



GP Practices

Specialist GP Practice Accountants

Newsletter

Summer 2015

Introduction

Welcome to our Summer 2015 GP newsletter.

A month after the Tories victory in the General Election and with the news that Jeremy Hunt will retain his role as Secretary of State for Health, what does this mean for the NHS and GP Practices during this term of government. Early indicators suggest that a '7-day GP revolution' is likely to happen by 2020, but with strong opposition from the GPC and RCGP on how this is to be serviced and funded who knows what the future will bring for the profession.

In this issue we look at:

- GP contract changes 2015/16
- GP succession: 10 key action points for new partners
- Preparing for your GP CQC inspection
- Business mileage claims – what will HMRC generally accept?
- Auto Enrolment – is your practice ready?

We hope you enjoy this edition of our newsletter and, as always, please get in touch if you would like any further information.



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Hawsons are specialist GP practice accountants

At Hawsons our dedicated team of specialist accountants and tax advisors offer a wealth of experience to GPs and their practices.

Our in-depth knowledge and understanding of the sector is applied and we work closely with our clients, ensuring that changes in the care sector are recognised promptly and appropriate strategies implemented and actions taken.

For more information on our GP practice expertise, including the services we offer and our experience, please visit: www.hawsons.co.uk/gp



GP contract changes 2015/16



The NHS Employers and the General Practitioners Committee of the BMA have announced changes to the GMS contract in England for 2015/16, but what do the GP contract changes mean for you and your practice?

The main changes are the introduction of a named GP for all patients, the publication of GPs' average net earnings and a commitment to expand and improve the provision of online services.

From 1 April 2015, the following changes come into effect for practices in England under the GMS contract:

A named GP for all patients

A named, accountable GP for all patients – including children, who will take lead responsibility for the 'co-ordination of all appropriate services required under the contract'. This follows this year's introduction of a named GP for all elderly patients.

By 31 March 2016, practices must state on their website that all patients now have a named GP.

Publication of GP earnings

Practices are expected to publish details of GPs' net earnings. This includes average net earnings (partner and salaried GPs) relating to 2014/15, as well as the number of full and part time GPs associated with the published figure.

Expansion of online access

There is a further commitment to expand and improve the provision of online services for patients. This includes extending online access to more detailed information from medical records and the increasingly availability of online appointments.

QOF

Changes to the Quality and Outcomes Framework (QOF): adjustment of point value for 2015/16 taking account of population growth and relative changes in practice list size for one year from 1 January 2014 to 1 January 2015; deferment for one year of changes in thresholds planned for April 2015. Discussions around any clinical changes to QOF within the current QOF envelope will continue.

Enhanced services

The patient participation and alcohol enhanced services will end and associated funding will be reinvested into global sum. From 1 April 2015, it will be a contractual requirement for all practices to have a patient participation group (PPG) and to make reasonable efforts for this to be representative of the practice population. It will also be a contractual requirement for all practices to identify newly registered patients aged 16 or over who are drinking alcohol at increased or higher risk levels.

The avoiding unplanned admissions (AUA) enhanced service will continue for a further year from 1 April 2015. There will be a number of changes, however; including revisions to the reporting process and changes to the payment structure.

The extended hours and learning disabilities enhanced services will be extended and unchanged for a further year.

Maternity and paternity cover

Reimbursement to practices for the cost of maternity and paternity leave will become an automatic right and cover both external locums and extra hours provided by existing GPs who do not already work full-time.

NHS England said the change would see all practices entitled to 'reimbursement of the actual cost of locum cover for maternity, paternity or adoption leave of £1,113.74 for the first two weeks and £1,734.18 thereafter, or the actual costs, whichever is the lower'.

Other contract changes

- NHS England and GPC will work together on workforce issues affecting practices, including the flexible careers scheme and recruitment problems.
- GPC, NHS England and NHS Employers will work together to develop more consistent guidance for the provision of enhanced minor surgery services.
- As agreed in 2014/15, there will be a 15% reduction in seniority payments.
- NHS England and GPC will re-examine the Carr-Hill formula, with the aim of adapting the formula to better reflect deprivation.
- Correction factor funding moving into global sum will be reinvested, with no out of hours deduction applying.

GP succession: 10 key action points for new partners



As many GP practices are experiencing partner changes, planning for a smooth succession remains a central issue in the sector. There are a number of considerations that need to be addressed when a new partner joins, including informing the Local Area Team, signing a partnership agreement and maybe, if the partner has two years' experience, applying for seniority.

Succession in GP practices only really succeeds optimally when it is prepared for.

As such, the below list sets out a number of a key action points that need to be considered:

1. Ensure the new partner signs a partnership agreement before they join the partnership
2. If the practice is VAT-registered, inform HMRC of any partner changes
3. Consider the drawings level in accordance with the agreed profit share and confirm the term to parity
4. Inform the Local Area Team of the new partner and confirm the estimated superannuable pay for the first period ending 31 March
5. If the practice funds partners' tax bills, agree when it will take over responsibility for the new partner
6. Arrange payment of subscriptions and locum insurance if appropriate
7. Confirm the amount and date of any current account contribution
8. If relevant, agree a property valuation and confirm the amount and date of any buy-in. Discuss any title deed changes required with your solicitor
9. Apply for seniority if the GP has been a partner for at least two years previously
10. Ensure the partner is registered as self-employed with HMRC and is also paying Class 2 NIC

Succession planning in GP practices

Over the next five to ten years many GP practices will be transitioning to the next generation.

It is therefore vital that practices recognise the need for succession planning and determine over what time-frame the issue will arise. In this case, the old adage of 'failing to plan is like planning to fail' could never be more accurate.

Preparing for your GP CQC inspection



New style inspections of GP practices and out-of-hours services at England started in the back end of 2014 and have led to the first ever ratings of practices, which may be 'Outstanding', 'Good', 'Requires Improvement' or 'Inadequate'.

Effective April 2015, GP practices will now have to publicly display their ratings, meaning the pressure on achieving the highest ratings is greater than ever.

In this article we look at the four crucial stages of your inspection process; what you should expect and how you should be preparing for your GP CQC inspection.

Prepare before your notice period – what are CQC looking for?

CQC guidelines state: To get to the heart of people's experiences of care, the focus of our inspections is on the quality and safety of services, based on the things that matter to people. CQC always ask the following five questions of services:

- Are they safe?
- Are they effective?
- Are they caring?
- Are they responsive to people's needs?
- Are they well-led?

These are the five basic categories that CQC will be looking at in their new approach of GP practice inspections and, within that, CQC will also look at different patient groups:

- Older people
- People with long-term conditions
- Families, children and young people
- Working age people
- People whose circumstances may make them vulnerable
- People experiencing poor mental health

This is CQC's Key Line of Enquiry

Using a combination on 'intelligent monitoring' (looking at your data and information e.g. patient surveys) and a formal day-long inspection of the surgery, CQC will answer the above five questions in relation to the six patient groups, completing a detailed and clear report on the practice's rating.

This rating will then publicly be published on the CQC website with a full report detailing all findings.

TIPS

- In order to be fully ready for the CQC inspection, you need to start making preparations now.
- Prepare and monitor ongoing records of all complaints and serious incidents. Remember to also keep track of what you did to address these issues, as the CQC will be looking for this when they inspect your files.
- Ensure all staff files, including details such as training certificates, DSB checks etc. are fully up-to-date.
- Think about the 'Key Lines of Enquiry' and what CQC will be looking for.
- CQC will be asking patients various questions, so make sure you have formally reviewed any suggestions patients have put forward. A good idea is to start carrying out systematic surveys, with a documented procedure of how to follow through and review and suggestions made.
- Previous inspection reports are available on the CQC website and are an invaluable resource. The website also includes the 10 most recently inspected doctors/gps and details on all inspections to date, so is well worth looking at. At the time of writing the latest inspection checks are:

Rating	Number of Practices
Outstanding	7
Good	157
Requires Improvement	26
Inadequate	9

Use your notice period

- Two weeks before your inspection you will receive a letter from CQC to confirm your inspection date. The letter will also request various information from you, including your statement of purpose and information on complaints or serious incidents.
- The lead inspector will also call you to discuss what happens next and make arrangements for your inspection date. This is a good opportunity to understand what staff you will need on the day and book them well in advance.
- Finally, CQC will send you a selection of comment cards and posters. The comment cards must be distributed to patients to complete, and the posters must be displayed in key areas of the practice to advertise the inspection.

TIPS

- Medical staff will be provided allocated interview times, of which will be discussed in the agenda for the day. These interviews can last anywhere between 20 minutes and 1 hour, so make sure you have made the necessary arrangements to mitigate any disruptions this may have.
- Speak to patients to ensure they know what is happening and what to expect on the day of the inspection. You should also distribute the comment cards and make patients aware of the CQC posters, which include details on how to make contact.
- Speak to all members of staff to ensure they also know what is happening and what to expect on the day of the inspection. Discuss with members of staff what questions they may be asked and offer any support in helping them prepare for the inspection and interviews.

On the day

- The CQC inspection team will be tailored to your practice, depending on the size of the surgery. It will include a minimum of an inspector and a GP, but may also include a practice manager, practice nurse and an Expert by Experience.
- The inspection will not only review the policies, procedures and data that the practice has, but also involve interviews with staff and patients.

TIPS

- The inspection team are likely to arrive early, so make sure you and your staff are ready and prepared to start straight away. Make sure everybody knows what to expect.
- The inspection team will want to speak to as many members of staff and patients of possible, going beyond the prearranged interviews with medical staff, so make sure everyone is prepared.
- Welcome the inspection team as they arrive by introducing your staff.
- Take the first meeting time as an opportunity to talk about the practice, where it is performing well, providing context on surrounding areas and any challenges the practice may be facing e.g. a nearby surgery may have recently closed, meaning that there is increasing demand.

After your inspection

- At the end of the day the inspection team will hold a feedback session, in which they will share their initial thoughts and discuss anything that they have found on the day.
- Using a combination on 'intelligent monitoring' (looking at your data and information e.g. patient surveys) and a formal day-long inspection of the surgery, CQC will complete a detailed and clear report on the practice's rating.
- CQC will then send you a draft inspection report, after they have had time to consider their findings. This is sent to the practice to seek clarification on any matters and to give the practice the opportunity to challenge any factual inaccuracies, before being reviewed by quality assurance mechanisms.
- The final report will then be published on the CQC website.

TIPS

- A good idea is to record the initial end of the day inspection debrief so that you can refer back to it in the future. Make sure you check with the inspection team that this is OK first.
- The inspection team will provide you with loads of advice on how you can improve certain aspects of your practice; make note of them, or listen back to your recording of the debrief, and take any necessary actions.

In summary

It is important to remember that this proactive approach is not just about preparing for your inspection day; it's about improving the standards and performance of your practice.

The sector is facing challenging times with the redistribution of funding and increasing cost pressures remaining key factors. This is a great opportunity for practice managers to highlight the key areas where their practice can improve and, crucially, implement new policies and procedures to work towards a stronger financial future.



Business mileage claims (A reminder!)

Using Dr Samadian case – which was lost in 2013 – after 7 years and 4 Tribunal Hearings

Although not essential for making the business mileage claims, a good way to protect yourself is to keep a business mileage log to support your claim. In the absence of a mileage log, Dr Samadian was asked to supply a schedule of his typical weekly journeys to support the 65% business claim. The schedules submitted contained two “regular” journeys which were disputed by HMRC;

- Mileage between NHS hospitals and private hospitals.
- Mileage from home to the private hospitals.

The journeys between NHS hospitals and private hospitals were regarded as non-deductible on the grounds that the object of the travel was to put Dr Samadian into a position where he could carry on his business away from his employment, therefore the travel was not integral to the business itself.

HMRC presented their long-held view that cost of travelling between home and the work place is generally not allowable on the grounds of not being incurred “wholly and exclusively” for the business.

What will HMRC generally accept?

Each case should always be judged on its own facts, but HMRC will generally accept the following journeys as allowable:

- Journeys between private hospitals/practices to see a patient in their own home or care.
- Emergency call outs starting at the home, but going towards a non-habitual destination, such as a patient’s own home or care.
- Travel to attend training courses, where there is no duality of purpose.
- Trips to visit private secretaries, accountants, solicitors, insurers or other professionals.
- Travel associated with the collection of evidence/information re medico-legal reports or expert witness court appearances.

Auto Enrolment – is your practice ready?

The onset of auto enrolment is affecting many businesses and it is crucial, if you haven’t already, to start preparing now.

- You may already have been notified of your date by which time you are required to have in place a pension scheme for all your employees. This is your staging date.
- You may already have received a reminder to appoint someone in your company to be responsible for the implementation.
- You may already have an existing pension scheme that you feel “will do the job”.
- You may think “it doesn’t affect me”.

Free workshops in Sheffield, Doncaster and Northampton (every month)

There are hundreds of thousands of smaller companies approaching their staging date and the ability of pension providers to provide solutions is becoming a real issue of capacity. It is not usually about just having a pension scheme, but having the process and systems in place to collate the data required to present and report to the Pensions Regulator.

If you don’t satisfy the rules, have a pension scheme in place, have a system to record the relevant information, or miss your staging date, the fines can soon build up. We would recommend you start talking to your pension adviser as soon as possible, preferably with more than nine months to your staging date (ideally twelve), to build a timescale and agenda to make sure it all falls in to place.

We would be happy to help and would like to invite you to attend one of our free Auto Enrolment workshops with our specialist from Hawsons Wealth Management.

There are limited spaces available for each workshop, which are run on a monthly basis, so please book early. We expect these sessions to be very popular.

For more information and to register, please visit www.hawsons.co.uk/workshops



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