

GP Insight

June 2019

Hawsons Chartered Accountants



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- Primary Care Networks- What are they?
- Government backs pension flexibility to stop taxes undermining NHS workforce

Introduction

Welcome to our GP Newsletter



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Welcome to our first GP newsletter of 2019. Many practices have just passed their financial year ends and no doubt finance teams will be in the mist of getting the annual accounts ready for preparation by the accountants.

With plenty still going on in the political world and a change at the helm of the UK government, following Theresa May's impending departure, this could see a shake up in key ministerial positions for the government, including for current health secretary Matt Hancock, who succeeded prime minister candidate Jeremy Hunt in the summer last year.

As ever with the NHS it promises to be another busy year!

In this issue we look at:

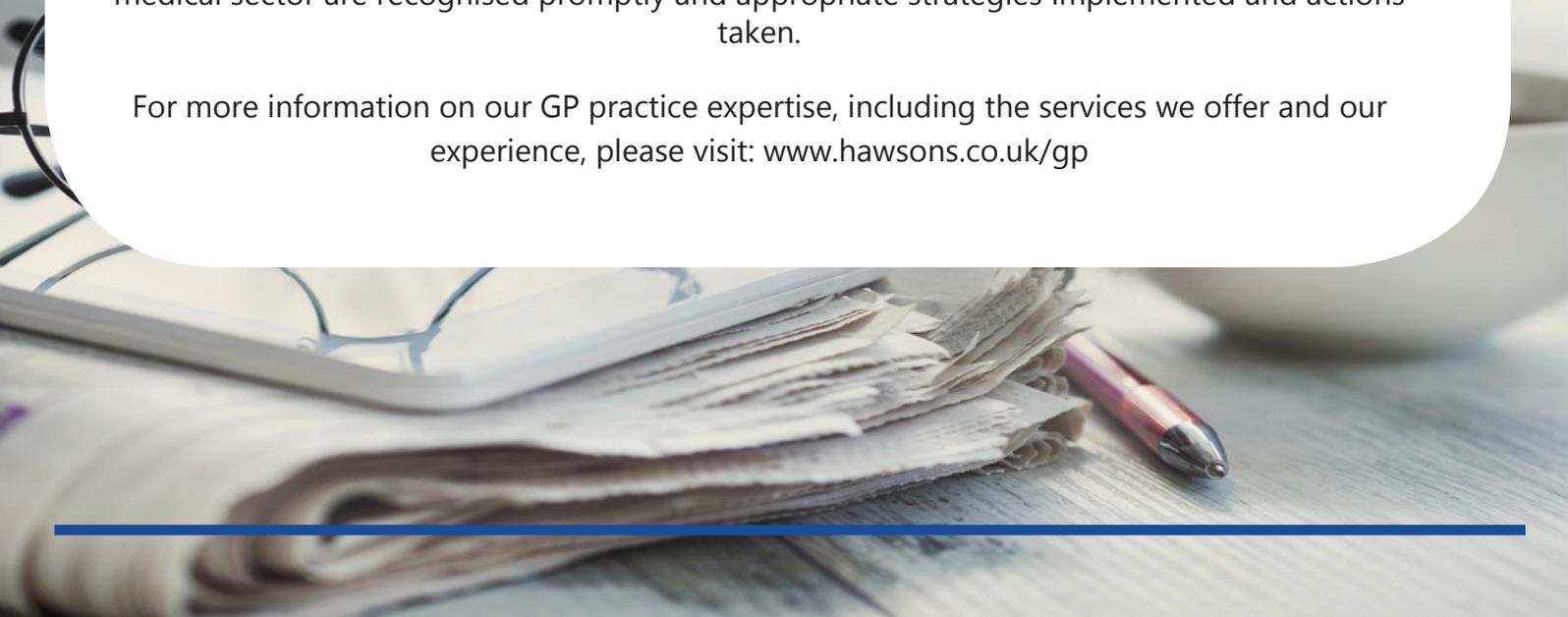
- State-backed indemnity schemes
- Primary Care Networks- What are they?
- Pension flexibility plans

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

Hawsons are specialist GP accountants

At Hawsons our dedicated team of specialist medical 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 medical 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



State-backed indemnity scheme launched to save GPs thousands.

From 1 April 2019, GPs will pay 80-90% less for their medico-legal cover due to a new state-backed indemnity scheme. The scheme for GPs will cover all future clinical negligence claims for NHS work, however GPs will still need to maintain cover for work that falls outside of the scheme, such as private practice work.

Medical Defence Organisations (MDOs) have confirmed that GPs who are currently part way through an annual indemnity package may be eligible for a refund when the state-backed scheme is implemented in April, which could lead to substantial refunds being issues to practitioners.

When the state-backed indemnity takes effect, it is estimated that some GP members will be paying only 10% of what their previous year fees were. The Medical Protection Society (MPS) stated that GPs working eight sessions can expect their subscription to be less than £800 compared with the estimate last year of £8,000. The former health secretary, Jeremy Hunt, recognised that GPs were being forced out of the profession as a result on the rising fees when he first announced the plans for the state-backed GP indemnity in 2017.

The exact fee will reflect individual circumstances and the level of cover that is required for the services each GP provides. The new personalised subscription rates will be sent to GP members and will depend on factors including the amount of private work they undertake and the number of sessions they work. The subscription will include 24-hour advice and support with medico-legal issues from their NHS and private work.

A spokesperson from the Medical Defence Union (MDU) said: *"NHS GP members working in England and Wales can expect to benefit from very significantly reduced subscriptions with the introduction of state-indemnity for NHS claims, even compared to the MDU's previous transitional benefits rates which were themselves around 50% below our previous occurrence rates. Our new subscriptions are generally over 80% lower than the subscriptions in place in 2017 when state indemnity was announced."*





Primary Care Networks

GP practices had until mid-May to form a network of practices called a Primary Care Network (PCN) which have a combined number of patients between 30,000 and 50,000. The purpose of creating such network is to achieve a fully integrated community-based healthcare.

The British Medical Association (BMA) primary care network handbook outlines the benefits a primary care network would have to patients of the GP practices. The development of PCNs will mean that patients and the public will be able to access:

- Resilient high-quality care from local clinicians and health and care practitioners with more services provided out of hospital and closer to home
- More comprehensive and integrated set of services, that anticipate rising demand and support higher levels of self-care
- Appropriate referrals and more 'one-stop shop' services where all of their needs can be met at the same time
- Different care models for different population groups that are personal-centred rather than disease-centred.

The PCN could be made up of as few as two large practices or up to about nine medium-sized practices and will be led by a clinical director, which is most likely to be a local GP. It is not mandatory to join a PCN however it is believed that very few practices will not choose to join one. As of October 2018, 88% of practices were already part of some form of network which will make the grouping process a lot simpler.

The PCN will receive £1.50 per patient a year as a Network Financial Entitlement. They will also be paid extra based on their 'network engagement' via the global sum which is expected to total about £14,000 a year for a typical practice. NHS England expects a typical primary care network to have five clinical pharmacists, three social prescribers, three first contact physiotherapists, two physician associates and one community paramedic by 2024.

Government backs pension flexibility to stop taxes undermining NHS workforce

Senior doctors will have more flexible pensions under new plans launched by the government. The government argues high-earning clinicians would be able to take better advantage of pension provision and working patterns by building their NHS pension more gradually over time. This would be done by making steadier contributions towards their pension, without facing regular, significant tax charges. This would result in those clinicians being able to freely take on additional shifts, fill rota gaps and take on further supervisory responsibilities.

The new proposal is known as a 50:50 plan and would allow clinicians to halve their pension contributions in exchange for halving the rate of pension growth.

Health and social care secretary Matt Hancock said: "Each and every senior consultant, nurse or GP is crucial to the future of our NHS, yet we are losing too many of our most experienced people early because of frustrations over pensions. We have listened to the concerns of hardworking staff across the country and are determined to find a solution that better supports our senior clinicians so we can continue to attract and keep the best people."

This new proposal comes after senior doctors have said that tax charges are discouraging them from taking on extra work as well as causing them the question whether the NHS pension scheme is right for them.

The government stated that the new flexible pensions would be available to 'senior clinicians who can demonstrate they expect to face an annual allowance charge'. This covers doctors who have built up more than £40,000 of benefit in their NHS pension in a year and those who have an adjusted income of over £150,000.



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Due to the new General Data Protection Act (GDPR), that came into force on the 25 of May 2018, we need confirmation that you are still happy to receive our updates, newsletters and events.



What do I need to do?

Just fill in your details to confirm that you still want to receive our updates, events and newsletters. It only takes a minute, and will mean you stay in touch with us:

<http://www.hawsons.co.uk/newsletter/>



Anything else?

Not at all! Although...you can follow us on social media to stay even more up to date with everything that we're up to here at Hawsons.

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