



Pharmacy VAT is complicated already – are you ready for Making Tax Digital?

Plus

- State-backed GP indemnity scheme falls under reform
- NHS dental charges set to rise by five per cent
- Almost half of GPs plan to retire within the next five years

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 report on the reform of state-backed GP indemnity, the latest on Making Tax Digital and how it will affect VAT-registered health care businesses, proposals which could see a five per cent increase in NHS dental charges and finally we report on a new study which suggests that half of all GPs in the UK are considering retiring in the next five years.

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.

State-backed GP indemnity scheme falls under reform



Medical legal indemnity fees for GPs working eight sessions a week have changed to be as little as £1,400 from 1 April under state-backed indemnity, a drop of more than 80 per cent from previous average costs.

The state-backed scheme will cover the cost of clinical negligence for GPs and other practice staff carrying out NHS work from 1 April but GPs will need to maintain cover for non-NHS work, GMC representation and other matters.

One London GP covered by the MDU has been told he will pay £1,360 a year for cover for eight sessions a week.

This is the first confirmation of the extent to which GP rates are likely to fall under the landmark indemnity reform that took place last month.

GPs across England that were due to renew their indemnity cover in April were receiving letters from medical defence organisations informing them of the rates they will pay from 1 April.

Rates have dropped by substantially more than 50 per cent compared with the average £8,000 annual fees GPs were paying when plans for state-backed indemnity were announced in November 2017.

The rate quoted to the London GP suggests that fees are likely to drop by in excess of 80 per cent although defence organisations and the BMA have said rates paid by individual GPs will continue to vary to some extent.

Pharmacy VAT is complicated already – are you ready for Making Tax Digital?

Since 1 April, all UK based businesses that have a taxable turnover above the VAT threshold of £85,000 have been required to switch to the new digital tax service to report earnings and calculate VAT owed.

HM Revenue and Customs (HMRC) had previously claimed that 80 per cent of businesses required to join MTD were aware of the changes and had already started preparations for the Government's new initiative to digitalise the tax returns process.

However, only four per cent (55,250) of UK businesses have registered for making tax digital (MTD), leaving more than one million to sign up.

Figures revealed that more than 3,000 businesses are registering to MTD every day; nevertheless this would mean

that only 402,000 will have signed up by August 2019.

Even though MTD for VAT came into force last month, most businesses won't need to file a quarterly return until 1 July 2019 at the earliest.

HMRC has stated that they are starting with a one-year soft landing and there will be some leniencies on how you file your first returns.

Initially, businesses won't need to have a digital link between how transactions are recorded and how you submit your VAT return. But they will need to use bridging software to submit their figures while continuing with their usual VAT system.

For further advice on making tax digital, get in touch with our team to find out how we can help.

NHS dental charges set to rise by five per cent

The Government is proposing to increase dental charges by five per cent, which will mean a routine check-up costs £22.70. Net Government expenditure in England on dental services has dropped by £550 million in real terms since 2010.



Over the same period, charges have increased by more than 30 per cent. The Oral Health Foundation branded the price hike an appalling decision that will significantly impact public health.

They say that the increased charges will hit the poorest communities the hardest and lead to more people avoiding trips to the dentist.

Since 2010, the cost of NHS dentistry has shot up by more than 30 per cent, while Government spending on English dental services has dropped by £550 million over the same period.

Dr Nigel Carter, chief executive of the Oral Health Foundation, said: "The cost of visiting an NHS dentist is increasing far beyond that of inflation.

"We have seen these price rises develop over many years and we fear it will soon push many of the population to breaking point.

"A significant U-turn needs to happen to make NHS dentistry more affordable. It is clear however, that the Government continues to see it as a cash cow to prop up other areas of the health service."

A study, published in the British Journal of General Practice (BJGP), warned that GP appointments for dental problems are often not an effective or efficient use of resources, with the result being that pressure is 'piled on overstretched GPs who are simply unequipped to help.

For help with managing your practice's finances, please contact us.

Almost half of GPs plan to retire within the next five years



A recent study has revealed that almost half of the UK's GPs plan to retire in the next five years, despite a raft of measures designed to improve their conditions.

Researchers at the University of Warwick found that GPs are increasingly feeling demoralised and that the number of GPs preparing to leave has risen to 42.1 per cent from 31.8 per cent in 2014. Moreover, almost 60 per cent reported that morale fell between 2014 and 2017 when the latest survey took place.

Meanwhile, more than half of those polled said they were working more hours than two years earlier, and the intensity and amount of work are key reasons for GPs moving forward their retirement date.

One of the lead authors of the study said that the situation is bad and getting worse, as GPs are feeling increasingly overworked and increasingly negative about the future.

The bleak figures come despite the introduction of flagship Government measures to boost GP and nurse numbers and

investment in IT and buildings. Unfortunately, less than a third of those polled said they had actually seen any benefits from these.

Meanwhile, pledges by the Government to roll out video consultations, and to reorganise the health services into sustainability and transformation partnerships (STPs), were seen as negative.

A spokeswoman for the Royal College of General Practitioners (RCGP) said that GPs are under intense strain and that the current efforts to boost numbers of trainees were meaningless if older experienced doctors continue to flee.

However, a spokesperson for NHS England said that the survey, which was conducted with doctors in Hampshire and Dorset, represents a tiny percentage of GPs in one local area, adding that the NHS is offering financial and educational support to encourage GPs to stay.

If you are considering retirement from your practice, our specialist team can help. To discuss your exit strategy, please contact us.

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