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THE BUSINESS MAGAZINE FOR DOCTORS WITH A PRIVATE PRACTICE

Today

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JOCKEYING FOR POSITION: Consultant surgeon Mr Mark Whiteley (left) backed a golden publicity winner when his company sponsored The Whiteley Clinic Stakes at Goodwood Racecourse. See full story on page 2

£300k a year is realistic target

A £300,000 pre-tax profit is now a realistic target for increasing numbers of NHS consultants with a private practice.

Figures from accountants show the top 5% part-time private consultants hit 300k – many of them much more. Stanbridge Associates said that, in London, the proportion who had gone through the £300,000 barrier was twice as high.

Accountant Ray Stanbridge said: 'For someone starting out, if you are going to do it, then you will do it in five to six years. There's more

opportunity now for many consultants due to their NHS contracts.'

But improved earnings for many independent practitioners have not arisen by dint of them charging higher fees.

Mr Stanbridge added: 'Fees are pretty tight this year and most people haven't increased them because of insurance company pressure. And a lot have kept their prices the same for self-pay patients too'.

■ Don't miss 'Ten ways to help you earn £300k from private practice': turn to page 18

Bad debts are rising

By Robin Stride

Increasing numbers of consultants' private practices are risking huge financial losses after allowing bad debts to escalate during the credit crunch.

Many are chasing thousands of pounds, but in the worse case scenarios, they have been owed hundreds of thousands of pounds before acting.

According to one billing agency, the problem is 25% greater than 18 months ago and is set to worsen in the year ahead on the back of the recession.

Garry Chapman, general man-

ager at Medical Billing and Collection, advised: 'If doctors are owed more than 10% of their turnover, then it's something they should be looking at. If they are owed that now, then it's only going to get worse.'

The mounting debts crisis is not just confined to solo practitioners. The larger and more successful a practice is, the bigger the trouble can be.

He finds more than 80% of consultants are billing less than last year. But late invoicing by busy specialists is compounding the problem, with some patients wrongly claiming they have

already paid once their bill arrives months later.

Mr Chapman said one common scenario was doctors who effectively work for nothing because they continue to see patients who never intend to pay.

Other patients have returned back home abroad, or are jobless, by the time the invoice is raised – making it extremely hard for specialists to ever get their money.

New independent practitioners are also hitting problems because they wait too long, sometimes six months, before billing.

Added Mr Chapman: 'It's a shame; they are working very hard,

but are not getting the full rewards their work deserves. If you are a businessman, your focus is on the bottom line and on making a profit. For most of the consultants we see, the focus is on making sure the patient is being treated correctly.'

Bad debts for consultants in our latest Profits Watch (page 38) nearly doubled. Accountants warn this will worsen as the self-pay market comes under pressure and insurers try to cut fees.

■ How to prevent the problem and get your money back: Don't miss our report next month. To be sure of your copy, subscribe by phoning 01752 312140.

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**BREAK THROUGH
£300K BARRIER**

The best ten ways the top-earning specialists manage to boost their incomes ■ Page 18



- 10: Ensure you stay within data law
- 14: Complaints: avoid going to court
- 16: How a consultant group got going
- 22: NEW SERIES: Managers' forum
- 26: What to claim back on expenses
- 32: Will you escape next market crash?