Practice Mergers

Why would I want to merge with another practice? You may well ask this question, but times are changing rapidly and cuts in funding, pressure on costs and strength in numbers are all reasons why being part of a larger organisation may be beneficial.

There is a lot of mis-information about mergers. A London based LMC advised a GP that it was not possible for a GP with a PMS contract to merge with a practice holding a GMS contract. However, it is possible and the secret is to remember that it is the partnerships that merge and take over the contracts and not the contracts themselves that are merged between all the new partners.

A merger of the contracts would require amendments as follows:

A GMS contract is a contract between NHS England and the practice. Any change in partners will be notified by the practice to the Area Team of NHS England who will consider the application. A PMS agreement is slightly different in that the contract is made between NHS England and the individuals in partnership (not with the practice as in GMS) and so the PMS practice will have to seek a variation to the contract which might prompt issues of tendering and a revision to the levels of funding. All that can be avoided if the practices merge keeping the contracts as they stand.

NHS England set out their guidance in “Managing Regulatory and Contract Variations”.


In paragraph 124, they set out the three ways in which practices can merge:

1. Becoming a party to each other’s contracts while still retaining two separate NHS contracts.

2. Formally merging of the two contracts under one contract.

3. Informal arrangements such as sharing staff which requires no input from NHS England as it is a private arrangement

The BMA offer a practical example of a PMS practice taking over a GMS practice in their helpful document “Contractual Issues for GPs - Guidance for GPs - updated August 2013”. In chapter six, they set out the process, but make the point that “the priority for most merging practices will be to preserve the contract”. 
The steps that the BMA suggest are as follows:

1. The PMS and GMS partners form a new partnership. Partnerships can hold more than one contract so this partnership can hold both the PMS and the GMS contract.

2. The GMS practice will need to notify NHS England of the changes to its partnership.

3. The newly merged partnership can restructure itself.

Merging will not be attractive to all, but it is another survival tool that GPs should consider in these difficult times.