forward this common sense element of the Call to Action in its response letter on fees so that the profession could see that self-evident avoidable expenditure from the NHs eye care budget was being saved and redirected into front-line care.

Conclusion

3.15 The OFNC emphasised that the GOS fee was the priority in that it supported practices and services to patients which in turn contributed to improving the nation's eye health and that the grants budgets were so small that sensible increases would be lost in the rounding at NHS England level. They also agreed to follow up the points made in writing.

4. Contractual issues

Delays in issuing contracts

4.1 The OFNC drew attention to inconsistencies in practice between Area Teams . Contracts take on average 2-3 months to issue from the date a practice opens but can take up to six months. This is irritating but usually manageable for multiples but a serious problem for independents.

4.2 NHS England explained that the Primary Care Policy Development Group was working hard to remove inconsistencies in practice and confirmed that a practice visit did not need to be carried out by optometric advisors (which were in short supply). NHS England would welcome further information about delays in practice visits, issuing contracts and other inconsistencies and would seek to tackle them. Equally it was also noted that some practices did not themselves understand how to apply for contracts which could lead to delays. **The OFNC agreed to ask their member bodies to promote their advice on this**.

4.3 NHS England queried whether charging new applicants a fee for a contract application (as happened in some other areas of primary care) would be a way of funding and incentivising better delivery of the process. OFNC were not against this in principle but much would depend on the level

of fee and what pratices would get for it including much faster turn-around times. **NHS England would consider this further within the primary care policy development group.**

Domiciliary visit notifications

4.4 The OFNC expressed concern – raised many time previously, including by NHS England optometric advisers - that pre-notification served no purpose as the data were not used and practices were unable to access them to check whether a patient had already had a sigh test. NHS England acknowledged the problems and bureaucracy for practices but felt that the problem would be resolved by e-GOS - part of the new PCS specification - which would remove the need for notification.

Notification requirement for continuation of contract on death of a contractor

4.5 OFNC explained that, in their view, the current notice period of 7 days followed by a maximum of six months contract extension to continue a GOS contract is impractical for bereaved families at a tough time. Periods of one month and one year respectively would be more practical all round.

4.6 A change would of course require an amendment to regulations and may affect more than one profession but **NHS England agreed to raise the issue with the Primary Care Policy Development Group,** and if they shared the views and concerns of the OFNC, a joint submission could be made to the Department of Health.

NHS Choices

4.7 OFNC explained that the NHS Choices website still does not provide satisfactory information on domiciliary providers. This was limiting patient choice and access. The issue had been raised on many occasions no progress has been made. NHS England agreed to look into this

5. Next steps

5.1 NHS England will now reflect on the bid for fees and grants for 2015-16 and then put advice to the Department of Health and Ministers in the light of these discussions. The intention is to have the fees and grants announced by 1 April 2015.

5.2 A further meeting was unlikely to be needed as part of the current fees round but negotiations for 2016-17 would begin with a **meeting in October 2015**.

Ann Blackmore
Secretary OFNC
26 February 2015

Summary of action points:

1. NHS England to collect and share information about the number and location of practices that are both closing and opening to better understand the change that may be happening. (para 3.3)

2. NHS England to explore whether the pre-registration grant and guidance in relation to placements should more appropriately be the responsibility of Health Education England in future (para 3.8)

3. OFNC agreed to review early data from *Optics at a Glance* to seewhat practices were reporting this year. (para 3.9)

4. NHS England Primary Care Policy Development Group to review the IT bid and, if supported, advise whether it should be revised and how it might best be progressed either as revenue or capital. (para 3.13)

5. OFNC agreed to follow up in writing the various points made in the meeting (para 3.15)

6. OFNC to provide information about delays in practice visits, issuing contracts and other inconsistencies. (para 4.2)

7. OFNC to ask their member bodies to promote guidance and advice on applying for a contract. (para 4.2)

8. NHS England to consider further with the Primary Care Policy Development Group the potential benefits of charging a fee for new applications for a contract what could be delivered for such a fee and to return to OFNC with proposals. (para 4.3)

9. NHS England to raise notice periods after the death of a contractor with the Primary Care Policy Development Group. (para 4.6)

10. Meeting for preliminary negotiations for 2016-17 to be arranged for October 2015. (para 5.2)