

# GP UPDATE

APRIL 2016



# Lentells Healthcare Directors

- Andrew Spear FCCA



- Ed Paull FCCA



- Jane Jordan FCCA



- Jo Fursman FCCA



# Lentells Healthcare Team

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



# 2016/2017 CONTRACT CHANGES

- Global sum increase 5.3% £76.51 to £80.59
- PMS uplift
- Net intended pay increase 1%
- OOH opt out



# 2016/2017 QOF

- Continues at 559 points
- Value of QOF point increases £160.15 to £165.18
- List size for QOF increases 7,233 to 7,460



# VACCINATION CHANGES 2016/2017

- Increase in rate from £7.64 to £9.80
- Meningitis C infant dose removed
- Meningitis B minor changes
- Meningitis ACWY opportunistic vaccination of 19-25 year old non-freshers



# DIRECTED ENHANCED SERVICES 2016/2017

- Dementia ceases
- Continuation of:
  - Unplanned admissions
  - Extended hours
  - Learning disabilities



# ADDITIONAL ADMIN 2016/2017

- Six monthly reporting on availability of evening and weekend appointments
- Report when locums paid more than maximum indicative rate (to be agreed)





# NON CONTRACTUAL IT CHANGES 2016/2017

- 80% of prescriptions to be transmitted electronically
- 80% electronic referrals
- 10% of patients to use at least one on-line service
- Provide patients with on-line access to clinical correspondence



# NON CONTRACTUAL IT CHANGES 2016/2017 CONTINUED

- Practices to receive all discharge summaries and post event messages electronically
- Practices encouraged to complete HSCIC information governance toolkit
- Identification and recording of patients with EHIC, S1 or S2 forms by December 2016



# SENIORITY REDUCTION

- October 2015 – 23% reduction
- April 2016, 2017, 2018 – 15% reduction
- April 2019 – Final year
- March 2020 – ceased
- Recycled through global sum



# SENIORITY POINTS OF NOTE

- No new entrants after April 2014
- Partners still move up a band each year
- Beware payment issues following 24 hour retirement
- 100%/60%/nil bands continue
- Partners retain seniority when changing practices



# RECONCILIATION OF SENIORITY

- 2012/2013 final factor released February 2016  
£91,050
- 2015/2016 interim factor £95,001
- 2016/2017 interim factor not yet released



# 2015/2016 SENIORITY PAYMENTS

Based on estimated superannuable pay:-

More than £63,334 – 100%

£31,667 - £63,334 – 60%

Less than £31,666 – 0%



# PMS REVIEWS

- Mandatory from 1/4/2016
- Some adopted 1/4/15
- PMS premium withdrawn over 5 (or 6) years
- Cumulative effect
- Some new income streams



# RATES REFUNDS

- Rates revised 2005 – 2015
- Potentially large refunds due to practices
- Interest added – with/without tax





# TREATMENT OF RATES REFUNDS

- Total repayment to NHS England
- Who does the interest belong to?
- Council may reduce rates in year – repay excess reimbursement



# NATIONAL LIVING WAGE

- Effective 1 April 2016
- For employees aged 25 and over
- Excludes apprentices in first year
- Rate £7.20 per hour
- Aim to be more than £9 by 2020



# NIC CONTRACTING OUT

- If staff “contracted out”
  - receive lower state pension
  - staff pay 1.4% less employee NIC
  - employers pay 3.4% less employer NIC
- Ends 5 April 2016 on implementing new state pension



# IMPACT OF END OF CONTRACTING OUT

- Reduces staff net pay
- Increases employer costs
- Update payroll software NIC codes (move category D to A)



# NIC CONTRACTING OUT EXAMPLE:

<b>Staff Salary</b>	<b>£20,000</b>	
Employee NIC	2015/2016	£1,266
	2016/2017	£1,432
Employer NIC	2015/2016	£1,236
	2016/2017	£1,640



# ESTIMATE OF SUPERANNUABLE PAY

- Set partners' superannuation payments on account
- Set practice pension payments for salaried GP
- Set rate of seniority entitlement



# REVISING ESTIMATE OF SUPERANNUABLE PAY

- GP joiners/leavers – including salaried
- 24 hour retirement
- Deferral of contributions
- Sessional changes



# PENSION ON OOH WORK

Important to distinguish between:

- Out of hours provider
- Independent contractor





# OOH PROVIDER

- GP partners in the NHS scheme must pension the work
- Payment to practice gross, GP pays ee & er cont via superann cert OR
- Payment to individual GP net of ee cont, OOH provider pays er cont, GP solo form issued



# INDEPENDENT CONTRACTOR

- Income pensionable only for employees
- Employees – paid net of ee cont with employer paying er cont
- Contractors – paid gross and not pensionable



# ACTIONS TO TAKE WHEN PARTNERS JOIN/LEAVE

- Update partnership agreement/review terms
- If VAT registered, inform HMRC
- Inform local area team & update PMS contract
- Inform CQC
- Update estimate of superannuable pay



# ACTION TO TAKE WHEN PARTNERS JOIN/LEAVE CONTINUED

- Apply for seniority if appropriate
- Re-value property if relevant
- Update title deeds if relevant
- Update DDs for subs, locum insurance etc.
- Update bank accounts, mandates, loans etc.



# HOW YOUR ACCOUNTANT CAN HELP WITH PARTNER CHANGES

- Register new partners with HMRC
- Calculation of capital requirement/withdrawal
- Advice regarding refinancing
- Calculation of tax liabilities
- Calculation of final superannuation balance



# PUBLICATION OF GP EARNINGS

- Implemented for 2014/15 contract
- Publish on website by 31/3/16
- Use figures from accounts ending in 2014/15 e.g. 30.6.14, 31.3.15 etc.
- What do the figures mean?
- Future – possibly individual GP figures?



# PHARMACIST SCHEME

- 3 year initiative
- Purpose:
  - Provide additional patient support
  - Manage long term conditions
  - Better health checks
  - Provide advice with medications



# PHARMACIST SCHEME FUNDING

Year 1 – 60%

Year 2 – 40%

Year 3 – 20%





# SALE AND LEASEBACK OF PREMISES

## Advantages:

- May help solve recruitment issues
- Removes worry of fluctuating property prices
- Releases equity before retirement



# SELLING PREMISES TO THIRD PARTY – FINANCIAL IMPLICATIONS

- Early repayment penalties on loan
- Agreement of valuation
- Any VAT to be added to sales price
- Capital gains tax crystallised
- No stamp duty on lease
- Legal fees



# OTHER IMPLICATIONS

- Any VAT on rental charge?
- Will reimbursement be available for full costs?
- Partners liable for long lease
- Will there be an option to renew at lease end?
- Will still be responsible for some repair costs



# Any Questions?

- Jo Fursman – [jo.fursman@lentells.co.uk](mailto:jo.fursman@lentells.co.uk)
- Jane Jordan – [jane.jordan@lentells.co.uk](mailto:jane.jordan@lentells.co.uk)
- Andrew Spear – [andrew.spear@lentells.co.uk](mailto:andrew.spear@lentells.co.uk)
- Ed Paull – [ed.paull@lentells.co.uk](mailto:ed.paull@lentells.co.uk)
- [www.lentells.co.uk](http://www.lentells.co.uk)



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