

Tearing your hair out?

AISMA accountants offer tips on how to manage some frustrating practice finance conundrums



● When partners find out how much a locum costs they may want to reschedule their working hours.

There seems to be no end in sight to the stressful work environment experienced by so many practice managers. To help, here are some tips from specialist medical accountants who have some practical suggestions on how to resolve some common tales of woe.

1. Partners taking extra drawings unexpectedly

Partners will sometimes take extra drawings unexpectedly, especially when income is higher in a particular month. This can be frustrating for practice managers looking forward to a small windfall in order to prioritise supplier payments, only to be advised by the GP partners that they wish to take this money as additional drawings.

Tip: A drawings schedule set out at the start of the financial year, and adhered to, will put both the practice

and the GPs in a more informed position. Peaks and troughs in income can be reasonably well predicted in advance, with the help of your AISMA accountant if necessary.

2. Management by crisis

Management by crisis is often prevalent amongst practice managers. A carefully planned workday is often ruined by a crisis within the surgery whether it is a complaint, an awkward patient, a water leak, a staff problem, a computer crash, or a systems failure. These incidents are often compounded by the interference, however well-intentioned, of the partners. Practice managers always seem available to 'catch these monkeys' but the art of delegation is the key to dealing with such issues.

Tip: Review the job specifications

of all staff, train them properly, and then empower them to deal with specific matters without your detailed involvement. Keep control, do not abdicate, but remember a strong staff team can relieve the weight from your shoulders.

3. Partnership priorities

The business of partnership is seldom understood. For this reason practice managers can be pulled from pillar to post by all of the partners who often issue different instructions and ask for priority attention. This means that the practice manager never understands who he or she is actually reporting to and where the real responsibilities lie. The solution is to recognise that medical practice is a business and it should be run accordingly.

Tip: The practice should be structured

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with a clear organisation chart so that everyone knows their duties and lines of responsibility. This is best achieved by having an 'away day' to determine practice strategy, facilitated or otherwise. This will enable the partners to set clear and operational partner management roles so that the partners work 'on' as well as 'in' the practice and the practice manager is clear who has the final say in each separate role.

4. Managing holiday cover costs

Practice managers are sometimes asked to find locums for holiday cover even where there is no cash in the kitty to fund them.

Tip: Ask your accountant to help you prepare a budget to show the GPs how much a locum costs them in 'cash in pocket' terms (after tax/NIC/

superannuation). The partners can then decide the course of action. They can either plan their holidays sensibly so that they cover for each other at no extra cash cost, or accept lower drawings for greater freedom to take holidays when they want. This also works with days off. Take one practice where no-one wanted to work on a Friday afternoon and used locums instead. When the GP partners were told how much the locums actually cost them, they quickly arranged a rota to cover Friday afternoons. It is sensible to make sure that the contracts for part-time salaried GPs give the practice maximum flexibility to use them when they are needed, not just when they want to work.

5. What the doctors think they draw and what they actually draw

It can be very frustrating for practice managers when the partners' perception of what they draw is different to what they actually draw, and as a result pressure is put on cash flow. For example Dr A anticipates having a profit share of £100k and drawings are set at

£84k (£7k per month) to allow for the superannuation being paid by the practice. Dr A knows that he has to pay his own tax out of his £7k per month. When the year-end accounts are drawn up they show that he has drawn £91k and not £84k because of the little extras that get forgotten about. For example:

- Quarterly seniority payments: £4k
- To save bank charges, and a walk to the cash machine, Dr A keeps some of the cash building up from miscellaneous fees: £500
- Small divvy-out following receipt of the QoF reward payment: £2,500
- Helping hand in January as not enough saved for the tax bill: £2k
- The result is that the practice is short of cash and Dr A has to pay some money back to the practice.

Tip: See (1) above.

Contributions to this article were from members of the Association of Independent Specialist Medical Accountants including MHA MacIntyre Hudson Maidstone, Honey Barrett, Moore and Smalley and Francis Clark.

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Opening hours debate

The Government wants general practices to open longer for scheduled care. Two doctors with opposing views discussed this on *bmj.com*.

Dr James Kingsland, president of the National Association of Primary Care and Senior Partner at St Hilary Group Practice in Merseyside, agrees with the proposal and says that it will reduce pressure on emergency services.

He argues that practices in England have 'too much unwarranted variation in opening times' and the 'triple aim of improved patient outcomes, improved patient experience and improved value' will not be achieved without increasing capability as well as capacity.

Dr Kingsland says access to routine appointments remains a national concern adding that already-overstretched emergency departments are being used by patients for non-emergency care.

He says the solution should 'focus on improving access to primary care services' and adds evidence that a 'one per cent increase in the proportion of patients able to access their doctor in a GP surgery is associated with a £20k

annual cost saving for the average practice'.

He questions whether there is any point introducing longer hours in primary care without increasing its capability, and asks how much longer we can tolerate 'some general practices continuing to treat today's illnesses tomorrow'?

In an opposing view, chairman of the Family Doctor Association and GP in Swindon Dr Peter Swinyard, believes that opening general practices for longer is unaffordable in the 'current fiscal climate'.

He says that it's time to look at the whole system for the provision of unscheduled care with the reminder that longer opening hours in general practice are for scheduled care and not just emergencies or urgencies.

He says that the recent announcement by Prime Minister David Cameron to run general practices from 8am till 8pm, seven days a week, has been met with 'considerable consternation in general practice in England' and warns that the present system 'may become unaffordable' within the next decade. ■