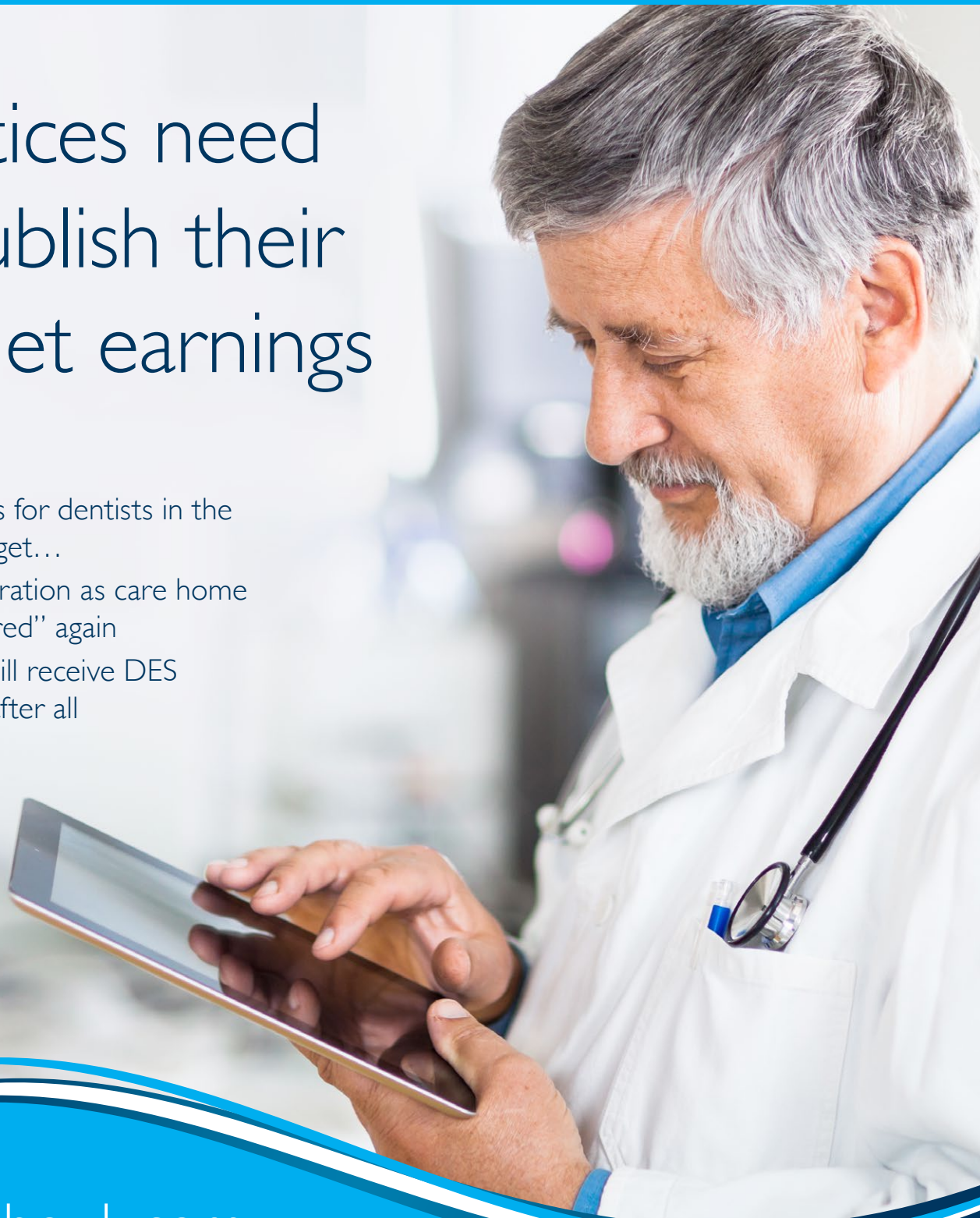




Practices need to publish their GP net earnings

Plus

- Good news for dentists in the Spring Budget...
- ...But frustration as care home crisis "ignored" again
- Practices will receive DES payments after all



Welcome to our latest Focus on Healthcare

Welcome to the latest edition of our Healthcare Bulletin, designed to keep you up to date with the very latest developments in the healthcare sector.

In this edition, we review NHS England's change of position on DES payments and how GP practices now need to publish their net earnings.

We also look at why the Spring Budget was potentially good news for dental practitioners and finally, how care homes are under threat with the new minimum wage rise and implementation of the National Living Wage.

For more information on any of the issues covered in this newsletter, please contact David Belbin, Philip Redhead or Neil Windley for matters relating to doctors, dentists and opticians, or care homes.

Practices need to publish their GP net earnings



All GP practices now have to publish their mean GP net earnings.

This follows Government updates to the 2015/16 GMC Contract Guidance notes stipulating that average annual GP earnings now need to be disclosed by practices.

All earnings to be reported are pre-tax, National Insurance and employee pension contributions, and this includes income from

NHS England, CCGs and local authorities for the provision of GP services that relate to the contract or which have been nationally determined. It is also net of practice expenses incurred for contractors, but does not include income and costs related to premises.

At Clemence Hoar Cummings, we advise GPs on accounting, tax and practice management issues and help them protect and build their personal wealth. For more information, please contact us.

Good news for dentists in the Spring Budget...

The headlines from Chancellor George Osborne's spring budget may focus on the fragility of the economy and further cuts to public spending, but we feel there is at least some positive news on personal finance for many.

Here is why:

- Higher rate tax threshold to rise from £42,385 to £45,000 in April 2017. The majority of dentists are higher rate tax payers and will therefore feel the benefit.
- Many dentists employ their spouse and will take advantage of the tax-free personal allowance to rising to £11,500 also in April 2017.
- Annual Isa limit to rise from £15,000 to £20,000. This is a welcome increase to the alternative savings vehicle for those dentists no longer funding personal pensions (due to lifetime and annual allowance limits).
- Reforms to business rates will mean 6,000 small businesses pay no rates and 250,000 have their rates cuts from April 2017.

- Dentists trading as a limited company will welcome the changes to corporation tax, cut from 20 per cent to 17 per cent by April 2020. This may somewhat offset previously announced increases to dividend tax effective from April.
- Dentists buying a practice with a freehold property are likely to be affected by changes to commercial stamp duty – 0 per cent rate on purchases up to £150,000, 2 per cent on next £100,000 and 5 per cent top rate above £250,000. The freehold of a dental practice is often valued at less than £250,000 so this could be an advantage to many buyers. However, buying a larger freehold practice, especially one in the south east, could make you worse off.

At Clemence Hoar Cummings, our understanding and experience of the dental practice sector mean that we are ideally placed to review expenditure, identify areas where a practice is under-performing and suggest solutions to improve financial efficiency and profitability, as well as maximising tax efficiency. For more information, please contact us.

...But frustration as care home crisis "ignored" again

Local authorities, older people's charities and Care England, which represents care home providers throughout the UK, have described their frustration after Chancellor George Osborne ignored "the elephant in the room" that is social care.

Councils, represented by the Local Government Association (LGA) had called for the Chancellor to bring forward to this year £700m of the extra £1.5bn funding promised in November's Spending Review.

The £1.5bn funding pot for the Better Care Fund (BCF) is earmarked for use by 2019/20 but calls to make it available now went ignored.

Janet Morrison, chief executive of older people's charity Independent Age, said: "The elephant in the room during this Budget was the massive black hole in health and social care funding.

"The silence at the dispatch box on these issues was deafening.

"While NHS trusts are £2.3bn in deficit and there is a £4.3bn black hole in social care budgets by 2020, Westminster has yet again failed to provide any answers on how these will shortfalls will be met.

"It is clear that the usual Westminster party politics is failing to tackle these crucial challenges. That is why we support a cross-party, independent commission on the future of health and social care in this country."

Dr Rhidian Hughes, chief executive of the Voluntary Organisations Disability Group, said: "We have reached a perfect storm. Demand

is rising. Unmet need is rising. Welfare reforms and cuts to services are leaving fewer and fewer people eligible for essential care and support services. Yet the Chancellor's Budget statement said nothing about these pressing matters. The absence of social care was an obvious and concerning void."

With the introduction of National Living Wage in April, the extra cost could have a substantial effect on care providers; those serving publicly-funded residents who will need councils to cover the increased costs.

LGA chairman Lord Porter said: "Councils have more than played their part in trying to balance the nation's books in recent years and all councils will have to continue to find substantial savings from local services to plug funding gaps over the next four years.

"Extra council tax powers and transitional funding will help some but won't be enough to completely offset the full impact of funding pressures.

"Pumping money into the NHS while councils receive less social care and public health funding is a false economy. A properly funded social care system is essential to alleviate the pressure on the NHS."

Clemence Hoar Cummings' experience in working with care and nursing homes means that we are ideally placed to provide expert advice on ensuring your business is in the best possible shape to respond to financial and other challenges and put in place short and longer-term strategies for achieving stability, growth and development.

Practices will receive DES payments after all



Following a nationwide review, NHS England has changed its position and agreed that all GP practices that have met the minimum standards for avoiding unplanned admissions DES (Direct Enhanced Service) will receive payments that had originally been withheld.

NHS England area teams had originally claimed that some practices were not eligible for the funding worth tens of thousands of pounds, despite following the guidance in the specification, and it had withheld payments as a result.

However, now the body has directed area teams to pay any practice that met the minimum standard of putting 1.8 per cent of their patients on the DES risk register, although the teams have been told to manually calculate the achievement of practices, which might cause further delays.

The initial decision not to pay hinged on a dispute between NHS England and the General Practitioners' Committee (GPC)

about how often practices must complete a review of exiting care plans to trigger payments.

The GPC said that NHS England guidance had said GPs had to review care plans for their at risk patients in the 2015/16 financial year, which gave practices extra time to conduct the reviews. NHS England, on the other hand, claimed that practices had to review care plans in the past 12 months, so withheld payments to those that had been planning to undertake reviews at a later date.

Now though, a letter from NHS England assures practices that they will receive the money even if they have not reviewed their care plans during this financial year and states that it was not their intention to withhold payments where the work has been completed.

Clemence Hoar Cummings keeps up-to-date with the wide ranging reforms to the NHS system and the ever-changing legislation affecting the healthcare sector. We can guide you through the intricacies and complexities so that you can concentrate on your patients.

Clemence Hoar Cummings
1 - 5 Como Street,
Romford,
Essex RM7 7DN

T: 01708 333300
E: info@chc.uk.com
W: www.chc.uk.com

