

Alternative income sources when profits are falling

With GP profits under pressure, James Gransby has some advice for practice managers needing to pursue new ideas on how to maximise income for their practice



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The NHS *Five Year Forward View* introduced the ‘vanguard’ new models of care programme, which includes the multispecialty community provider (MCP) model. MCPs involve a number of local entities who agree to work together to provide more services for patients in their local communities. This new way of working will mean that patients can receive more of their care from their local surgery, without the need to travel to hospital.

There is no doubt that, when executed well MCPs will offer opportunities for practices to earn additional income; although practices that are not currently part of an MCP will need to be committed to a whole new way of thinking and working. Working at scale with more stakeholders will bring its own challenges but can deliver the most rewards. This is not, however, a route that everyone can, or may wish to choose.

Maximise income from the surgery premises

Consider using spare rooms for services that may complement the surgery during opening times such as physio, counsellor, chiropodist

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or therapist. Offering a convenient one-stop-shop by keeping services close by could help the practice retain patients or attract new ones.

Any time that a room is empty might be a wasted opportunity to earn income. Consider offering classes, such as a slimming club or first-aid sessions during out-of-hours times. Do you have staff who could provide these classes and generate attendance fees as well as income from the room?

Note that renting out rooms that are funded by cost or notional rent will lead to a rent clawback. You will need to take advice and consider whether charging a service charge or facilities fee would be a better option.

Waiting rooms

Waiting rooms offer a good opportunity to earn additional income. Corporate advertisers may wish to benefit from the footfall and audience in the waiting room by paying the surgery to stock their leaflets. They may also want the opportunity to broadcast an advert or promotional video on a TV in the waiting area. This you could alternate with messages about important surgery news. You could also consider a mini shop or vending machine if there is room in the waiting area.

Become a training practice

This would take commitment, not least by the GP needing to acquire the relevant qualifications. However, not only does this secure funding in the form of grants available for hosting a trainee, but the practice could also gain an extra pair of hands to help increase capacity for patients. Training practices can be



better equipped to deal with succession issues, too, as they may be able to retain their trainees as permanent staff once they qualify.

Private income

Consider what private work can be generated, not just by the GPs themselves but also by other key staff members. Look at where the surgery is placed in the local area and consider links with other organisations to generate fees, for example:

- Lecturing as part of the academic courses available at local schools and universities
- Speaking at corporate CPD events or conferences
- Offering hospice appointments in collaboration with the local hospice.

Hiring out staff

Looking closely at who is employed on the surgery payroll, and whether their time could be outsourced, can often be a source of income. Examples include a practice that operates the payroll for a number of local surgeries in exchange for a fee. A practice manager may also be drafted in to take on a role at a federation with the practice recharging their time to the group. Can your practice employ a community nurse neighbouring practices can also use for a fee greater than the salary cost?

Do you have staff who could help your practice to become the central hub for a local buying group where the surgery gets to keep some of the cost savings achieved by way of commission? Some of these examples are

supplies which would be subject to VAT, so take professional advice to decide on the level of activities undertaken bearing in mind the VAT registration threshold.

Increasing patient numbers

Patient headcount is important for getting a good level of income. Take note of what is happening in the surrounding area. For example, if there is a new housing development ask if you can put a leaflet in the sales office or an advert in the sales brochure to promote the surgery's presence in the local community.

Advertise some of the surgery's non-NHS services with local organisations. A leaflet to schools just before the holidays may attract patients to use your private travel vaccination service. Health checks could be advertised with local businesses. Once patients have used these services they may then decide to register with the practice.

Conclusion

Maximising patient numbers, staying on top of enhanced services and reducing costs by regularly reviewing the practice's suppliers top the list of priorities when it comes to maintaining practice profits. Looking for alternative sources of income can be worthwhile, but take professional advice along the way to establish any knock-on effects on rent abatement or VAT registration. A specialist medical accountant should be able to help. **PM**