

WORCESTERSHIRE LMC

NEWSLETTER

JANUARY 2007 EDITION

NATIONAL ISSUES

Locally for the LMC there is really not much happening and our last LMC meeting was one of the shortest for years. This is a reflection of the current level of inertia at the PCT as there are certainly plenty of matters that should be on the GP agenda at the moment. In the last newsletter we detailed our concerns about funding for future premises developments and we continue to be very alarmed by this. We are awaiting further clarification from the PCT. The officers of the LMC have a meeting with the Chief Executive shortly.

The biggest issue nationally is obviously what appears to be a total breakdown in discussion between the Department of Health and the GPC. It seems there is little doubt that GPs are being subjected to a current very negative media campaign. If you have not already signed on to the 10 Downing Street Pensions on-line Petition, please do so at <http://petitions.pm.gov.uk/GPPension>. We have been told by the GPC that there has been no further progress with the NHS employers and in agreeing a negotiated uplift to the contract 2007/08. Final representations have been made to the DDRB and there is a meeting due shortly. Currently the Press is exceedingly negative at the moment about GP's.

We will keep you informed of developments and will do our best locally to try and counter as much anti-GP spin as possible.

CPD MONEY FOR GP TRAINERS

The GPC has informed us that this money should be paid as last year. We understand the NHS West Midlands Workforce Deanery is saying they will not be able to pay this money as they have not been given any additional funds. The LMC has written to the Strategic Health Authority asking when this money will be paid to practices and we will be pushing this further at the Regional LMC shortly. It is quite astounding how many promises and guarantees are being broken at the moment. Developments such as Practice Based Commissioning cannot really take off unless there is a great deal of trust within different parts of the health service. The department seems to be doing everything it can to undermine this.

CHOICE SURVERY

By now all practices will have received the documentation and survey plus reply paid envelopes. You will also see that the PCT has agreed to cover some of the costs. We would just ask all practices when doing the survey to check that the right practice codes are on the envelopes. We have been informed that elsewhere they have been mixed up and practices may well be diligently giving out envelopes to their patients and the results will come back in the name of another practice!

HMRC GUIDANCE ON RECORDING EMPLOYERS PENSIONS CONTRIBUTIONS ON SELF ASSESSMENT TAX RETURNS

The HMRC would like all GPs and their accountants to be aware of the following when filling out their self assessment tax returns. "THE HMRC's view of the correct counting and tax treatment for GP contributions is that returns should be submitted stating gross income, including employer's pension's contributions. The 14% employer's contribution should also be stated separately so that it can be claimed against tax. Doing tax returns in this way will ensure uniformity across the country but will make no difference to GPs tax burdens if they were previously recording their income net of the employers contributions. In instances where another method has been used for the 05/06 accounts, HMRC would ask that the self assessment forms are resubmitted in the correct format. Further guidance can be found on the HMRC's website.

UPDATE ON IMPLEMENTION OF VAT ON MEDICAL SERVICES

The following was sent to LMC's in December and is the current state of play. Things are changing and it looks likely that at some stage we will have to start charging VAT.

"In the case of Dr Peter D'Ambrumenil and Dispute Resolution Services the European Court of Justice (ECJ) ruled that the UK exemption for medical services was too wide. As a result, the UK is amending the exemption from VAT for health services, and some services, currently exempt, will become liable to VAT at the standard rate. Essentially, the ECJ's ruling means that if the principal purpose of the medical service is the protection, maintenance or restoration of the health of an individual then the services will continue to be exempt from VAT. Primary health care provided through either the NHS or the private sector would remain VAT free. However if the purpose of a medical examination or report is to enable a third party to decide a course of action the medical services will be subject to VAT.

The BMA has recently become aware of the Morganash ruling, a VAT tribunal case that considered whether medical services relating to 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 the EU) insurance exemption. HMRC have confirmed that they will not be appealing against the decision and are considering how this case will affect medical services related to insurance services and underwriting.

Representatives from the BMA and HMRC recently met following the Morganash ruling. HMRC have informed the Association that there will be no announcement on the date of implementation of VAT until the New Year. HMRC officials have assured the BMA that they plan to give at least three months notice between the announcement and the date of implementation.

In the meantime, doctors and health professionals are advised to continue as before and note that there is no current requirement to take any action to register for VAT - or to charge VAT on services that may be affected by the ruling. Please note that the Dr D'Ambrumenil judgement must be considered as separate from the change of VAT rules affecting dispensing GPs.

Detailed discussions have been held over the last year between the BMA and HMRC officials to establish precisely which medical services would be affected by the judgement. HMRC is preparing a series of guidance documents on the effect of the ruling that will be available to doctors when the ruling is implemented."

SENIORITY PAYMENTS FOLLOWING RETIREMENT

There has been some discussion about whether a partner is entitled to seniority payments if they return to work part-time as a GP partner after a period of retirement. The GPC confirms that any provider who has completed at least 2 years of service as a GP Provider will be eligible for seniority payments. Payments will depend on years of service, so retirement years will not count. Therefore a GP who returns as a provider following retirement will be eligible for seniority payments providing they have had at least 2 years of previous service as a GP Provider. Further information is available on the GPC Focus on Seniority Guidance Notes.

THE CHOICE AGENDA

In November on the Department of Health website a briefing paper appeared called "Can Choice for all improve Health for all?" They looked at evidence of whether NHS patients should become consumers of health. This is a fascinating document and so much so that it has been taken off the Departments website. We understand its being rewritten. That may be because the key message is as follows:

"There is no evidence that giving patients greater choice will, in itself, improve the quality of their care. Some studies suggest that increasing choice may result in the

deterioration in the quality and cost effectiveness of services." The LMC has copies if anybody would like to read the whole document as you cannot now get it from the Department of Health!

ANNUAL CERTIFICATE OF PENSIONABLE EARNINGS

The revised version of the Certificate of Pensionable Earnings for England is currently being drawn up by the BSA Pensions Division with the Institute of Chartered Accountants and the Association of Independent Specialists Medical Accountants. It is available shortly once the Department of Health and the BMA have approved of any changes.

PENSIONS

There is a GPC guidance document entitled "Information for GPs about the decision by the Secretary of State for Health to cap pension's dynamising factors". This is available on our website at <http://www.worcslmc.co.uk/Docs/Pensionsdynamisation-January2007.doc>.

GPC GUIDANCE

The GPC has revised its guidance for GP Returners. The guidance now includes advice on the impact of the Minimum Wage Regulations and the Model Salaried GP Contract. These are available on the GPC and LMC website:

<http://www.worcslmc.co.uk/Docs/GPreturnersgpcguidanceDec06.pdf>

Updated guidance on GP Locum fees is available at:

www.bma.org.uk/ap.nsf/Content/locum

The BMA Professional Fees Committee has produced more guidance on Collaborative Arrangements which we have already circulated and in addition we have sent a note to practices advising that the Department of Work & Pensions has agreed to an increase in fees paid to GPs for the completion of factual reports for Disability Living Allowance claims and also Attendance Allowance. The new fee of £33.50 will be effective from the 1st January 2007.

NHS SUMMARY CARE RECORD

Before Christmas the media started to raise significant numbers of concerns regarding the confidentiality of the Summary Care Record. There are indeed opt out websites around and a number of practices have contacted the LMC having received letters from patients. Initially the Department of Health suggested that practices should forward these letters on to the Department. The LMC currently feels the best thing that practices should do is keep hold of these letters from patients and contact them if and when a definite proposal takes place to transfer their records onto the central spine. It is possible to read code these on the patient record and then search for them in due course.

The Department of Health and the BMA put out a document called "Connecting for Health the NHS Care Records Service in England Ministerial Taskforce Report" which is available on the website at:

<http://www.worcslmc.co.uk/Docs/BMAGuidanceonminiserialtaskforceonnhscarerecord.pdf>.

The issue of either a pure opt in or opt out position remains under discussion but there has been definite movement on the part of the Department of Health. Some statements made by Lord Warner before he stood down were most welcome. As yet nothing has been agreed, pilots are taking place to see how it works in practice and the GPC will keep us informed.

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**THIS NEWLETTER IS PRODUCED FROM THE LMC OFFICE AT
ST STEPHENS SURGERY**

The next LMC meeting will be 8 February 2007