

# Letter: Investment of Savings on Indicative Drug Budgets

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**From: Department of Health, Ireland**

**To: Each Health Board Chief Executive Officer**

**Re: INVESTMENT OF SAVINGS ON INDICATIVE DRUG BUDGETS**

Dear CEO

As you are aware, under the terms of the current Agreement with the Irish Medical Organisation, savings on indicative drug budgets are to be apportioned on the basis of 50% to the individual general practitioner for investment in practice developments and 50% to individual health boards for overall practice developments.

Given the major effort now being made on all sides to achieve the targets set out at the commencement of the Agreement, it is expected that savings will be achieved by a significant proportion of practitioners. In such circumstances, investment of the savings in accordance with the terms of the Agreement as set out above will be made. To ensure that the necessary preparatory work is completed to permit the earliest, possible release of funds, the Department is of the view that consideration should now be given to establishing guidelines, initially in respect of the apportionment of the savings to individual doctors. Subsequently, the health boards' proportion of the savings will be subject of special and parallel consideration by the Department in conjunction with the nominated representatives of the Chief Executive Officers.

I am enclosing a draft of investment guidelines in respect of savings apportioned to individual general practitioners. It would be appreciated if you would arrange for the draft to be considered by your board's general practice unit and we would welcome suggestions or comments by 1 October, 1993.

Yours sincerely

Alan Aylward

GMS Division

3 September, 1993

## GUIDELINES ON INVESTMENT OF SAVINGS ACHIEVED UNDER THE DRUG TARGET SCHEME

### Individual doctors who achieve savings in their drug target

1. Savings are for investment in developments in individual or group practices.
2. Developments may include investment in:

- (i) information technology and improved practice information/record systems;
- (ii) practice premises;
- (iii) clinical equipment;
- (iv) improved organisational arrangements at local level;
- (v) recruitment by general practitioners of primary care expertise on fixed term contracts e.g. paramedical;
- (vi) research;
- (vii) education and training.

3. Developments to qualify for investment will require the approval of the health board.

4. Priority should be given by Units to improving organisational arrangements at local level in particular the active promotion of amalgamations, groups or cooperative type arrangements between general practitioners. In this connection, practices which achieve significant savings in the operation of their drug targets might be encouraged to invest these savings in organisational changes on the lines suggested in the Blueprint. Additional financial support from the health board proportion of the drug savings should be targeted for this purpose.

5. Appropriate accounting arrangements will apply.

#### Proportion of savings allocated to health boards

6. Investment from this fund can encompass support for individual practices under the headings set out above. In this connection, particular priority should be given to those general practitioners who, while not having achieved a saving in their 1993 drug target, did make a serious effort to reduce their prescribing costs.

The balance of the fund should be earmarked for developments which progress the policy aims outlined in the Blueprint document "The Future of General Practice in Ireland".