

APPENDIX C – PRICING OPTIONS

Pricing options for the SLA:

- a payment per grouping of beds, as per the Powys agreement (see appendix A)
- a payment per hour based on bed numbers
- a retainer fee plus bed payments.

Available evidence suggests that the average community hospital has around 20 GP beds.

Under the Powys agreement, a practice would receive £67,200 per year for looking after 20-28 GP-led beds or consultant-led beds where the GP has a qualification in the care of the elderly during in-hours (08.00 to 18.30 Monday to Friday, excluding bank and public holidays). This equates to:

- £24.62 per hour or
- £2,400 per bed for 20 beds, to £3,360 per bed for 28 beds

If one wished to ensure a reasonable income for practices covering a small number of beds in order to encourage practices to do this work, it could be recast as, for example:

- A retainer of £19,200 plus £2,000 per bed or
- A retainer of £13,200 plus £2,250 per bed

Where a community hospital has several practices with admission rights they may wish to develop and agree a local formula that divides the income pool on the basis of a retainer plus an amount that reflects the practice admission activity over the previous year.

Cost to the PCO of employing staff grade doctors

The alternative to the PCO is to employ staff grade doctors. As the following calculations show this is a costly option, and also leaves the PCO with responsibility for finding suitable cover when the staff grade doctor is on leave, including study, sick or maternity leave. Based on the salary of a staff grade doctor working 13 sessions a week, and taking account of the cost of annual and study leave cover plus employer's national insurance and superannuation contributions, the costs to the PCO are:

Staff grade doctor on the minimum scale for the grade - £48,700

Staff grade doctor on the maximum scale for the grade - £72,600

	Basic salary	To work 13 sessions	Annual leave	Study leave	Employer NI costs	Employer superannuation	Total
SG lowest pay band	£30,808	£36,409.45	£3,500.91	£1,400.37	£3,059.23	£4,313.12	£48,683.08
SG highest pay band	£43,871	£51,847.55	£5,982.41	£1,994.14	£6,636.49	£6,141.94	£72,602.53

These prices do not include the costs involved in covering sick and maternity leave. They also do not include provision for any discretionary points or for the cost of consultant supervision. These costs need to be taken into account when comparing the cost of a single staff grade doctor to a GP practice (and possibly multi-practice) SLA contract.