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A Special Report Commissioned by Hunter Human Capital

Counting the Cost of GP Vacancies: Ineffective Press Advertising, Missed Opportunities and the Real Price of Locum cover

Established in 2003, Hunter Human Capital specialises in General Practice recruitment. We have access to the widest network of candidates, which means we're often able to fill hard-to-fill GP and Nurse Practitioner roles when other recruiting methods have failed to deliver a result (and, given current demand, they usually do). We also help our clients recruit truly exceptional Practice Managers who make enormous positive differences to the practices which engage them.

We commissioned the following report so that our prospective clients might better understand the cost and wider implications of failing to fill their vacancies in a timely manner…

GPs Face Unprecedented Demand from All Parties

1. Government Bodies and NHS Stakeholders:

NHS England: aims to enable general practice to play an even stronger role at the heart of more integrated primary care services that deliver better outcomes, more personalised care, excellent patient experience and the most efficient possible use of NHS resources.

The Nuffield Trust and King's Fund: argues that a sustainable system of general practice requires increases in scale, scope and organisational capacity, while preserving the local, small-scale points of access to care that are valued highly by patients. (*Securing the Future of General Practice: New Models of Primary Care*. July 2013.)

The NHS Alliance: calls for a primary care led NHS that enables people to care for themselves and clinicians to develop high-quality, cost-effective, integrated care. The manifesto calls for personal health and wellbeing plans, social care partnership, and asset-based community development. (*Breaking Boundaries in Primary Care: A NHS Alliance Manifesto*. March 2013.)

2. Patients:

The number of patient consultations is predicted to rise by 69 million in 2017/18 to 409 million. This unprecedented demand in the number of consultations by every GP comes on top of a series of annual increases, from 304 million in 2008/9 to 340 million in 2012/13, which have already had an impact on GPs' ability to deliver services. (Data from Deloitte/RCGP).

3. And Even Organisations Which Claim to 'Represent' GPs:

The RCGP: sets out its vision and six ambitions to promote a greater understanding of primary care, develop new GP-led integrated services and expand capacity. CCGs are now commissioning community services from GP practices and others, including private providers. These services may historically have been delivered by GP practices, who will now find themselves competing to obtain the contracts, and enhance workforce skills and flexibility. The RCGP aim is to provide complex care, support organisational

development and flexible models of care, as well as to increase academic activity. (RCGP: *The 2022 GP: A Vision for General Practice in the Future NHS*. May 2013.)

The Nuffield Trust & National Association of Primary Care: states that registered lists provide untapped potential for general practice, in partnership, to engage in a more proactive approach to improve health and wellbeing of local populations. (*Reclaiming a Population Health Perspective*. April 2013).

The Family Doctor Association: says that the traditional, small business model of general practice is unsustainable. It claims that 'Federations' can improve efficiency, capacity, clinical governance, training and education as well as quality of care and safety.

Only the Strongest Practice Teams Can Meet These Challenges

Winning teams translate into high-performing practices

In addition to all of the above, GPs face continued and increasing scrutiny from organisations such as the CCGs and patient groups. Taking all of these factors into account, it is clear that it is more important than ever before for partnerships to develop the strongest possible practice teams. These teams must consist of people who are committed to long-term, rather than short-term, shared aims. A successful practice team is one where every member is both motivated and committed to make the right decisions for the long-lasting benefit of themselves and their patients. The most effective practice teams share a 'camaraderie' in which all the GP partners and their staff share a joint vision and work together to achieve their aims. Winning teams translate into high-performing practices, in terms of quality of care and career satisfaction, as well as practice income.

GP vacancies — an Opportunity or a Threat? It's up to you…

- The GP Recruitment and Retention Crisis is set to Worsen.
- More than 10% of GP training places remain vacant. (Health Education England, HEE, 2014).
- Despite Government initiatives, the HEE is likely to miss its target of 3,250 GP Registrars by 2016: the target has already been delayed from 2015 and the number of applicants fell 2.7% between 2013 and 2014.
- Practices nationwide are reporting major difficulties recruiting GPs. Almost 9% are actively recruiting, compared to 4.2% in 2012 and 2.1% in 2011. (Pulse survey of approximately 220 practices 2011, 2012 and 2013).
- 40% of GPs are now aged over 50. Approximately 28% of GPs are considering early retirement. The average age of GP retirement is 59, but 9% of those under 50 and 54% of those over 50 are already considering early retirement. (7th National GP WorkLife Survey 2012. and BMA/GP Specialist Press Surveys).
- 518 practices have closed or merged since 2010. The RCGP predicts that 543 out of approximately 8,000 UK practices could close in 2015. Of these practices, 90% of partners are aged over 60.

GPs Can Avoid Becoming Embroiled in a 'Recruitment Advertising Trap'

If a GP vacancy arises at your practice, the action you and your partners take now will determine whether the situation translates into an opportunity or a threat. When a vacancy arises many practices will firstly find a locum (which is a temporary solution) and then start advertising for a permanent partner or salaried GP (which is a permanent solution).

The average practice spends £3-5k on advertising in journals such as The BMJ, Pulse and GP Magazine. While in previous years this approach might have generated a significant number of high quality candidates, GPs now say that this blanket, non-targeted, nationwide approach is not effective.

The GP Press, which used to be weekly, hard copy and widely read during breaks in the surgery or while relaxing at home, has decreased in frequency and/or moved completely online. This means recruitment advertisements have become less accessible at a time when the demand for high quality candidates is growing and the supply is shrinking.

Many GP vacancies remain unfilled for more than a year

Practices with vacancies are chasing the same shrinking pool of active candidates, while with each passing month, the number of vacancies increases. Recent surveys show that many GP vacancies remain unfilled for more than a year. Furthermore, Pulse reports practices offering 'Golden Hellos' of £20,000 and *still* failing to recruit.

Some frustrated partnerships place their ad repeatedly, in the hope that 'one day' a suitable candidate will see it. They fall into the 'Recruitment Advertising Trap'; the first ad fails in one publication, then the repeat 6 weeks later, as do the ads in the rest of the GP press. These practices frequently fail to recruit at all, let alone attract high calibre candidates. At the same time, while they waste practice time and energy placing ineffective advertisements, they continue to incur thousands of pounds of direct and indirect costs. The locum, who was recruited as a much needed temporary solution, becomes instead a long-term problem with their often unforeseen resultant drain on practice resources.

The Obvious (and not-so-Obvious) Costs of Covering a Permanent Vacancy with Locums

1. Monetary Costs

All GPs know that locums were historically used as temporary staff to cover a day, night, holidays and unforeseen events like sickness in the partnership. However practices across the UK are increasingly relying on locum cover, with resultant spiraling costs. The average practice, which used to spend £5-20k a year, now spends up to £200k on locum cover.

Locum agencies have exploited this situation by raising hourly rates, with practices reporting increases in locum costs of 20% year on year. In some cases real costs have increased from an already high £70 per hour to £160 per hour. This trend, which is set to continue, means that some partners, with all their additional responsibility and workload, are taking home a lower annual salary than the locums they employ. Furthermore, new legislation making practices liable for 14% superannuation for long-term locums, further increases direct costs.

Research conducted by Pulse Magazine in early 2014, after the changes in superannuation regulations, showed that typically, the cost to a practice of employing a locum is £14,500 per month. This compares to the cost of employing a permanent GP of approximately £8,500 per month. Therefore, if your partnership is currently covering a permanent position with a locum, you are probably spending about £6,000 a month more than you need to.

The true cost of a locum is considerably higher than £6,000/month

2. Clinical, Legal, Workload and Reputation Costs

The true cost to the practice of having a GP in the partnership without a shared stake or interest in its long-term future is considerably higher than £6,000 a month. Locums have no incentive to contribute to the same degree as a permanent GP. Practices that employ locums on a regular or long-term basis, risk not only providing an unsatisfactory service for their patients, but also increasing the risk and workload for the other partners and practice staff.

Specifically, locums:

- Do not help partnerships grow patient numbers or offer enhanced services, both of which grow practice revenues.
- See fewer patients per surgery; on average locums tend to be less experienced, less clinically competent and do not know the patients' histories or their families'. This will become increasingly important as the number of patient consultations increases to unprecedented levels in 2015.
- Refer more patients to secondary care, with the accompanying increased cost in time and money to the practice as well as the direct impact on patient care.
- Carry out fewer home visits. Aside from the obvious impact on continuity of care, the effect will be more pronounced as Government incentive payments such as £40 per visit for GPs visiting patients outside the practice area once boundaries are removed in 2014/15, are introduced.
- Don't do any paperwork; with its knock-on effect on practice costs and partners' time and the reduction in quality of care due to locums' lack of accountability.
- Don't deal with prescription enquiries, resulting in an increase in partners' workload.
- Don't review test results, which again impacts on the quality of care they provide.
- Can leave with one day's notice, reflecting their lack of commitment to the practice.
- Are more likely to attract a patient complaint, with the accompanying cost to the GP partners in time and stress as well as money.
- Are covered by the Working Time Directive, which limits the hours they can work.

An Inevitable result of all of the above is that the GP partners end up picking up the pieces after the locum has gone home.

Successful Partnerships Fill Vacancies Quickly with GPs who contribute to the Skill Mix and Revenue

Getting the Partnership Skill Mix Right

GPs can no longer be 'solely clinicians'. Whether you agree or not, ensuring you and your partners are adequately reimbursed in today's NHS depends on your ability to demonstrate a range of non-clinical skills, including:

- Overall practice management.
- Understanding the practice accounts and cash flow, as well as potential threats and revenue opportunities.
- Staff Management.
- Training and career development for the GP partners as well as the whole practice team.
- Negotiating Skills; including with CCGs and other authorities for contracts and to offer special services.
- GP committee membership, such as joining the CCGs and other boards to influence decision making.

GP partnerships need the right skill mix to function to the highest level

GP partnerships need the right skill mix to ensure they function to the highest level. As GP providers of medical services face increased competition from alternative providers, practice viability now depends on diversification. The highest earning practices maximise their income by providing a wide range of additional services.

Practices which are made up of 'mini-me's', where all the partners replicate the same skills, risk failing in many areas. Like any small business, practices now need the correct mix of skills to remain viable. Only permanent partners or salaried GPs with commitment to the practice can make meaningful contributions to the skill mix.

Enhancing Practice Revenue

Permanent GPs can nurture their special interests within the practice, be that management, financial or clinical. They can use their special interests to provide a huge range of extra services either from within the practice or to other practices as well as the wider NHS. If partners cover each other's routine surgeries, this revenue can be fed back into the practice.

In addition to increasing practice income, practices with extra services will in turn attract new patients. This will not only further increase revenue but also confer competitive advantage over other practices with a resultant increase in income through contracts and working with commissioning or other GP bodies.

CCGs are increasingly commissioning community services from GP practices and others, including private providers. These services may historically have been provided by partnerships, who will now find themselves competing with other practices to obtain the contracts.

Historically, practices which have Special Interest GPs (SiGPs) earn up to 4 times as much as other practices. Currently Special Interest clinics can attract fees ranging from £150 — £400 for every three and a half hour surgery.

Partnerships Must be Ready for Changes to GP Remuneration

Whatever form of remuneration makes up your partnership revenue, now or in the future, it is clear that those practices with a full complement of permanent, highly motivated and focused GP staff are better able to provide excellent patient services, with the accompanying positive uplift in partners' drawings.

Furthermore as the Government renegotiates elements of GP remuneration during 2015, ranging from changes in QOF targets and extended surgery opening hours to new contracts for specialist services, it is even more vital for partnerships to be fully equipped to deal with these challenges in a timely and organised manner. Only by doing this will they be able to maximise patient satisfaction and practice revenue and avoid a fall in profits.

Recruiting with HHC

Hunter Human Capital

Hunter Human Capital offers an effective, professional, and cost-effective way of filling permanent GP vacancies. We have access to the widest talent network, which means we're often able to fill hard-to-fill GP and Nurse Practitioner roles (even when other recruiting methods have failed to deliver a result). We're also able to source exceptional Practice Managers. In an increasingly challenging recruitment situation, we consistently achieve positive results for our clients.

We provide our service on a 'no hire, no fee' basis: under these terms, you won't have to pay us a penny until, or unless, a candidate supplied by us accepts a position with you.

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For further information about how we can help you hire GP Partners and/or Salaried GPs, Practice Nurses, Nurse Practitioners and Practice Managers please contact Jason Dunn on 01423 874696 or by email Jason@hhcuk.com.

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