

Charging for non-NHS work

David Hubbard has advice on how to keep track of your private income.

All practices will be in receipt of non-NHS income for services such as insurance company reports, cremation fees, private medical examinations and reports to name just a few.

To maximise practice profitability it is important these services are correctly charged for, and that payment is collected.

Identification

While the identification of non-NHS income should be evident from your practice accounts, it is important for you to consider all services provided in the surgery to ensure costs are recovered and charges raised for the provision of services. In addition to the services mentioned above, non-NHS income can include room hire, private prescriptions, retainers, passport counter signatures, disabled driver badge forms, shotgun licence certificates and Ofsted health declaration forms.

Most of the income sources will be driven by your patients and will happen automatically. However, your practice should not underestimate the earning potential from non-NHS work and could also consider other sources of income (minor surgery perhaps, or travel vaccinations).

Determining the amount

Once you have identified the sources of non-NHS income, you will need to consider appropriate charges for each service provided. The factors to consider will vary but will include:

- Establishing what other local practices charge and using this as a benchmark.
- The time involved in providing the service which should be multiplied by a rate per hour for the individual involved. This will vary depending on

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● Before they go on holiday patients might need travel vaccinations – for which the practice can charge.

who is carrying out the work.

- In addition to the direct costs of the individual's time there will be other indirect costs and overheads to factor into the final fee. These could include, for example, secretarial time for typing up reports and overhead costs associated with room hire.

- If your practice is providing a bespoke or unique service this could justify a premium rate to be charged.

Having determined the appropriate charges a 'Fees for non-NHS work' price list can be drawn up for display in the surgery and on the practice website so patients are informed not all services offered by your practice are covered under the NHS.

Collection of fees

It is important that there is a good fee claiming system in operation and that this is monitored on a regular basis to ensure all fees are recovered. Indeed

it may be appropriate to request payments in advance for some services (for example solicitor's reports) if problems and delays have occurred previously in the collection of fees for work undertaken.

Warning

Bear in mind there will be an abatement of rent income if private income for work conducted on NHS premises exceeds 10 per cent of total income.

If your practice is registered for VAT you will also have to consider the VAT implications of non-NHS work. Your accountant can advise you on this. ■

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