



# Hundreds of dentists struggling after paperwork failings, says BDA

## Plus

- Healthcare providers unprepared for Making Tax Digital, says NASDAL
- Helpful VAT tips for independent pharmacists
- NAO criticises “unsustainable” seven-day GP plan



# 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 look at: warnings that healthcare providers could be ill-prepared for the Government's flagship Making Tax Digital (MTD) project; the spending watchdog's view on a poorly-planned GP initiative; some useful VAT tips for independent pharmacists; and, finally, an administrative blunder which has had serious repercussions for a number of dental practices.

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.

## Making Tax Digital postponed but healthcare providers need to prepare for changes

In his Spring Budget, the Chancellor announced that Making Tax Digital (MTD) would become a reality and would start to be implemented from April 2018.

However, following the announcement of a snap General Election, which will take place on 8 June 2017, the Government has now dropped clauses relating to Making Tax Digital from the Finance Bill 2017, in order to ensure key aspects of the Bill receive approval from MPs before Parliament is dissolved.

This means that Making Tax Digital is now on hold until after the election.

Despite the fact that plans for Making Tax Digital are currently in suspension, Theresa May's Government has said that the clauses dropped from the Finance Bill remain policy and that, subject to being re-elected, it will put forward legislation at the start of the new Parliament to enact them.

If Making Tax Digital goes ahead as planned, after the General Election it is important to understand the implications to your practice or healthcare business.

This is the biggest change to the UK tax system since the introduction of Pay-as-you-Earn in 1944.

Last year NASDAL warned the Government that because of the "unique characteristics" of the healthcare sector, it would be fairer to have additional time to prepare for MTD.

It explained that while most traditional businesses are accustomed to preparing monthly management accounts and paying VAT on a quarterly basis, healthcare providers are not typically registered for VAT and comply with their tax regulations on a strictly annual basis.



But these concerns were not addressed in the consultation report, which means that practices should begin to familiarise themselves with the functions of quarterly reporting, as well as getting to understand the digital software required to process digital tax returns, in readiness for the proposed return of Making Tax Digital.

We will update you as soon as details of the new legislation are announced after the election. In the meantime, if you have any questions, please do not hesitate to contact the team at Clemence Hoar Cummings.

# NAO criticises “unsustainable” seven-day GP plan

The National Audit Office (NAO) has criticised Government plans to implement a seven-day working week for GPs, labelling them “expensive and unsustainable in practice”.

Under the plans pushed by former Prime Minister David Cameron, patients would be able to visit their GPs every day of the week between 8am and 8pm.

But the spending watchdog says that the Government’s targets for the initiative have been poorly-planned.

It estimates that the absolute minimum additional capacity required by the new plan would equate to £230 per appointment hour during evenings and weekends for every 1,000 registered patients.

Comparatively, appointment hours during GPs’ core contracted hours (between 8am-6:30pm) cost just £154, the NAO suggests.

“We have not seen evidence that the department and NHS England fully understand the effect of this commitment to extend hours on continuity of care or other arrangements for providing general medical services outside of core hours,” the report says.

Commenting on the research, Dr Chaand Nagpaul, British Medical Association (BMA) GP committee chair, branded the Government’s pledges “irresponsible”.

“To proceed without any sort of evaluation into the cost-effectiveness or the consequences of its objectives ... could lead to much needed investment being spent on measures which don’t adequately meet patient needs,” he said.

“Given that funding in general practice has failed to meet patient demand, NHS England and commissioners need to fully consider the consequences of their plans to extend access.”

The Government response cited that extending GP access will ease the burden on heavily-pressured healthcare services such as A&E. It added that as many as 17 million patients have already benefited from evening and weekend appointments.

These estimations mean that it is even more important to manage your practice’s finances. Clemence Hoar Cummings can work with you to plan forward and model alternative outcomes to any important decisions you may need to make.

# Helpful VAT tips for independent pharmacists

We know that the mention of VAT strikes a chord with independent pharmacists. The many varieties of VAT rateable medicines, ointments, and remedies present a complex problem when it comes to getting your tax return right.

These simple steps are not the be all and end all of this year’s VAT accounting, but they might just save you from a few sleepless nights.

## PGDs

Items supplied under Patient Group Directions (PGDs) are taxable at the standard 20 per cent rate because they are not written for an identified, individual patient.

## Medicines and appliances

If you provide medical treatment that is exempt from VAT, any charges for medicines and/or appliances which are administered or applied to your patient are also exempt. Typical examples include seasonal flu jabs, meningitis and travel vaccinations.

If you are uncertain, the simple test is as follows: can the item be

separated from the treatment, i.e., can it be self-administered? If the answer is yes, then VAT will usually need to be applied at the standard rate.

## Seasonal influenza vaccination Advanced Service

Pharmacists who last year provided the community pharmacy seasonal influenza vaccination Advanced Service were entitled to claim £7.64 in admin fees for vaccinating each patient plus an additional £1.50 to cover costs incurred in providing the service.

Both fees were exempt from VAT because it related to a patient-specific vaccination service administered by a pharmacist. The cost of the actual vaccine could also be reimbursed at the basic list price with pharmacies receiving a standard 20 per cent VAT allowance on the vaccine. Such VAT payments were then declared on the normal VAT return as with any VAT standard-rated sales.

Assuming that the payment structure remains the same for the 2016/17 community pharmacy seasonal influenza vaccination Advanced Service, the same rules for VAT should, theoretically, apply. For more information please contact us.

# Hundreds of dentists struggling after paperwork failings, says BDA



The British Dental Association (BDA) has urged MPs to hold a sub-contractor to account for failures which it has claimed have left hundreds of practitioners “unable to earn a living.”

Capita has been accused of an administrative blunder which has forced a sizeable number of dental professionals to stand idle while the problem is resolved.

Some of the NHS dentists affected have had to wait up to 12 months to get their National Performer Number, which is required to provide NHS services.

The task had previously been the responsibility of NHS England – who typically managed to complete an application within a six week window – but the job was passed to Capita in September 2015.

The BDA leadership is apoplectic about the way the process has been mishandled, pointing out that it has put some practices at risk of failure.

In December, 550 trainee dentists had to stop working due to the backlog and the BDA estimates that the problem has cost tens of thousands of pounds in income.

Henrik Overgaard-Nielsen, the BDA’s chairman of general dental practice, said: “It’s a disgrace that practitioners are being denied

a livelihood, while hundreds of thousands of patients are being left without access to NHS dentistry.

“We want to thank MPs for their determination to see Capita are held accountable. Neither patients nor practitioners should have to pay the price for failure by an NHS subcontractor.”

A Capita spokesman said: “The majority of outstanding applications relate to dentists who have trained overseas and who want to work in the UK.

“The robust processing of these applications has always been more complex. We continue to prioritise the timely processing of all applications.”

NHS England admitted there had been “teething problems” since the handover, but their phrasing drew a stern rebuke from the BDA – who suggested the organisation had shown poor judgment in its choice of words.

Clemence Hoar Cummings’ experience in working with dentists means that we are ideally placed to provide expert advice when responding to financial and other challenges, to help achieve stability, growth and development for your practice.

To find out how we can help you, please contact us.

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