



# Londonwide LMCs

The professional voice of London general practice

## MDO reimbursement (indemnity)

Londonwide LMCs Guidance for Sessional GPs and Indemnity Reimbursements from NHS England

As part of the 2017/18 GP contract agreement, it was agreed that £30m would be paid to practices to cover 2016/17 rises in indemnity insurance costs for all doctors delivering GMS work. It is acknowledged that this falls significantly short of the actual cost.

This amount has been based on average rises in costs using figures received from surveyed GPs and medical indemnity organisations. This has been paid to practices on a per patient basis, set out under the Statement of Financial Entitlements (SFE), and is not weighted as a result of the Carr-Hill formula. Practices should have now received a payment of 51.6p per patient based on their registered list as at December 2016. This funding was paid to practices in March 2017.

These payments are made to practices on the assumption that, where salaried GPs (and principals) are paying for part, or all of their indemnity costs, the practice will reimburse to them, from the payment received, an appropriate proportion of the amount which the GP has paid for their cover. The reimbursement amount should be based on the proportion of GMS services which the GP is providing for the practice. It is recognised that every practice will have its own arrangements in place.

In some practices, salaried GPs (and principals) are responsible for paying the entirety of their own indemnity costs. In some, part or all of the indemnity costs for salaried GPs (and principals) at the practice are paid for by the practice/reimbursed by the practice. Therefore, each practice will need to allocate payment to its GPs which is equitable and proportional based on their circumstances. The conditions are set out in the revised SFE which is in place from 1 April 2017. A similar funding arrangement has been confirmed for 2018 that will see payments made to practices in March/April 2018 for rises in 2017/18.

We cannot provide accurate estimates that will be applicable in every situation, and GPs who work in multiple settings will need to consider potentially multiple approaches to different employers or engaging practices. No additional resource has been made available to Out Of Hours organisations.

### Locum GPs

Effectively it is appreciated that this means that salaried and principal GPs are receiving the monies retrospectively, and locums prospectively.

Practically speaking, locums are not in a position to backdate their indemnity uplift to practices they worked for in the previous financial year. It is considered most sensible to consider the uplift funding received by practices in Spring 2017, paying for the uplift for the coming year for all GPs irrespective of contractual status.

If a practice does not engage any locum sessions in 2017/18, they will not be passing on the monies irrespective of their use in 2016/17. When the second part of funding is received in April 2018, that will provide similar funding for all GPs, again backdated for 2017/18.

NASGP (the National Association of Sessional GPs) has issued its own

guidance: <https://www.nasgp.org.uk/news/indemnity-inflation-payments-locum-gps/> and has a calculator which is available to NASGP members.

We are aware that some locum GPs have divided the number of sessions by the total indemnity fee creating a 'fee per session' after calculating their

rise from 16/17 – 17/18; but GPs must be mindful that the indemnity reimbursement only reflects the rise in core hours indemnity and cannot be conflated with work undertaken in the Out Of Hours setting.

Some locum GPs may decide to incorporate this figure into their hourly rate charged. A separate line can be added on the invoice for transparency. However, it is ultimately up to the locum GP themselves to ensure that, as with all other business expenses, their charges reflect their costs and that this issue is a matter for negotiation with their engaging practices.