

APRIL 2017
FINANCE FOR GENERAL PRACTICE



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Lentells Healthcare Team

- Act for over 160 GP practices
- Throughout West Country & beyond
- Large team based in Chard



KEY CONTRACT CHANGES

| | 2017/2018 | 2016/2017 |
|----------------------------|-----------|-----------|
| Global sum (w) | £85.35 | £80.59 |
| Unplanned admissions | £0 | £2.87 |
| Learning disability checks | £140 | £116 |
| Indemnity costs | £0.516 | £0.516 |

- PMS practices receive 48p less due to MPIG element
- Indemnity reimbursement for 2016/17 paid in Feb/March 2017



2017/2018 FINANCIAL IMPACT

1 SITE – 7,732 PATIENTS

| | Increase/(decrease) £ |
|---------------------------|--------------------------|
| Global sum | 36,804 |
| Unplanned admissions | (22,191) |
| Learning disability (X10) | 240 |
| CQC reimbursement | 2,574 |
| Increase | <u>17,427</u> |



2017/2018 INDIVIDUAL FINANCIAL REDUCTIONS

- Further seniority reduction 15%
- Further MPIG reduction 1/7
- Further PMS premium reduction 1/5



QOF CHANGES

| | 2017/2018 | 2016/2017 |
|--------------------|-----------|-----------|
| Value per point | £171.20 | £165.18 |
| Average population | 7,732 | 7,460 |
| Number of points | 559 | 559 |
| No overall impact | | |



2017/2018 EXTENDED HOURS

- Remains at £1.90 per raw patient
- Total for average practice £14,691
- Lose from October 2017 if regularly close for half day
- Extra funding for practices collaborating to offer appointments outside core hours



VACCINATION CHANGES

- Flu vaccinations for morbidly obese
- Childhood flu – remove 4 year olds
- Pertussis from 16 weeks (previously 20 weeks)
- Men ACWY – max age reduced from 25 to 24
- Shingles – qualify according to birthday at 70 or 78 (previously 1 September)



SEVERE FRAILITY

- Replaces unplanned admissions from 1/7/17
- Identify and manage such patients over 65
- Use appropriate tool eg EFI
- Promote summary care record
- Code clinical interventions correctly
- No additional funding



PRACTICAL POINTS 2017/2018

CQC FEES

- Practice pays
- Submit invoice for reimbursement

INDEMNITY COVER (16/17 + 17/18)

- Automatic payment
- Pass onto salaried GPs?
- Expect locum rates to increase



MATERNITY ETC. LEAVE REIMBURSEMENT

| | |
|---------------|------------------|
| Reimbursement | Up to £ per week |
| Weeks 1 to 2 | 1,113.74 |
| Weeks 3 to 26 | 1,734.18 |

- Allow internal cover
- Not pro rata



SICK LEAVE REIMBURSEMENT

| | 2017/18 up to £ per week | 2016/17 up to £ per week |
|---------------|--------------------------------|-----------------------------|
| 2 - 26 weeks | 1,734.18 | 1,131.74 |
| Next 26 weeks | 867.09 | Discretionary |

- Remove list size qualification
- Able to cover internally
- Not compassionate leave /jury service
- Consider level of locum insurance?



NON FINANCIAL CHANGES

- From 1/7/17 allow collection of data for some areas
- From 1/7/17 allow prisoners to register before leaving prison
- New GMS 1 form to identify chargeable overseas patients
- Non contractual IT elements



RISING COSTS 2017/2018

- NHS pensions admin levy 0.08%
- Covers staff and partners
- Employer's rate 14.3% to 14.38%
- NMW £7.20 to £7.50



GP RETAINER SCHEME

- For those left/considering leaving general practice £76.92 reimbursement per session
- Maximum 4 sessions per week
- Professional expenses supplement
- Leave for CPD based on salaried GP contract
- Up to 5 years (usually)



IR35 RULES

- New obligations on public sector
- From 6 April 2017
- Check status using HMRC on-line tool
- If IR35 applies, calculate PAYE and NIC as if employee
- No other employment rights



IR35 IMPACT ON PRACTICES

- For locums working through limited companies
- Check status using www.tax.service.gov.uk/check-employment-status-for-tax/setup
- Print result and share with locum
- Process on payroll if IR35 applies



MAKING TAX DIGITAL

- April 2018 – unincorporated with turnover > VAT threshold (£85,000)
- April 2019 – Unincorporated with turnover > £10,000
- April 2020 – Limited Companies

REQUIREMENTS

- Digital quarterly updates to HMRC of income and expenses
- End of year adjustments within 10 months
- Exemptions for charities and those with online issues eg disabled, poor broadband

ATTRACTING A NEW GP PARTNER

- Consider alternatives
- Consider registrars
- Maximise return on advertising
- Set aside sufficient time and appropriate people to interview
- Prepare a financial offer



THE FINANCIAL OFFER

- Profit share including term to parity
- Who pays the tax?
- Who pays the subscriptions?
- Anticipated drawings level
- Current account buy in £ and date
- Property



OTHER OFFER TERMS

- Mutual assessment period
- Sign partnership agreement before joining
- Annual
leave/CPD/parental/sabbatical/sickness



PROPERTY ISSUES

- Lease – any amendment to names required?
- Owned – is a valuation needed?
- How to deal with existing borrowings
- Consider refinancing within partnership
- Date to buy in
- Net property revenue



NEW PARTNER CHECKLIST

- Partnership agreement
- Estimate of pensionable pay
- Inform NHS England and CCG
- Update HM Revenue & Customs – PAYE and VAT
- Update bank
- Indemnity cover
- Locum insurance



BENCHMARKING 2016

| | 2016 | 2015 |
|--------------------------------------|----------|----------|
| Patients per WTE | 1,717 | 1,660 |
| Total income per WTE | £261,383 | £252,519 |
| Total expenses per WTE | £159,610 | £150,802 |
| Profit per WTE | £101,936 | £100,179 |
| Total income per patient | £146.68 | £147.39 |
| Total expenses per patient | £87.36 | £87.03 |
| Wage costs per patient (non-disp) | £41.47 | £41.41 |



LENTELLS APP

- Free to download from App Store
- Mileage tracker
- Tax calculations
- Tax tables



Any Questions?

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