

Safeguarding Patient Services, Maintaining Cost Ef

Following the DDRB zero award which means a 6.6% pay cut the GPC has produced guidance for GP practices on safeguarding patient services and maintaining cost effectiveness. This guidance makes it clear that our first priority will be to safeguard patients services from the effects of a reduced practice income and that despite financial pressures we will wish to continue to reward practice staff fairly. The guidance was agreed with lawyers and a QC who specialises in industrial relations law in order to ensure that neither the BMA nor practices were being put at risk of breaching the law.

The guidance advises that while it may not be possible to bridge the gap between rising costs and a zero increase in practice income, it is likely that we will want to review our practice workload and costs to explore decisions and actions that could be taken when trying to balance the practices books. This is similar to the way that tight NHS budgets have resulted in pressure on hospitals to review their services. We will now need to take tough, business minded decisions to minimise the effects on both the practice and patient services. A number of measures are identified that can help us with our business planning. The guidance can be accessed on:

<http://www.bma.org.uk/ap.nsf/Content/safepatientserv0407>.

Dr David Dickson attended the GPC/LMC Secretaries meeting on 19th April in London. LMC Secretaries were able to detail and discuss the situation in their areas. It became clear that there was a broad range of issues that GP practices were concerned about that went beyond the 0% DDRB recommendation. In particular there was disquiet about the current state of the NHS, the amount of political and managerial interference in every day professional practice, and the very vulnerable position of PMS practices who are being squeezed by PCTs.

Access DES and Choice & Booking DES from April 07

These were one year DESs with a commitment to review for 2007/08 but the GPC have not yet had formal discussions with the NHS employers about the future of these DESs. The GPC has asked for an urgent decision about whether these will be rolled over in either their current or a different form. The LMC has discussed this with South Staffordshire PCT and you can be assured that the LMC will only negotiate a local arrangement that is adequately and appropriately resourced and with the option that should any national solution be agreed there is an option to move to the national arrangements at that point.

Practices should feel under no obligation to cooperate with surveys for the Access DES or use Choose and Book, particularly if they feel these do not advance patient care. It is for every practice to make their own decision based on their specific circumstances.

VAT on Medical Services

Practices should be aware that Parliament has approved the implementation of VAT on medical services from 1st May. Those practices already registered for VAT are advised to familiarise themselves with the details of items for which they will have to charge VAT.

Detailed guidance can be found by visiting HRMC website at:

http://customs.hmrc.gov.uk/channelsPortalWebApp/channelsPortalWebApp.portal?_nfpb=true&_p

and also on the BMA website at:

<http://www.bma.org.uk/ap.nsf/Content/VATonmedicalservicesFAQs?OpenDocument&Highlight=2.VAT>

HMRC was required to consider the Morganash ruling during the implementation process for the ruling on VAT on medical services. This was a VAT tribunal case that considered whether medical services relating to certain insurance transactions could be exempt under the VAT exemption for insurance. The tribunal decided that the service was exempt from VAT under the UK (but not EU) insurance exemption. HMRC did not appeal against the tribunal decision and accepted that medical services provided in connection with the bringing together of parties to an insurance contract and the administration of policies, including the handling of claims, fall within the current UK insurance exemption as insurance-related services. This means that nearly all insurance work will continue to be exempt from VAT.

Further information is given in the insurance section of the HMRC Public Notice 701/57 and the Revenue & Customs Brief announcing implementation of the changes (available on the HMRC web site). This states that medicals and reports provided purely for the purposes of valuing policies for tax reasons, for example, in relation to inheritance tax, are liable to VAT at the standard rate. The GPC understand that this is a small area of insurance work but the HMRC guidance states that the following insurance areas qualify as an exempt supply of health in principle:

*Health screening under private medical insurance policies—these are regular check-ups to detect early signs of disease.

*Income/credit protection insurance—medical services where the policy holder has fallen ill (as opposed to losing his/her job) and which are aimed at assisting the individual in returning to a normal life.

*Motor insurance—where medicals services are provided under a policy to assist in enabling an injured motorist to return to full health and/or work. (Note—this does not include medicals undertaken for DVLA purposes to ensure initial or continued fitness to drive which are liable to VAT at the standard rate).

*Any other medical service provided in connection with an insurance policy where the principal aim is to assist in restoring the health of the individual.

The GPC understands that this exemption for VAT applies to the current fees they agreed with the ABI for life assurance policies and income protection policies. ABI have indicated that insurers are aware of the small areas of insurance that are subject to VAT and are likely to identify that the work is vatable when contacting GPs. Once again GPs are advised to keep careful records and to take professional accountancy advice regarding their individual circumstances.

Trainers Continuing Professional Dev Payment 06/07

GP Trainers in South Staffordshire will have been disappointed at the Deanery refusal to make this payment awarded by the Review Body. This payment has been made in other parts of the country so we hope that pressure from the Department of Health on the West Midlands Strategic Health Authority will make it forthcoming.

Death Cert and Use of "Old Age" People under 80

Following the criticisms by Dame Janet Smith in the Shipman Inquiry 3rd report, Registrars and Coroners are now unlikely to accept "Old Age" as a sole cause of death in people under 80. If you feel able to certify this as the cause of death in somebody under 80 and cannot be more precise you should speak to the Coroner (not the Coroner's Officer) before completing the certificate. You should explain the circumstances to him and make it clear that you can either certify as "Old Age" or you cannot certify at all and you will have to invite him to take over the case. If he tells you that the law requires you to issue a certificate but that he will not accept "Old Age", tell him you will have to certify as "Cause Unascertained".

Most Coroners are reasonable about this and those who are not medically qualified will defer to you on medical matters.

IT Summary Care Record

Concern has been raised about our current role in the IT Summary Care Record. The GPC advice is that unless a practice has volunteered to be part of the early adopter programme (currently Bolton but a handful of other PCTs will be involved as the year progresses). The vast majority of practices need do nothing this year other than respond to patient queries as they are doing now. At the moment these numbers are few and far between although they might increase with more publicity. If a patient wants to opt out totally then a read code 93C3 is added to the record. That is all that needs to be done to honour the patients requests.

Once the early adopter programme has been independently evaluated then the GPC will objectively know what workload for practices there is and there will then be discussions with the Department of Health to cover this when then roll-out occurs in 2008. If there is no new money to cover the work then practices will not be obliged to do it.

BMA Guidance

Several guidance notes have been produced by the BMA recently:

- *Enhanced Services and Floors from April 2007
- *Reviewing PMS Contractual Arrangements
- *Practice Based Commissioning in 2007/08: Key Issues
- *Employment of Staff under PBC
- *Payment of Component 2 of Towards PBC Directed Enhanced Service

These are all available at:

<http://www.bma.org.uk/ap.nsf/Content/>

Single handed GPs and those approaching retirement will be interested to read the guidance "Contractual Issues for GPs" which is also available at the BMA website. Many of the contractual issues raised in the guidance are relevant to GPs in general. Information on practice mergers and advertising of vacancies is also included.

The advice on Decontamination of Medical Devices is attached for your information.

LMC Staff Pay

The Local Medical Committee has decided to increase the pay of the Administrative and Medical

Officers by 2.5%. Members' attendance payments have also been increased by 2.5%. Owing to savings in the LMC finances this year there will not be a levy increase.

If you are unhappy with this decision please contact the LMC office.

Dates for Next Main LMC and Sub Com Meetings

South Staffordshire LMC - 7th June 2007, South Staffordshire PCT, Merlin House, Etchell Road, Bitterscote, Tamworth.

South East Staffordshire Sub Committee - 21st May 2007, South Staffordshire PCT, Merlin House, Etchell Road, Bitterscote, Tamworth.

South West Staffordshire Sub Committee - 24th May 2007, South Staffordshire PCT, Block D, Beecroft Court, Off Beecroft Road, Cannock.