

APRIL 2019
FINANCE FOR GENERAL PRACTICE



LENTELLS HEALTHCARE DIRECTORS

- Andrew Spear FCCA



- Jo Fursman FCCA



- Jane Jordan FCCA



- Ed Paull FCCA



- Shirley Whittle FCCA



LENTELLS HEALTHCARE TEAM

- Act for over 180 GP practices
- Throughout West Country & beyond
- Large team based in Chard



CHANGES TO CORE FUNDING

2019/2020 **2018/2019**

Global sum	£89.88	£88.96
OOH adjustment	4.82%	4.87%



CHANGES TO CORE FUNDING

	GMS	PMS	APMS
	£/weighted patient	£/weighted patient	£/weighted patient
MPIG reinvestment	£0.39		
Seniority reinvestment	£0.44	£0.44	
Inflation and other changes – net uplift	£0.09	£0.09	£0.09
Total uplift	£0.92	£0.53	£0.09



PAY INCREASES

- 2% recommended for all staff – combination of indemnity savings and salary increase.
- 2% for salaried GP's and their indemnity will be covered by the new scheme
- Locums – expected 2% pay increase. Negotiate rates locally



CONTINUING REDUCTION IN OTHER FUNDING

- Seniority reduces further
- MPIG reduces by 1/7th
- PMS premium withdrawal



QOF CHANGES

- Total points remain the same
- 175 points being retired
 - 101 recycled into new indicators
 - 74 Quality Improvement domain
- Quality improvement domain:
 - End of life care
 - Prescribing safety



QOF CHANGES

- Exception reporting replaced. Can now adjust care without a financial penalty for 5 reasons:
 - QOF proposed care unsuitable for patient
 - Patient chooses not to receive the care
 - Patient does not respond to invitations
 - Services not being available
 - Newly registered or newly diagnosed patients



QOF CHANGES

	2019/2020	2018/2019
Value per point (increase 4.7%)	£187.74	£179.26
Average population (increase 4.7%)	8,479	8,096
Max no. of points	559	559
No overall impact		



VACCINATIONS AND IMMUNISATIONS

- All vaccines to be paid at £10.06
- HPV catch up scheme for girls to be extended to those aged 25
- HPV for boys from September (via school scheme)
- IOS payment of £5 per unvaccinated child for MMR catch up



SHARED PARENTAL LEAVE

- Cover to be added to SFE to work in line with cover for maternity, paternity and adoption pay.
- Reimbursement rates expected to be unchanged



NON FINANCIAL CHANGES

- NHS 111 to book appointments directly
- By July 2019 at least 25% of appointments bookable online
- Ban on advertising or hosting private GP services where free under NHS
- GP activity and waiting time data to be published monthly from 2021



NON FINANCIAL CHANGES

- Contraceptive services become an essential service
- Support 6 national NHS marketing campaigns
- Publication of details of all GPs with NHS earnings over £150k



INDEMNITY SCHEME (1)

- One off Global sum adjustment from April 2019
- Final reimbursement of £1.005 per patient for 2018/2019, March 2019



INDEMNITY SCHEME (2)

- Run by NHS resolution
- Implemented 1 April 2019
- All NHS GP service providers, including OOH can be members
- Covers all GPs and other staff delivering primary medical services
- Includes locums, salaried GPs, nurses and other health professionals



INDEMNITY SCHEME (3)

- Cover still needed for non NHS activities
- State scheme will only cover clinical negligence claims
- Will not cover claims pre 1 April 2019
- Run off cover
- Refunds due
- Update partnership deed



POTENTIAL IMPACT ON PRACTICES

EXAMPLE 1

- List size 9,000 patients
- Assume list weighting 100%
- 4.84 WTE GPs (including 1.3 WTE salaried)
- 1 Nurse Practitioner
- All MDO costs paid separately through practice
- Impact of OOH deduction, MPIG and vaccines increase ignored



EXAMPLE 1

	£
Contract uplift	8,280
Seniority	(2,582)
Indemnity funding	(9,045)
Extended hours funding withdrawal (9 months)	(12,825)
Extended hours paid via PCN (9 months)	9,788
PCN network funding	15,849
PCN staff contribution (9 months)	(2,735)
Admin and Nurse staff salaries increase 2%	(8,714)
Salaried GP salaries increase	(2,370)
Estimated MDO subscription saving for GPs (inc salaried)	31,460
Estimated MDO subscription saving for nurses	<u>1,250</u>
Estimated uplift	28,356

POTENTIAL IMPACT ON PRACTICES

EXAMPLE 2

- List size 15,000 patients
- Assume list weighting 100%
- 8.1 WTE GPs (including 4.1 WTE salaried)
- 2 Nurse Practitioners
- All MDO costs paid separately through practice
- Impact of OOH deduction, MPIG and vaccines increase ignored



EXAMPLE 2

	£
Contract uplift	13,800
Seniority	(4,304)
Indemnity funding	(15,075)
Extended hours funding withdrawal (9 months)	(21,375)
Extended hours paid via PCN (9 months)	16,313
PCN network funding	26,415
PCN staff contribution (9 months)	(4,558)
Admin and Nurse staff salaries increase 2%	(14,523)
Salaried GP salaries increase	(7,478)
Estimated MDO subscription saving for GPs (inc salaried)	52,650
Estimated MDO subscription saving for nurses	<u>2,500</u>
Estimated uplift	44,365

POTENTIAL IMPACT ON PRACTICES

EXAMPLE 3

- List size 15,000 patients
- Assume list weighting 100%
- 8.10 WTE GPs (including 4.1 WTE salaried)
- 2 Nurse Practitioners
- Sessional rate for Salaried GP includes MDO subscription contribution
- Impact of OOH deduction, MPIG and vaccines increase ignored



EXAMPLE 3

	£
Contract uplift	13,800
Seniority	(4,304)
Indemnity funding	(15,075)
Extended hours funding withdrawal (9 months)	(21,375)
Extended hours paid via PCN (9 months)	16,313
PCN network funding	26,415
PCN staff contribution (9 months)	(4,558)
Admin and Nurse staff salaries increase 2%	(14,523)
Salaried GP salaries increase	(7,872)
Estimated MDO subscription saving for GPs	26,000
Estimated MDO subscription saving for nurses	<u>2,500</u>
Estimated uplift	17,321

PRIMARY CARE NETWORKS (1)

- Group of GP practices typically covering 30,000-50,000 patients
- Geographically close
- Delivery model and structure to be decided and could include federations, BUT
- In most cases, GP federations will not count as a PCN



PRIMARY CARE NETWORKS (2)

Funding

- Practice payment of £1.761 per weighted patient to join a network
- From July 2019, extended hours funding of £1.45 pp transferred to PCN



PRIMARY CARE NETWORKS (3)

Funding

- Network payments - To be paid to a nominated provider in the network
 - £1.50 per patient network administration payment
 - Clinical pharmacist reimbursement on a 70/30 split (including on costs)
 - Fully funded social prescriber
 - Clinical director funding –on a basis of 0.25 WTE per 50,000 patients
 - Extended access - £1.45 per patient



PRIMARY CARE NETWORKS (4)

Funding example – Year 1

PCN Population	Network Admin payment	Clinical Director Funding	Clinical Pharmacist (max 70%)	Social Prescriber (max 100%)	Total
30,000	£45,000	£20,627	£37,810	£34,113	£137,550
50,000	£75,000	£34,279	£37,810	£34,113	£181,202



PRIMARY CARE NETWORKS (5)

- Accounting for the funds
 - Separate bank account
 - Separate from practice accounts
 - Separate set of accounts for the PCN?
 - Money held on trust – like fundholding?



PRIMARY CARE NETWORKS (6)

- Potential issues
 - VAT on staff recharges
 - Pension scheme
 - Employment liabilities



PRIMARY CARE NETWORKS (7)

Timetable

- 15th May 2019 – PCN registration information submitted to CCG
- 31st May 2019 – CCG confirms network coverage
- 1st July 2019 – Network Contract DES starts



PENSIONS

- Employer's element plus administration charge increases to 20.68% from 1 April 2019.
- For 2019/2020 the additional 6.3% will be paid directly by NHSE and the DHSC
- From 2020/2021 the full amount is to be paid by practices, but it should be fully funded
- Question as to how additional funding is calculated



MAKING TAX DIGITAL

- VAT registered businesses only
- VATable turnover above £85,000
- First VAT period after 1 April 2019
- Report directly from software – activate MTD option
- Register for MTD on HMRC website



INSURANCE

- Surgery valuation
 - Up to date valuation
 - Re-instatement value
- Business interruption
- Keyman



ANY QUESTIONS?

- Andrew Spear – andrew.spear@lentells.co.uk
- Jo Fursman – jo.fursman@lentells.co.uk
- Jane Jordan – jane.jordan@lentells.co.uk
- Ed Paull – ed.paull@lentells.co.uk
- Shirley Whittle – shirley.whittle@lentells.co.uk
- www.lentells.co.uk



DISCLAIMER

These presentation notes are for guidance only. We recommend professional advice should be obtained before acting on any information contained in them.

