Shapinsay APMS Plan

Alternative Personal Medical Services Contract (APMS) bid to provide 24hr residential GP Island Cover

BUSINESS PLAN

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TABLE OF CONTENTS

EXECUTIVE SUMMARY 5

I. ISLAND GP COVER 7

A. PREVIOUS PRACTICE SETUP 7
B. THE IDEAL ISLAND PRACTICE 7
C. ALTERNATIVE PERSONAL MEDICAL SERVICES (APMS) 7

II. MARKET RESEARCH AND ANALYSIS 8

A. CUSTOMERS 8
SHAPINSAY RESIDENTS (PATIENTS) 8
Safety concerns 8
Economic concerns 8
Way of life 8
NHS ORKNEY 9
B. LABOUR 9
GENERAL PRACTITIONERS 9
NURSES 9
RECEPTION STAFF/DISPENSERS 9
C. MARKET SIZE AND TRENDS 10
D. MARKET SHARE AND SALES 10
E. COMPETITION 10
NHS Orkney Statement of Intent 10
The Kirkwall Plan 11
Summary of potential proposals: 12
1. LONG TERM LOCUM COVER 12
2. COVER FROM KIRKWALL 12
3. TWO DOCTOR SALARIED PMS PRACTICE: 12
4. SINGLE HANDED GMS PRINCIPAL 12

III. MARKETING PLAN 13

A. OVERALL MARKET STRATEGY 13
B. PRICING 13
C. SALES TACTICS 14
D. ADVERTISING AND PROMOTION 15

IV. OPERATING PLAN 17

A. LOCATION 17
B. FACILITIES AND IMPROVEMENTS 18
CURRENT FACILITIES 18
INSURANCE 18
DISPENSARY 18
EMERGENCY VEHICLE 18

ACCOMMODATION 20
C. STRATEGY AND PLANS 20
PRESENTATION OF THE PROPOSAL 20
FORMAL COST ANALYSIS 20
CONTRACT NEGOTIATION 20
Funding 20
Contract duration 20
List arrangements 20
Performance monitoring and reporting arrangements 21
Termination and sanctions in respect of contracts 21
Subcontracting arrangements 21
Complaints procedure 21
Dispute resolution procedure for organisations without NHS body status 21
Provision of information 21
Dispensing arrangements 21
CREATION OF THE PRIVATE COMPANY 22
TIMESCALE 22
D. LABOUR FORCE 22
GPS 22
PRACTICE NURSE 22
UNIT MANAGER/RECEPTIONIST 23
RECEPTIONIST/DISPENSER 23
DISTRICT NURSES (LIASON) 24

V. MANAGEMENT TEAM 25

A. ORGANISATION 25
B. KEY PERSONNEL 25
DR ROBBIE COULL 25
DR CERI LE MAR 25
C. OWNERSHIP 26

VI. THE FINANCIAL PLAN 27

A. SOURCES AND USES OF FUNDS 27
B. CASH FLOW ANALYSIS 28
ANNUAL COSTS OF APMS PLAN: 28
HOURLY RATES OF PAY 28

APPENDIX 1 – EXPECTED CALLS PER YEAR FOR 300 PATIENT PRACTICE 29

APPENDIX 2 – ESTIMATE OF KIRKWALL PLAN COSTS 30

DIRECT SHAPINSAY COSTS (ANNUAL, EXCLUDING NON-SHAPINSAY WORK) 30
INDIRECT COSTS OF NOT HAVING A DOCTOR ON THE ISLAND (ANNUAL) 31
TOTAL 31
EXAMPLE OF EFFECT OF FALL IN PROPERTY PRICES ON A COMMUNITY ECONOMY 32

APPENDIX 3 – ESTIMATE OF FULL TIME LOCUM COVER COSTS 33

APPENDIX 4 – ESTIMATE OF 2 DOCTOR PMS COSTS 34

APPENDIX 5 – ESTIMATE OF INDUCEMENT DOCTOR COST (HISTORICAL) 35

APPENDIX 6 – ESTIMATE OF APMS PLAN COSTS 36

APPENDIX 7 - EUROPEAN WORKING TIME DIRECTIVE AND GP ON CALL 37

DEPARTMENT OF HEALTH WEBSITE 37
WHAT IS THE EWTD? 37
WHAT ARE THE KEY FEATURES OF THE EWTD? 37
IF THE REGULATIONS APPLIED FROM 1998 WHAT IS THE PROBLEM NOW? 37
CAN'T WE IGNORE IT? 37
WHAT IS THE SIMAP JUDGEMENT AND IS IT LEGALLY BINDING IN THE UK? 37
ARE GPS COVERED BY THE EWTD? 38
UPDATE TO EWTD 38

EXECUTIVE SUMMARY

The island of Shapinsay is part of the archipelago that forms the Orkney Isles. It is 25 minutes by ferry from Kirkwall on mainland Orkney and has a population of around 320. They have recently lost their resident full time GP, and NHS Orkney is considering various proposals for the future provision of medical cover for the island.

The Scottish Highlands and Islands (including Argyll, Western Isles, the Orkney Isles, and the Shetland Isles) have a long history of high quality remote and island general practice that easily predates the introduction of the NHS in 1948. Single handed GPs have formed a vital and integral part of these small and remote communities for over 100 years.

However, there is currently a significant shortage of trained GPs in the UK (as well as in Canada, Australia, New Zealand, and the US). It is likely that this shortage will continue for at least for the next two to five years, although increased numbers of training posts are now coming on line.

There is a particular shortage of GPs willing to work in remote areas and inner city areas. The particular problems of remote practice (professional isolation, constant on call, emergency skills requirements) are compounded by relatively low pay, and problems obtaining relief cover to allow remote GPs to have sufficient time off duty.

Out of Hours (OOH), or 24 hour responsibility, has been part of GP care since before the inception of the NHS. Traditionally, GPs have provided OOH care for free, or for a very low fee, which has hidden the true cost of the service. However, with the introduction of the new General Medical Services (GMS) GP contract in April of 2004, GPs can – for the first time - opt out of the provision of Out of Hours care. This is also referred to as 'dropping 24 hour responsibility'. Most sources believe that many GPs accepted the new GMS contract purely on the basis of this opt out, and the great majority of GPs are now handing responsibility for OOH to their Primary Care Organisations (PCOs). PCOs have until January 2005 to put alternative OOH arrangements in place, and have been given significant sums of money to achieve this. Some PCOs are considering replacing GP cover overnight with nurse and/or paramedic cover. However, this is controversial due to safety concerns over the inadequacy of nurse and paramedic training in primary care, and the Department of Health in England has issued instructions that PCOs are to

ensure that all patients are still able to access a home visit from a GP where this is required.

Up until the introduction of the new GMS contract in April of 2004, it was difficult for Primary Care Organisations (PCOs) to find innovative solutions to these problems. The scope for variation in the terms and conditions of the old GMS - and, to a lesser extent, Personal Medical Services (PMS) - contracts were too limiting.

With the new GMS contract, it is now possible for private companies to bid for contracts to run routine GMS medical care. Such Alternative PMS (APMS) contracts have already been implemented in parts of the UK where single handed practices have been impossible to replace via normal GMS/PMS routes. Although the idea of having a private company providing NHS GP services seems strange, it is in fact quite normal. GPs using the GMS contact are in fact partnerships of self-employed small businessmen who have a contract with the NHS. The difference with APMS is the degree of flexibility that this contract provides, and the fact that the company can be owned by non-GPs.

R K Coull Ltd (Locum GP Service, prior to incorporation in 2002) has extensive experience in the running of single handed practices in remote areas. Since 1998 we have provided medical cover for dozens of remote and island GP practices in the Highlands and Islands, Western Isles, Orkney Isles, and Shetland Isles, as well as having experience of remote medicine provision in Canada.

We believe that the future of primary care services in remote and island communities depends on PCOs investing in the maintenance of sustainable, high quality, residential, GP led, services in these areas.

This APMS plan proposes the creation of a private company to bid for funding from NHS Orkney to provide and manage all core GMS services, many enhanced services (such as minor injuries), and 24hr emergency cover with a GP resident on the island 365 days a year. The company may be a limited company, a limited liability partnership, or a not for profit organisation, and may be owned by a group of GPs, or by the Shapinsay community itself.

I. ISLAND GP COVER

A. Previous practice setup

Single handed GP based on the island of Shapinsay providing 24hr cover. One part time clerical/dispensing assistant (8hrs per week), and one part time associate GP providing 17 weeks per year of time off. Previous premises were attached to the GP house on the island. Nursing support provided by the community nurse team based on the island.

B. The ideal island practice

- Local - GP based on the island.
- Convenient- easy access to services during day/evening (for people who work on mainland Orkney).
- Efficient - cost effective use of resources.
- Safe – staff trained and experienced in emergency procedures and emergency primary care available 24/7.
- Sustainable – able to attract and retain sufficient staff over the short and long term.
- Team based – integration of the district nurse and medical services to optimise support and patient care.

C. Alternative Personal Medical Services (APMS)

The plan would be to tender for an Alternative PMS contract for Shapinsay GP cover.

The Department of Health website states:

> 3. APMS in particular offers substantial opportunities for the restructuring of services to offer greater patient choice, improved access and greater responsiveness to the specific needs of the community. It will provide a valuable tool to address need in areas of historic under-provision, enable re-provision of services where practices opt out, and improve access in areas with problems with GP recruitment and retention.
>
> 4. PCTs can enter APMS contracts with any individual or organisation that meets the provider conditions set out in directions. This includes the independent sector, voluntary sector,

not-for-profit organisations, NHS Trusts, other PCTs, Foundation Trusts, or even GMS and PMS practices. If PCTs contract with GMS / PMS practices via APMS, the practice would hold a separate APMS contract alongside their GMS / PMS contract.

The aim is to provide a sustainable, high quality, service with 2-3 regular GPs. Each GP would be resident on the island for 17-26 weeks per year, providing 24hr cover during these periods. A full time equivalent receptionist/dispenser and a part time practice nurse would complete the team, which would work closely with the district nursing team.

II. MARKET RESEARCH AND ANALYSIS

A. Customers

Shapinsay residents (patients)

Shapinsay residents have expressed a strong desire to retain a GP locally on the island.

Safety concerns

The islanders feel that the loss of the GP would affect their continuity of care, their access to the service, and their safety out of hours.

Economic concerns

Shapinsay's economy is healthy and growing. They believe that people would decide not to move to Shapinsay, or to leave Shapinsay, should they lose their resident GP, and that this would cause depopulation which would destroy their economy.

Way of life

A resident GP has been an integral part of island life for as long as anyone on the island can remember. The islanders fear that their way of life will be threatened by the loss of this essential service.

NHS Orkney

NHS Orkney is an NHS Health Board based in Kirkwall on mainland Orkney and serving the needs of all of the Orkney Isles. NHS Orkney is considering various plans for the future of medical cover for Shapinsay.

NHS Orkney has had considerable problems with overspending of its budget. This is believed to be due to chronic relative under-funding of the service in Orkney. NHS Orkney also has two unique local factors that will influence its decision making – the local GPs have not opted out of Out of Hours care, and the local GPs provide the hospital inpatient medical care (neither of these apply to Lewis or Shetland).

The direction NHS Orkney takes in Shapinsay will decide the future of medical care on all of the other islands (other than mainland Orkney itself).

Due to the integral part that the resident doctor plays in island life, NHS Orkney may be vulnerable to referrals to the Scottish Executive and/or European Commission as their plans to downgrade services have the potential to threaten the livelihoods of the Shapinsay residents.

B. Labour

General Practitioners

We already have two GPs interested in working 17 weeks per year each in the system (Dr Ceri Le Mar and Dr Robbie Coull).

Other GPs have been approached, and significant numbers of GPs have expressed an interest in being involved in the provision of APMS.

Nurses

We already have two district nurses on the island. The main nurse (June Bacon) has a wide range of experience and training, and is keen to expand her role. She could be enrolled to provide practice nursing skills, assist with emergency on call provision, provide local knowledge, and reduce the isolation of the medical team (and vice versa).

Reception staff/Dispensers

We have a single part time dispenser (Robert Grainger) who is keen to learn. Increasing the hours for this post and providing suitable training will improve the access to the service, improve safety (dispensing, communication), and will provide extra jobs for the islanders.

C. Market Size and Trends

Population of Shapinsay is 320 patients. Other islands/remote practices in Orkney, Highland, Argyll, and Shetland, have similar problems and it is likely that a successful model for remote/island care could be exported to these areas in the future.

D. Market Share and Sales

Due to the geography of the Orkney Isles, the contract provides a virtual monopoly on the provision of GMS medical cover to the island.

There are no other medical providers on the island. There are currently no other private companies involved in provision of GMS care to remote/island practices.

The company could bid for extra enhanced services, and there is a small volume of private work (Insurance Reports etc..) available, but these are not expected to be significant.

E. Competition

There are several proposals being actively considered by NHS Orkney. The exact content and cost of these proposals is unknown, and it is believed that none of the proposals have had a formal cost analysis performed at this stage.

NHS Orkney Statement of Intent
NHS Orkney has issued a statement of intent which:

- Does not place any value on the provision of a resident doctor on Shapinsay.
- Gives priority to proposals which provide additional support to the mainland Orkney population and mainland out of hours cover.

We do not consider this Statement of Intent to be consistent with a viable proposal because:

- A resident GP is central to safe provision of care on the island.

- The islanders will not accept a proposal that does not include residential cover.
- It will be difficult and expensive to recruit and retain staff for a proposal that includes island cover and mainland cover.

Interested parties and people of influence should therefore be mobilised to encourage NHS Orkney to revise its Statement of Intent.

The Kirkwall Plan

The most well known proposal that NHS Orkney are considering is referred to as the 'Kirkwall Plan'. It proposes the introduction of a third practice in Kirkwall to provide:

- NHS services to the Shapinsay residents via a branch surgery system (3 surgeries a week on Shapinsay)
- NHS services to Shapinsay residents who visit the surgery in Kirkwall.
- Emergency cover on the island to be provided by extended trained nurses and paramedics.
- Support for the mainland Orkney Out of Hours GP rota.
- Support for the Balfour hospital (Kirkwall) physician rota.
- Support for other single handed GPs who want time off.
- To absorb the patients of other islands, as and when their GPs leave.

We don't consider the Kirkwall Plan to be viable because:

- It has significant associated expenses (ambulance cover, training of nurses, increased emergency transport costs etc..).
- It threatens the viability of the island economy.
- It will be an unattractive post for potential GPs.
- Suitably trained and experienced nurses and/or paramedics are not currently available, will require several years to train, and are expensive.
- It is likely that when suitably trained nurse/paramedic practitioners do come on line that they will be in high demand across the UK, and remote areas will experience the same recruitment and retention problems as they currently do with GPs.
- It is not possible to provide safe out of hours medical cover without either a resident GP, or resident, fully trained, Nurse Practitioners/Paramedic practitioners.

Summary of potential proposals:

1. Long term locum cover Either as a succession of short term locums, or 1-2 long term locums. For example, the island of Coll has been successfully run with long term locum cover for several years now.	ADVANTAGES ▪ simple ▪ flexible	DISADVANTAGES ▪ often results in poor continuity ▪ locum cover cannot be guaranteed (esp. for holiday periods). ▪ lacks stability
2. Cover from Kirkwall A new practice to be set up with four new GPs who will take over cover of single handed practices as they become vacant.	ADVANTAGES ▪ increases Kirkwall's GP capacity ▪ avoids problems of recruiting GP(s) to live on small islands. ▪ GPs will be able to work in the Balfour hospital. ▪ Avoids problems with lack of time off for GPs ▪ GPs can provide time off for other single handed GPs.	DISADVANTAGES ▪ Posts likely to be unpopular due to chaotic nature of remit (high turnover and vacancy rate). ▪ Safety of Shapinsay residents compromised. ▪ Requires suitable trained/experienced nurse/paramedic practitioners to be found for the island. ▪ Threatens viability of island economy. ▪ Will require more patients to be transported off the island at night. ▪ Expensive when all costs are considered
3. Two doctor salaried PMS practice: Two doctors are recruited to share the on call on Shapinsay.	ADVANTAGES ▪ Retains current level of care. ▪ Avoids problems of long periods on call. ▪ Not reliant on locum cover to obtain time off. ▪ Allows resident GP cover without actually requiring GPs to live on Shapinsay full time.	DISADVANTAGES ▪ Relatively inflexible contract terms. ▪ GPs have less control of service provision. ▪ May be difficult to recruit GPs.
4. Single Handed GMS principal A single replacement doctor with a part time salaried doctor providing time off.	ADVANTAGES ▪ Retains current levels of care. ▪ Cheapest option.	DISADVANTAGES ▪ Long periods of on call. ▪ Low pay for GPs. ▪ Difficult to recruit to. ▪ Difficult to retain the GP. ▪ Contract is inflexible.

III. MARKETING PLAN

A. Overall Market Strategy

There are three directions for marketing:

1. Marketing the service to the Shapinsay population.
2. Marketing the service to NHS Orkney Health Board.
3. Marketing the service to the rest of Orkney (especially the other small islands).

B. Pricing

The total estimated cost of the proposal is around £250,000 per year (averaged over 5 years).

This price includes:

- Core GMS services (basic general practice).
- Running the dispensary.
- Near patient testing (phlebotomy).
- Warfarin monitoring.
- Minor operations.
- Minor injuries.
- 24 hr emergency GP cover, 365 days a year.
- Part time practice nurse.
- Part time practice manager/dispenser.
- Part time dispenser/receptionist.
- Surgery premises staffed for 32 hours per week.
- Surgery premises/equipment rental.
- Staff training.
- Staff salaries, national insurance, and pension costs.
- Residential accommodation for duty GP.
- Travel costs for GPs not living in Shapinsay.
- Emergency medical vehicle/ambulance.

The price does not include:

- Private medical services (non-NHS work).
- Other enhanced services.
- Drugs budget.

Many of the costs of provision of the APMS service are similar to the other plans being considered (premises and practice staff).

The main variable cost factor is the remuneration offered to GPs to cover the island. We have set our GP payments at the minimum level that we think will guarantee cover for the island. Other plans offer significantly less money to GPs to work in Shapinsay, which is why these other plans have struggled, and will continue to struggle, to recruit and retain enough GPs.

We are initially setting this rate at £2885 per week. This compares well with locum earnings (£2800 to £4500 per week), and is competitively placed to attract GPs away from similar salaried '2+2' posts offering £2500 per week. A lower remuneration would risk recruitment and retention problems, and although setting a higher rate of remuneration would reduce those risks even further, it would also make the plan prohibitively expensive.

This pricing structure makes the direct medical costs of the APMS plan more expensive than other options being considered for medical cover for the island. However, it offers significant savings in terms of indirect costs, such as reduced locum costs, avoidance of staffing crises, avoidance of emergency transport off the island, and negating the need to provide an SAS ambulance on the island. It also avoids the significant risks of economic damage from depopulation that non-residential plans incur.

Moreover, due to it's superior ability to recruit and retain doctors, the APMS plan is the most likely to succeed, is the most sustainable in the long run, and offers the most benefits to patients.

When discussing pricing, emphasis should be placed on the quality value of the service, the hidden costs of inferior plans, and the potentially catastrophic effects of depopulation on the island economy.

C. Sales Tactics

The APMS proposal will be formally submitted to NHS Orkney for consideration.

NHS Orkney's current Statement of Intent is a barrier to the acceptance of the proposal, so interested parties and people/organisations with influence need to be mobilised to encourage NHS Orkney to change it's Statement of Intent.

This will be achieved via promotion of the APMS plan to:

1. Shapinsay residents.
2. Other Orkney GPs.
3. Members of the NHS Orkney Board.
4. Orkney Islands Council.
5. Residents of all other islands in Orkney that will be affected by similar proposals.
6. Local MPs.
7. Local MSPs.
8. Local MEPs.
9. Local media.
10. National media.
11. The medical press.

It should also be noted that:

- Jim Wallace has a very slim majority and is likely to take an interest in any issues that could affect the votes of a significant number of constituents.
- The new Scottish Health Minister will be keen to make his mark, and has already stated that he is making health board accountability one of his priorities.

D. Advertising and Promotion

In view of the uniqueness of the plan, and it's obvious benefits for small communities, that there will be significant media interest.

There is already media interest in the local opposition to NHS Orkney's statement of interest.

The media will be approached with information about the benefits and potential pitfalls of the APMS plan.

Emphasis should be placed on:

- Open access to the APMS business plan.
- Transparent costing.
- Proven business track record.

- Ideal plan to meet local needs.
- Unprecedented levels of local control possible.
- Continues the tradition of high quality residential island general practice.
- Better local facilities.
- Improved patient access and safer dispensing procedure (provision of a trained full time dispenser).
- High quality 24hr emergency cover from well equipped, appropriately trained, doctors and nurses.
- Improved recruitment and retention of doctors, ensuring continuity of care, and stabilising the practice.
- Increased choice for patients, whilst maintaining continuity of care.
- Higher direct costs offset by secondary savings (boost to local economy, reduced emergency admissions, removes need for SAS ambulance to be sited on the island).

IV. OPERATING PLAN

A. Location

New premises have been created for the medical practice in the school grounds on Shapinsay which can be rented from NHS Orkney. These premises have been viewed, and are of a high quality.

A full time equivalent receptionist/dispenser would be employed so that the premises can be kept open during normal office hours (see Labour Force section for more information).

Suggested opening hours:

Monday	9am-1pm	3pm-7pm
Tueday	9am-1pm	3pm-5pm
Wednesday	closed	6pm-7pm
Thursday	9am-1pm	3pm-5pm
Friday	9am-1pm	3pm-7pm
Saturday	9am-10am	-
Sunday	Closed all day	-

Suggested GP Consulting times:

Monday	9am-10am	6pm-7pm
Tuesday	9am-10am	-
Wednesday	-	6pm-7pm
Thursday	9am-10am	-
Friday	9am-10am	6pm-7pm
Saturday	9am-10am	-
Sunday	No surgeries	-

Note: More evening and weekend surgeries make the post less attractive to potential GPs and other staff (nationally, GPs consider 6.30pm to be the end of the normal working day). Should we experience recruitment/retention problems it may be advisable to finish the evening surgeries at 6.30pm instead of 7pm.

B. Facilities and Improvements

Current Facilities

The costing analysis assumes that the current office equipment, medical equipment, computers, and other electronic devices, will be included by NHS Orkney in the rental cost of the practice premises. These items would remain the property of NHS Orkney, but any replacements/upgrades would be funded and owned by the company.

The practice requires computerisation upgrades and improvements, which have been included in the cost analysis.

Insurance

Appropriate public liability insurance and contents insurance for the business will be obtained. Medical indemnity insurance will be obtained by the GPs individually and reimbursed by the company.

Dispensary

The practice is a dispensing practice. The APMS bid includes the cost of staffing and running the dispensary, but not the value of the current stock of drugs. Further investigation is required as to the costs and benefits of running the dispensary as a profit-making part of the business, or of NHS Orkney retaining financial responsibility for the drug stock and costs.

Emergency Vehicle

A suitable emergency vehicle will be required as:

- the doctors may wish to fly up to Orkney for their duty weeks, and this removes the need for car hire.
- The emergency equipment can be stored in a single location.
- The vehicle can be adapted to carry a patient on a stretcher, which removes the need for a separate ambulance vehicle.

The costs for purchase, modification, and running of such a vehicle are included in the cost analysis. The vehicle will be based on the R K Coull Ltd Doctor Response Unit/Ambulance pictured below.

Photo of vehicle

Suitable emergency equipment is already available to equip the vehicle for emergency work and emergency patient transport.

Photo of inside of vehicle

Accommodation

Suitable accommodation for the on call doctor will be required. The previous doctor's house would be suitable, but would require repairs and redecoration (currently there is significant damp problem at one end of the house, and the bathroom and kitchen are in a poor state of repair).

C. Strategy and Plans

Presentation of the proposal

To approach the Shapinsay Community with the business plan, and then to submit the plan to NHS Orkney for consideration by Monday 18th October, 2004.

Formal cost analysis

A formal cost analysis will be performed once access to the practice accounts has been secured. It is not expected that this cost analysis will differ substantially from the draft analysis in this document.

Contract negotiation

Funding

The final cost analysis will be used as the basis for negotiation with NHS Orkney for funding.

Contract duration

A minimum guaranteed five year contract will be sought as the cost analysis spreads the cost of initial capital investments over this period (with a three month termination notice on our part should the service run into unforeseen difficulties).

List arrangements

We will want NHS Orkney to establish and maintain a registered list of patients to be held on behalf of the contractor, and put systems in place for registration and removal of patients from the list.

Performance monitoring and reporting arrangements
Negotiation over which performance criteria NHS Orkney wishes to apply, and how these criteria will be monitored. These could include 24hr access, emergency response times, drug budget compliance etc..

Termination and sanctions in respect of contracts
APMS contracts must stipulate the circumstances in which sanctions, up to and including termination of the contract, may be imposed, and the procedure by which they may be terminated.

Subcontracting arrangements
Negotiation of arrangements under which subcontracting will be allowed, if at all, with the contractor (note: there are certain circumstances in which subcontracting will never be allowed).
The only two areas of subcontracting that are likely to be required are (1) locum GP cover, and (2) if the community ownership option is followed, then they will probably want to subcontract the clinical workload to GP partnership.

Complaints procedure
Regulations are being drawn up to establish a common complaints procedure which will cover all primary care contracting routes, including APMS.

Dispute resolution procedure for organisations without NHS body status
It is advisable to negotiate an appropriate dispute resolution process to be stipulated in the contract, which can include binding or non-binding independent arbitration or adjudication procedures.

Provision of information
NHS Orkney should inform, and keep informed, the APMS contractor of where its patients can receive any complementary services commissioned by NHS Orkney which the APMS contractor does not provide.

Dispensing arrangements
Negotiation over the inclusion of dispensing in the APMS contract will need to take place.
The Department of Health website states:

> 7. Guidance will be issued later in the Spring on arrangements for the supply of medicines in relation to out-of-hours services and further guidance in the Summer to expand on:
>
> - IT and QOF arrangements, and

- dispensing arrangements.

Creation of the private company

Once funding has been guaranteed, the appropriate private company will be set up to run the service, and recruitment will begin.

Timescale

The aim is to have the service in place within 3 months of the contract being agreed.

D. Labour Force

GPs

- 2-4 GPs working a total of 52 weeks per year.
- Suitable emergency (BASICS) training and experience.
- Transport to/from island for duty periods.

Two few GPs (1-2) will result in problems with adequate time off and patient choice. Two many GPs (4-5) will result in problems with continuity of care. The ideal number of GPs is considered to be 2 or 3, each working 17-26 weeks per year.

The GPs would be free to employ a suitable locum to deputise for them for holidays (eg: Christmas and New Year) or extra time off. Any extra cost involved in the use of a locum would be the responsibility of the GP employing them.

Practice Nurse

- 9 hours per week of practice nursing duties.

The practice nurse could receive specialist training in services such as child health surveillance, cervical screening, smoking cessation, diabetes care, asthma care, healthy living advice, as well as providing 'treatment room' nursing duties such as blood tests and injections.

The nurse will also be able to provide a trained chaperone/assistant for intimate examinations, which is likely to become mandatory in the near future.

Unit manager/Receptionist

- 20 hours per week (including cross cover of holidays)
- Training - dispensing course.
- May need practice management training, depending on their background.
- Strict confidentiality clause in contract.

It is expected that the Unit Manager will manage the day-to-day running of the practice, as well as providing secretarial help, manning the reception, handling telephone calls from patients, and dispensing of medications.

Receptionist/Dispenser

- 14 hours per week (including cross cover of holidays)
- Training - dispensing course.
- Strict confidentiality clause in contract.

The addition of a part-time receptionist/dispenser will allow the practice to be staffed during normal office hours.

This is essential to allow us to implement the following safety aspects:

- Securing patient's files and records at all times when the practice is open to the public to ensure confidentiality.
- Storage of dispensed drugs in a secure location until they are collected (this is especially important after the practice moves to it's new premises, which are part of the primary school).

This provision will also allow the following service improvements:

- A member of staff to answer the phone during opening hours.
- Avoidance of interruption of the GP during consultations.
- Patients can call the surgery for information without having to disturb the GP.
- Staff can provide local knowledge for new GPs who do not know the island well.

District Nurses (liason)

The practice will continue to work closely with the district nursing team (district nursing services are not part of the APMS bid).

This includes out of hours provision, when the district nurse on call can assist in emergency patient care and/or patient transportation.

V. MANAGEMENT TEAM

A. Organisation

Options:

1. A partnership of between one and three GPs.
2. A limited company with two or three GP directors.
3. A community organisation with an elected managerial board of local people working with a GP advisor/manager.

A practice manager may be required depending on the composition of the above organisation.

B. Key Personnel

Dr Robbie Coull

The son of a former Danish Cabinet Minister and well known Danish author (Asger Baunsbak-Jensen) and a Scottish mother (Corrine Coull), Robbie finished his GP training in 1998 in Stornoway and has since run a successful locum business providing medical cover mainly to single handed remote GP surgeries in the Highlands and Islands. Most of this work has involved running such practices for PCOs during periods of vacancy.

In 2001, he founded and created locum123.com, which is now the most popular locum website in the UK with over 4500 users.
A regular contributor to the medical press, in 2004 he published online the 'Locum Doctor Survival Guide', the only comprehensive guide to setting up a GP locum business in the UK (100 pages approx, available for download from the locum123.com website).

Dr Ceri Le Mar

Ceri finished her GP training in 1990 in Kirkwall and was then instrumental in introducing the newly created Associate Scheme to Orkney, along with the then Chief Medical Officer for Orkney, Dr. James Cromarty. As Associate GP, she worked initially for both South Ronaldsay and Shapinsay, and then from 1996 to 2003 as a part-time Associate GP. for Shapinsay. In addition she has also worked as a locum GP, providing emergency cover for practices in rural Wales.

She has a special interest in Emergency Care medicine and has attended numerous residential courses run by BASICS (British Association for Immediate Care).

She and her husband, Martin, set up a successful business in Kirkwall in 1991 (subsequently sold) and are now joint owners of "Sandgarth Properties", a property development company with interests in the UK. and eastern Europe.

She lives in Shapinsay with her husband and three children.

C. Ownership

Three possibilities:

1. **Limited company**
   Two or more shareholder directors, who may or may not also be employed as GPs to provide the service.

2. **Limited Liability Partnership**
   Two or more GP partners providing the service.

3. **Not For Profit Community Company**
   The island residents could form a not-for-profit organisation which would bid for the service.

   If successful, the islanders could employ/contract one or more GPs to run the service for them.

   This option would require more effort on the part of the islanders, and would be dependant on people with the appropriate skills being available, but would give the islanders an unprecedented say in how their service was run.

VI. THE FINANCIAL PLAN

A. Sources and Uses of Funds

Sources of this funding can include:

- NHS Orkney core primary care budget
- NHS Orkney Enhanced Services budget
- NHS Orkney Out of Hours (OOH) budget
- Dispensing practice profits
- Scottish Ambulance Service
- Scottish Executive

There may also be funds available to innovative primary care schemes such as this one (eg: Investing in Primary Care is a £50m fund to support innovative schemes run in England by the Department of Health).

It should be noted that any private medical work (ie: not funded by the NHS) would need to be paid for on a case-by-case basis. These funds would need to be paid to the GPs providing the service, as private medical care would not be part of their employment contract. The company may wish to keep a percentage (10-20%) of the fee to cover overheads, depending on circumstances.

It should be possible to negotiate for other Enhanced Services that are not included in the proposal, and funds from this could be used to provide additional services, improve staff remuneration, or to invest in the practice infrastructure.

B. Cash Flow Analysis

Annual costs of APMS Plan:

Item	Cost	Number	Subtotal
GP Salary	£75,000	2	£150,000
Employer's Pension (14%)	£10,500	2	£21,000
Indemnity	£4000	2	£8,000
Employer's NI (12.8%)	£9,500	2	£19,000
GP accommodation/month	£750	12	£9,000
Travel costs/trip	£350	20	£7,000
Receptionist/Dispenser salary	£14,500	0.4	£5,800
Employer's NI (12.8%)	£1,800	0.4	£720
Employer's Pension (14%)	£2,030	0.4	£812
Unit manager/Dispenser salary	£21,033	0.5	£10,517
Employer's NI (12.8%)	£2,600	0.5	£1,300
Employer's Pension (14%)	£2,945	0.5	£1,473
Practice nurse salary	£26,725	0.25	£6,681
Employer's NI (12.8%)	£2,400	0.25	£600
Employer's Pension (14%)	£2,660	0.25	£665
Shapinsay Practice Rental	£6,000	1	£6,000
Office and computer costs*	£3,500	1	£3,500
Utilities/Rates	£1,500	1	£1,500
Insurance	£1,000	1	£1,000
Vehicle costs*	£5,000	1	£5,000
TOTAL			**£259,567**

Costs marked * involve 'front loaded' capital expenditure mainly incurred in the first year.

Note: Distant Islands Allowance (£1,088 Single/Married Unaccompanied or £1,624 Married Accompanied) may apply to posts.

Hourly rates of pay

Dispenser/Receptionist	£14,500/yr (Whitley Grade 3)	£7.43/hr
Unit Manager/Dispenser	£21,033 (Whitley Grade 5)	£10.79/hr
Practice Nurse	£26,725/yr (middle increment, G grade)	£13.68/hr

See appendices for comparative costs.

APPENDIX 1 – EXPECTED CALLS PER YEAR FOR 300 PATIENT PRACTICE

Telephone Triage Category	Urgency	Call rate /year	GP emerg. referral rate	GP referrals /year	Nurse referral rate (est.)	Nurse referrals (est.) /year
RED	Immediate	18.9	58%	11	90%	17
ORANGE	Very urgent	9.8	8%	0.8	40%	3.9
YELLOW	Urgent Within 1hr	9.2	4%	0.4	30%	2.8
GREEN	Standard Within 4hrs	27.4	2%	0.5	25%	6.8
BLUE	Non-urgent Within 8hrs	10.6	0%	0	10%	1
TOTAL		**75.8**	**17%**	**12.7**	**42%**	**31.5**

Data from five month audit of call triage in remote and rural areas
R Coull, 2001

Triage Category based on the Manchester Triage System (modified for telephone use).

Note: Nurse emergency referral rates are estimates based on the number of cases that a nurse would not be able to safely manage on the island without urgent medical assessment/intervention.

APPENDIX 2 – ESTIMATE OF KIRKWALL PLAN COSTS

Direct Shapinsay Costs (annual, excluding non-Shapinsay work)

GP Costs	Cost	Number	Subtotal
Salary	£65,000	0.4	£26,000
Employer's Pension (14%)	£9,100	0.4	£3,640
Employer's NI (12.8%)	£8300	2	£16,600
Indemnity	£4000	0.4	£1,600
Locum GPs	£182,500	0.1	£18,250
GP ferry costs/trip	£25	150	£3,750
GP mileage allowance	£2,000	0.5	£1,000
TOTAL			**£70,840**

These costs assume that the Out of Hours (OOH) GP cover is absorbed free of charge by the current Kirkwall OOH system.

District Nurse Costs	Cost	Number	Subtotal
Training – course fees (1 month/year)	£1,500	3 nurses	£4,500
Training – travel costs	£1,200	3 nurses	£3,600
Training – bank nurse replacement costs (1 month/year)	£2,500	3 nurses	£7,500
Training – accommodation and expenses	£1,600	3 nurses	£4,800
Increased nurse salary (two grade rise, including NI and pension)	£6,000	3 nurses	£18,000
TOTAL			**£38,400**

Shapinsay Practice Costs	Cost	Number	Subtotal
Shapinsay Practice Rental	£6,000	Per year	£6,000
Receptionist/Dispenser salary	£14,500	0.3	£4,350
Employer's NI (12.8%)	£1,800	0.3	£540
Employer's Pension (14%)	£2,030	0.3	£609
Office and computer costs	£2,000	Per year	£2,000
Utilities/Rates	£1,000	Per year	£1,000
TOTAL			**£14,499**

Kirwall Practice Costs	Cost	Number	Subtotal
Receptionist salary	£14,500	4	£58,000
Employer's NI (12.8%)	£1,800	4	£7,200
Employer's Pension (14%)	£2,030	4	£8,120
Practice manager salary	£21,033	2	£42,060
Employer's NI (12.8%)	£2,600	2	£5,200
Employer's Pension (14%)	£2,945	2	£5,890
Secretary salary	£18,500	1	£18,500
Employer's NI (12.8%)	£2,250	1	£2,250
Employer's Pension (14%)	£2,590	1	£2,590
Practice nurse salary	£26,725	1.25	£33,406
Employer's NI (12.8%)	£2,400	1.25	£3,000
Employer's Pension (14%)	£2,660	1.25	£3,325
Practice Rental	£24,000	1	£24,000
Office and computer costs*	£9,000	1	£9,000
Utilities/Rates	£3,000	1	£3,000
Insurance	£1,500	1	£1,500
TOTAL			**£227,047**
Proportion of costs used for Shapinsay residents	**12.5%**	**0.12**	**£27,246**

TOTAL DIRECT COSTS **£150,985**

Indirect Costs of not having a doctor on the island (annual)

Item	Cost	Number	Subtotal
SAS ambulance and crew	£90,000	1	£90,000
Ferry retainer fee (based on cost of extra half-crew)	£50,000	1	£50,000
Avoidable ferry call outs	£1,000	18.8	£18,800
Avoidable helicopter calls	£10,000	1	£10,000
Avoidable days in hospital (see Appendix 1)	£350	20	£7,000
TOTAL			**£175,800**
TOTAL WITH ADDITIONAL COSTS			**£326,785**

Negative effects of potential depopulation on Shapinsay

The potential effects of depopulation on Shapinsay property prices, and the Shapinsay economy as a whole, could run into millions of pounds.

Example of effect of fall in property prices on a community economy

Item	Value	Number	Subtotal
Property values	£70,000 per residence	150 residences	£10.5 million
10% fall in value	£7000 per residence	150 residences	£1.5 million

Note: the above figures are per island. There is no 'Benefit of Scale' (with the possible exception of the Orkney Ferries retainer), and the other potential practice duties (OOH cover, covering other practices' weeks off etc..) are NOT included in these figures (ie: they will incur supplemental costs).

Note: Distant Islands Allowance (£1,088 Single/Married Unaccompanied or £1,624 Married Accompanied) may apply to posts.

APPENDIX 3 – ESTIMATE OF FULL TIME LOCUM COVER COSTS

Item	Cost	Number	Subtotal
24hr locum cover/day	£500	365	£182,500
Accommodation/week	£200	52	£10,400
Travel costs/trip	£500	20	£10,000
Practice Rental	£6,000	1	£6,000
Receptionist/Dispenser salary	£14,500	0.3	£4,350
Employer's NI (12.8%)	£1,800	0.3	£540
Employer's Pension (14%)	£2,030	0.3	£609
Office and computer costs	£0	1	£0
Utilities/Rates	£1,000	1	£1,000
Insurance	£0	1	£0
TOTAL			**£215,399**

Note: Distant Islands Allowance (£1,088 Single/Married Unaccompanied or £1,624 Married Accompanied) may apply to posts.

APPENDIX 4 – ESTIMATE OF 2 DOCTOR PMS COSTS

Item	Cost	Number	Subtotal
GP Salary	£65,000	2	£130,000
Employer's Pension (14%)	£9,100	2	£18,200
Employer's NI (12.8%)	£8300	2	£16,600
Indemnity	£4000	2	£8,000
Vehicle allowance	£2500	2	£5,000
Locum cover/week	£4,000	4	£16,000
Receptionist/Dispenser salary	£14,500	0.4	£5,800
Employer's NI (12.8%)	£1,800	0.4	£720
Employer's Pension (14%)	£2,030	0.4	£812
Unit manager/Dispenser salary	£21,033	0.5	£10,517
Employer's NI (12.8%)	£2,600	0.5	£1,300
Employer's Pension (14%)	£2,945	0.5	£1,473
Practice nurse salary	£26,725	0.25	£6,681
Employer's NI (12.8%)	£2,400	0.25	£600
Employer's Pension (14%)	£2,660	0.25	£665
Shapinsay Practice Rental	£6,000	1	£6,000
Office and computer costs*	£2,500	1	£2,500
Utilities/Rates	£1,500	1	£1,500
Insurance	£500	1	£500
TOTAL			**£232,867**

Note: Distant Islands Allowance (£1,088 Single/Married Unaccompanied or £1,624 Married Accompanied) may apply to posts.

APPENDIX 5 – ESTIMATE OF INDUCEMENT DOCTOR COST (HISTORICAL)

Item	Cost	Number	Subtotal
Inducement GP payroll	£55,000	1	£55,000
Employer's Pension (14%)	£7,700	1	£7,700
Employer's NI (12.8%)	£7,000	1	£7,000
Indemnity	£4,000	1.5	£6,000
Associate GP payroll (1)	£18,000	1	£18,000
Employer's Pension (14%)	£2,520	1	£2,520
Employer's NI (12.8%)	£2,000	1	£2,000
Vehicle allowance	£2500	1.5	£3,750
Locum cover/week	£4,000	2	£8,000
Shapinsay Practice Rental	£6,000	1	£6,000
Receptionist/Dispenser salary	£14,500	0.3	£4,350
Employer's NI (12.8%)	£1,800	0.3	£540
Employer's Pension (14%)	£2,030	0.3	£609
Office and computer costs	£500	1	£500
Utilities/Rates	£1,500	1	£1,500
TOTAL			**£123,469**

Note: Distant Islands Allowance (£1,088 Single/Married Unaccompanied or £1,624 Married Accompanied) may apply to posts.

APPENDIX 6 – ESTIMATE OF APMS PLAN COSTS

Item	Cost	Number	Subtotal
GP Salary	£75,000	2	£150,000
Employer's Pension (14%)	£10,500	2	£21,000
Indemnity	£4000	2	£8,000
Employer's NI (12.8%)	£9,500	2	£19,000
GP accommodation/month	£750	12	£9,000
Travel costs/trip	£350	20	£7,000
Receptionist/Dispenser salary	£14,500	0.4	£5,800
Employer's NI (12.8%)	£1,800	0.4	£720
Employer's Pension (14%)	£2,030	0.4	£812
Unit manager/Dispenser salary	£21,033	0.5	£10,517
Employer's NI (12.8%)	£2,600	0.5	£1,300
Employer's Pension (14%)	£2,945	0.5	£1,473
Practice nurse salary	£26,725	0.25	£6,681
Employer's NI (12.8%)	£2,400	0.25	£600
Employer's Pension (14%)	£2,660	0.25	£665
Shapinsay Practice Rental	£6,000	1	£6,000
Office and computer costs*	£3,500	1	£3,500
Utilities/Rates	£1,500	1	£1,500
Insurance	£1,000	1	£1,000
Vehicle costs*	£5,000	1	£5,000
TOTAL			**£259,567**

Note: Distant Islands Allowance (£1,088 Single/Married Unaccompanied or £1,624 Married Accompanied) may apply to posts.

APPENDIX 7 - EUROPEAN WORKING TIME DIRECTIVE AND GP ON CALL

Department of Health Website

The following extract comes from the DoH web page covering the EWTD.
http://www.dh.gov.uk

What is the EWTD?

A directive from the Council of the European Union (93/104/EC) to protect the health and safety of workers in the European Union. It lays down minimum requirements in relation to working hours, rest periods, annual leave and working arrangements for night workers. The Directive was enacted in UK law as the Working Time Regulations, which took effect from 1 October 1998.

What are the key features of the EWTD?

The main features are: No more than 48 hours work per week (averaged over a reference period) - 11 hours continuous rest in 24 hours - 24 hours continuous rest in seven days (or 48 hrs in 14 days) - 20 minute break in work periods of over 6 hours - four weeks annual leave - For night workers an average of no more than eight hours work in 24 over the reference period.

If the regulations applied from 1998 what is the problem now?

The WTD applied to all workers with a few exceptions, including doctors in training. From August 2004 it will be extended to apply to these doctors, although the provisions will be phased in with a maximum hours requirement reducing from 58 hours in 2004 to 48 hours in 2009.

Can't we ignore it?

No. The Working Time Regulations are UK health and safety legislation. Contracts requiring doctors in training to work outside the regulations will be illegal. It is also about the national commitment to improve working lives for all NHS employees.

What is the SiMAP judgement and is it legally binding in the UK?

The SiMAP judgement refers to a case brought before the European Court of Justice on behalf of a group of Spanish doctors. The ruling declared that all time spent resident on-call would count as working time. Whilst the ruling applies to a specific case, the assumption must be that if British doctors work under similar arrangements,

then a similar interpretation of 'working time' applies. The European Court of Justice judgement on Jaeger followed the SiMAP line. The full implications of the Jaeger judgement are still being considered.

Are GPs covered by the EWTD?

The EWTD is designed to protect employees across Europe from working excessively long hours. GPs do not fall within the remit of the WTD as they are self-employed.

http://www.dh.gov.uk

Update to EWTD

The following points should be noted about the European Working Time Directive (EWTD) and GP on call.

1. GPs who are self-employed are immune to the legislation (because it only affects employees).
2. GPs that are employed to provide services (such as salaried GPs, employed locums, and GPs employed to work in Out of Hours services) are covered by the legislation. This is true even if the GP is normally self-employed. This plan provides both employed and self-employed options for the GPs providing on call.
3. The European Commission announced its proposal to update the EWTD in September 2004. This proposal states that time spent on call that is not worked would not be counted as working time. If this proposal is passed, then the EWTD will cease to be a problem for remote GP on call.

The EWTD is therefore not thought to be a threat to this APMS plan.