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DEPARTMENT OF HEALTH AND SOCIAL SECURITY

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From the Secretary of State for ~~Health and Social Security~~ Health

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cc PA
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CBI

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The Rt Hon Malcolm Rifkind QC MP
Secretary of State for Scotland
Scottish Office
Dover House
Whitehall
LONDON SW1

Prime Minister 19 July 1989

Content: ① With the plan for an immediate
press release indicating that the
contract will be imposed?

Dear Malcolm.

GP's NEW CONTRACT

② To release X at the end of the draft,
and urge KC to get these letters at a.s.c.p.

As you know the results of the ballot of all GPs will be announced
by the GMSC on 20 July. My expectation is that the package agreed
with their leaders on 4 May will be rejected.

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In that event I believe that we should press ahead with introducing
the "4 May" package without changes. I hope you agree.

We will be pressed for a reaction to the ballot result as soon as it
is announced. I envisage a fairly low key response. A press
release seems the best course and I enclose a draft which I think
covers all the points we need to make at this stage. I shall be
glad to know if you are content.

I am copying this letter to the Prime Minister, Peter Walker and
Tom King.

KENNETH CLARKE

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89/368

20 July 1989

KENNETH CLARKE PRESSES AHEAD WITH CHANGES TO THE GP CONTRACT

Speaking after the ballot of GPs rejected the new contract which had been agreed with GPs' leaders of 4 May, Mr Clarke said today:

" I regret the GPs' lack of support for their own Negotiators and their vote to reject the contract which I agreed with Michael Wilson and his colleagues on 4 May. Those negotiations were hard fought. Both sides made concessions which they might not otherwise have done in order to secure a fair deal which was commended to the profession by their leaders. I see no sensible basis for re-opening those negotiations now.

" I do not think anyone seriously expects us to go back on our desire to improve the family doctor service with a new and fairer contract which will reward those who work hardest and provide the good quality services which we all wish to see.

" I have already been consulting the GMSC leaders on the detailed Regulations which will be required to implement the contract which was agreed on 4 May. Once the consultation process has ended I propose to place those Regulations before Parliament in the Autumn. Subject to Parliamentary approval the reforms to the GPs' contract will be introduced on 1 April 1990.

[MORE]

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" The new contract will help to tackle the variations in the service people get from their doctor. A recent study of GP practices by economists at York University showed wide differences across the country, for example in the range of services on offer. This has happened because there are so few incentives in the present contract to encourage doctors to improve their services to patients.

" Good GPs have nothing to fear from the new contract. It will reward those doctors who provide the kind of service that patients want and need. In future it will be a contractual requirement to provide extra care for elderly patients and GPs will be paid more for doing so. GPs who make night visits themselves or arrange for them to be made by a doctor the patient knows, will be paid more than those who use deputising services. GPs who perform minor surgery themselves, who specialise in the care and development of children and who run health promotion clinics will gain.

" In addition, there will be a new allowance for GPs who work in areas of deprivation in recognition of the additional work they are faced with. New bonus payments will be introduced for doctors who ensure that maximum numbers of their women patients are screened for cancer of the cervix and of their child patients are immunised against childhood diseases. The new contract will also mean that all doctors are more available at times convenient to patients.

" It is totally illogical to suggest that the new contract will increase average list sizes. There are only so many patients in the country and so many doctors. It doesn't take a degree in Mathematics to realise that the average list size will not rise. In fact, it will no doubt continue to go down as the number of general practitioners rises faster than the population.

X/ " I will be writing to all GPs in due course to explain how the changes to their contract will affect them. I am sure that all GPs share my aim which is to raise standards and reward good practice."

[END]

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