

Ban on use of revenue sharing 084 numbers in the NHS

Outline proposal in relation to GPs using NEG Surgery Line

Introduction

I present this outline proposal for public consideration in the context of the Department of Health consultation into a proposed ban on use of revenue sharing 084 number in the NHS (16 December 2008 - 31 March 2009).

All such proposals need to be discussed, and perhaps agreed and trialled during the consultation period. We need not wait for three months to find out what is required as a general objective; that is clearly understood. This period is for determining how a ban may be achieved without compromising the quality of service to patients..

This proposal is specific to the nature of the arrangements behind this one system that is widely used by GPs. The general principles could apply more broadly, and some particular aspects have a wider impact.

I have presented these suggestions (with increasing degrees of refinement) to various parties over a long period, as I see them to perhaps hold the key to a way forward. I am now sufficiently confident of my understanding of the situation bring essentially accurate that I can place this document in the public domain.

If there are seen to be any significant inaccuracies in my understanding, then I must strongly request immediate notification to NHS {dot} Patient {at} ntlworld {dot} com.

I wish to inform, not confuse, the public debate surrounding this consultation.

I am happy to engage with any individual or group on these and related matters.

The general position

- The Surgery Line system is provided by **NEG Ltd**.
- The network telephone facilities are provided by **Opal Telecom (part of the Carphone Warehouse group)**, for which NEG acts as an agent.
- The system is used by **General Practices** providing NHS services under GMS (and other) contracts.
- The GMS contract and associated conditions are negotiated between the **Department of Health** and the GPC of the BMA, representing the practices. Particular conditions are determined between the contractor and the local Primary Care Trust.

At present this system invariably uses revenue sharing, call type 'g6' 0844 telephone numbers. These are more expensive to call from all types of telephone service on all tariffs and at all times, than are standard landline numbers (beginning 01, 02 or 03).

This surcharge arises because the originating telephone service provider has to pay an enhanced "termination fee" to the terminating provider (Opal), which is the basis of the revenue share. It is reasonable, and of no surprise, that telephone companies pass on additional costs and additional income to their customers

The Department of Health consultation is on a proposal for use of revenue sharing 084 telephone numbers to be banned in the NHS. The Consultation nonetheless recognises the service benefits that are delivered by systems that take advantage of the additional facilities available on non-geographic telephone numbers.

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My proposal

I present a coherent outline total solution; however I do not necessarily expect or suggest that all elements must be adopted precisely in the way in which I present them. I have no idea of the specific amounts of money involved and would not expect to be able to discover what these are without someone committing an indiscretion, or by practising deceit.

The basic change required

There is no good reason why GPs using 0844 telephone numbers could not migrate to **the equivalent 0344 number**. These numbers have been reserved for this express purpose by Ofcom.

This would be possible as a variation to the terms of the existing contract for the supply of telephone services from Opal Telecom (part of the Carphone Warehouse Group) for which NEG acts only as an agent. NEG is not itself registered as a provider of network telephone services.

03 numbers offer all the same technical benefits that are available with other non-geographic numbers (e.g. 084). All 03 numbers are charged to all callers on the same basis as calls to standard landlines (with 01 / 02 numbers) and cannot be used for revenue sharing.

This change to compliance with the principles of the NHS would create a **funding gap** due to the loss of the revenue share income that is presently obtained from patients. Whatever means is found of filling that gap, all must accept that the option of using money from NHS patients cannot be, as it never should have been, valid.

The gap in funding caused by the removal of revenue sharing (funding by patients)

I understand that the funding provided by the revenue share, equivalent to the surcharge paid by patients, is used for a number of purposes.

- It is used to cover the cost of the **advanced telephone network facilities** utilised by the Surgery Line system. On a 03 number, i.e. without the benefit of the revenue share, Opal would normally levy a charge for use of these facilities.
- It is used to pay off the costs of **a lease on equipment provided to the practice** by NEG "free of charge".
- In addition, there may be an element used to cover **service charges** that would otherwise be levied by NEG.

How to fill the funding gap

My proposal for a way of filling this gap looks both at the history of the situation and the possible future for Surgery Line in an NHS returned to being "free at the point of need".

It notes the roles and positions of Opal, NEG, the DH and the practices in both respects.

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Historic factors for consideration

NEG is on record as having publicly and repeatedly misrepresented the costs involved in calling revenue sharing numbers; I cannot comment on what may have been advised to customers privately, although I note some providing very similar misrepresentations, as if in their own words. Perhaps the worst and often repeated examples include cost comparisons between VAT-inclusive rates in one case and VAT-exclusive rates in another.

Many involved in telecommunications are seen to deliberately disguise or conceal the way in which revenue sharing operates. These efforts include continuing references to "**local call rate**", despite the fact that this ceased to be a distinct feature of residential telephone tariffs in 2005, and has never applied to mobile tariffs. The term "**lo-call**" is used to suggest that the cost of calling some revenue sharing numbers is low in absolute terms, when in fact it is simply **lower than that of calling premium rate service numbers**, which operate on exactly the same principles.

There are serious questions about how far NEG has exploited the public misunderstanding that has arisen from these efforts, or indeed has helped to foster it.

Opal may have had little or no active part in any misrepresentation of the costs of calling the numbers that it provides.

It could however have readily advised that its sister company **Talk Talk** charges an **additional 1p per minute** for daytime calls to type 'g6' 0844 numbers for customers who pay for standard landline calls. Those with packages that make these free pay an **additional connection fee of 7p plus 5p per minute**.

The current "hot deal" from its sister company **Carphone Warehouse Retail** includes a Pay As You Go package that charges an **additional 10p per minute** for calls to all 0844 numbers.

Whilst NEG may plead ignorance or incompetence in such matters, Opal cannot.

The Department of Health has approved and even actively encouraged use of 084 revenue sharing numbers, apparently in the mistaken stated belief that the revenue share funding arose without any effect on the cost to patients. This was also carried on by PCTs, despite weak attempts by the Department to correct the error, which avoided openly clarifying the position and thereby admitting its mistake.

The source of this false information and the identity of an alleged guarantor that "**0845 and 0844 numbers offer patients a low call rate**" remain unknown to the public.

Practices may have taken advice from NEG and the Department of Health; however as independent contractors they must ultimately accept responsibility for their own actions, within the terms of their contracts. The truth about the costs of calling revenue sharing numbers was always available to be found.

Those who do not believe in Santa Claus may have reason to seek to discover just how a system is "self-financing". Those who fail to see that it is their patients who are wearing the red coat and the false white beard, perhaps reluctantly or perhaps without recognising their role as benefactors, are probably at fault to some degree.

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Looking to the future - the basis for a solution

The Department of Health clearly believes that the additional facilities available with non-geographic numbers can offer benefits to the delivery of NHS services. Some suggest that these are not as great as is thought, because the same benefits can be delivered in other ways; however that does not deny the basic truth of the belief.

When provided on 03 numbers, without the use of revenue sharing, these facilities come at a cost. If the Department wishes practices to take advantage of these facilities then it must now recognise that this cost cannot be met by patients. It was previously keen for practices not to bear this cost themselves, as it encouraged use of 084 numbers. It would therefore make sense for the Department to offer to meet some or all of the additional costs involved in using these telephone network features, if it believes that this is a worthwhile expense in the interests of better service to patients.

Such an offer must however apply to **every GP**, not just those who are presently using non-geographic numbers. If the Department feels obliged to offer special assistance to those who may suffer difficulties as a result of allowing themselves to be misled by its earlier mistakes, then that should be a separate issue.

If **NEG and Opal** wish to continue serving the NHS market and exploiting the many new business opportunities that remain, they must acknowledge that financial arrangements which require the principles of the NHS to be breached cannot offer a competitive and affordable solution for NHS GPs. They may therefore need to sharpen up their terms for new customers, and also make these available to existing customers who are undergoing a variation of their agreements (i.e. a change to 0344).

Retaining a contented user base will assist greatly in securing further business. This is particularly relevant for the Carphone Warehouse group, which has a wide potential customer base in many markets. Holding customers to the terms of a contract which was signed in ignorance of the full implications, having possibly been misled, may be defensible in law, but is no basis for maintaining a good public reputation.

Offering specially discounted terms to a particular market or group of existing customers may represent a sound business decision in these circumstances.

Some **GPs** may believe that the leased equipment and the services from NEG, being enjoyed at little or no cost, should not be paid for by the practice. Outside observers may see the elements that are not actually part of the Surgery Line system as having been a "sweetener" in order to tease them into a dodgy deal. It is wholly unacceptable that these should be paid for by NHS patients, or indeed out of NHS funds.

If the "funding gap" is not totally filled after NEG, Opal and the Department of Health have fairly contributed by their actions in respect of all GPs, then the remainder must in general be seen as a proper ongoing expense to the practice.

In some cases, the terms of the lease, newly independent of the contract for telephone service, may need to be rearranged. If so, then the costs of re-arrangement are the sort of one-off item that the Department of Health could perhaps pick up on account of its share of responsibility in having contributed to the practice getting into this situation.

There may be other examples of situations where a particular practice could negotiate for special treatment by the Department, NEG or Opal.

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Conclusions

I do not believe that practices which are benefiting from use of Surgery Line should be required to abandon it. If they chose to do so themselves in favour of perhaps better alternatives, then that is a quite separate issue. If any practice believes that it has legal grounds for escaping from its existing contract, then again that is a matter it may choose to pursue.

I do not believe that the public purse should contribute to any early termination charges, except perhaps in easing the process of necessary re-arrangement of leases, repayment of which by money from patients was positively approved or encouraged.

If NEG and Opal are seen to wish to shy away from providing solutions to GPs, given that these have to be funded properly, then the whole situation changes. I hope that they will face more competition in the market which they have been seen to dominate, however I hope that they will wish to rise to this challenge. There are many who believe that Surgery Line is simply a scam for making money out of GPs and their patients; it is for NEG and Opal to prove them wrong.

If some form of the solution proposed above cannot provide the answer, then Surgery Line is seen to be dependant on patient contributions and thereby unsuitable for the NHS. If it cannot be so now, then we will know that it never was. Its incarnations as "Dentist Line" and "Schools Line" do not run into the "free at the point of need" mantra, however there will be questions to be asked in the relevant contexts.

I repeat my offer to engage with all parties in discussion of these matters. I have no personal, professional or Political interest to declare. I seek to deploy my efforts in the interests of a solution to this problem being found for the sake of the NHS, of which I am proud to be a part-owner, and for fair treatment of all those who work in and for it.

David Hickson

7 January 2009