
STATUTORY INSTRUMENTS

1991 No. 582

The National Health Service (Fund-holding Practices) (General) Regulations 1991

PART II

Continuing Recognition

Conditions for continuing recognition

3.—(1) The members of a fund-holding practice shall continue to be entitled to recognition as a fund-holding practice if and so long as the conditions specified in paragraph (2) are fulfilled in relation to the practice.

(2) The conditions referred to in paragraph (1) are that—

(a) the practice does not include—

- (i) a member who practises in a partnership where the total number of patients on the lists of patients of the medical practitioners in the partnership exceeds 9,000, and
- (ii) a member who practises in another such partnership;

(b) there is at total of at least 9,000 patients on the lists of patients of the members of the practice or, though there is at total of less than 9,000 patients on those lists, there is likely, in the opinion of the relevant Regional Health Authority, to be at total of at least 9,000 on those lists by the 1st April following the date on which it came to the notice of the relevant Regional Health Authority that the total number of patients on the lists of members of the practice was less than 9,000;

(c) where the members of the practice are not partners in a single partnership, there is in force an agreement such as is mentioned in regulation 6(d) of the Application Regulations;

(d) the members of the practice maintain a bank account (“the fund-holding account”) for the purpose of receiving an allotted sum or any part of it;

(e) except where liability to pay an allotted sum to the members of the fund-holding practice is discharged pursuant to section 15(3)(b) of the Act, the members of the practice deal with the allotted sum or any part of it only through the fund-holding account;

(f) no sums are paid into the fund-holding account other than the allotted sum or any part of it;

(g) the members of the practice send to the relevant Family Health Services Authority, before the end of each month, such information relating to the preceding month as the relevant Family Health Services Authority may reasonably require in relation to the management of the allotted sum and in particular to—

- (i) transactions effected through the fund-holding account,
- (ii) the amount standing in the fund-holding account at the end of the preceding month,
- (iii) whether any such amount includes an amount which may be applied for the purposes specified in regulation 20 (savings from the allotted sum), and

- (iv) the arrangements made for the purchase of goods and services referred to in regulation 17(2);
 - (h) the annual accounts of a fund-holding practice which are required to be kept under section 98(2B)(c) of the 1977 Act⁽¹⁾ shall be submitted to the relevant Family Health Services Authority within six weeks of the end of the financial year to which the accounts relate;
 - (i) the members of the practice shall not, except in the circumstances specified in sub-paragraphs (c), (d), (f) and (h) to (m) of paragraph 32 of Schedule 1 to the National Health Service (General Medical and Pharmaceutical Services) Regulations 1974⁽²⁾ (acceptance of fees), demand or accept from any patient of a member of the practice for whom general medical services are provided a payment (including a payment in kind) in respect of any treatment—
 - (i) provided by a member of the practice, or
 - (ii) which a member of the practice has arranged to be provided for the patient,
 whether or not the treatment is to be provided under the Act or the 1977 Act;
 - (j) no goods or services specified in a list approved under regulation 17(2) shall be purchased for a patient of a member of the practice from any person or body with which any member of the practice has a particular connection unless—
 - (i) the relevant Regional Health Authority has consented in writing to the purchase of those goods or services from that person or body, or
 - (ii) it is impracticable, having regard to the condition of the patient, to obtain the consent and no alternative is available, or
 - (iii) the body is a health service body other than a fund-holding practice;
 - (k) where the members of a practice have obtained the consent of the relevant Regional Health Authority under sub-paragraph above, the members of the practice shall inform that Authority of any change either in the facilities available at, or the charges made by, the person or body in respect of which the consent is given;
 - (l) the allotted sum shall be applied only for the purposes specified in regulations 16, 17, 19 and 20;
 - (m) the members of the fund-holding practice shall manage the allotted sum effectively and efficiently.
- (3) In this regulation—
- (a) a member of a fund-holding practice shall be treated as having a particular connection with a body if—
 - (i) he is a director of, or is in the employment of, the body, or
 - (ii) he is a partner of, or is in the employment of, or is a close relative of, a person who is a director of the body, or
 - (iii) where the body is a fund-holding practice, he is a close relative of a member of the practice, or
 - (iv) he is a close relative of a person in the employment of the body, or
 - (v) he has a beneficial interest in the securities of the body;

⁽¹⁾ Section 98(2B) was inserted by section 20(2)(b) of the Act.

⁽²⁾ S.I. 1974/160; paragraph 32 was amended by S.I. 1975/719, regulation 3(14)(c); S.I. 1982/1283, regulation 2(7)(d); and S.I. 1989/1897, regulation 11.

(b) a member of a fund-holding practice shall be treated as having a particular interest in a person if he is a close relative of, or is a partner of, or is in the employment of, the person.

(c) “close relative” means a husband, wife, brother, sister, father, mother, son or daughter.

Additions to existing fund-holding practices

4.—(1) Where a medical practitioner (whether or not he is a member of another fund-holding practice) wishes to become a member of an existing fund-holding practice then, except in the circumstances specified in paragraph (2), he and the members of the existing fund-holding practice shall apply to the relevant Regional Health Authority for recognition as a fund-holding practice in accordance with the Application Regulations.

(2) Paragraph (1) shall not apply to a medical practitioner who becomes a partner of a member of a fund-holding practice as a result of the grant of an application made by the medical practitioner to a Family Health Services Authority under section 30(1) of the 1977 Act⁽³⁾ to be included in the list of names of medical practitioners undertaking to provide general medical services in the Authority’s locality.

(3) A medical practitioner who becomes a partner of a member of a fund-holding practice in the circumstances described in paragraph (2) shall, on having his name included in the list referred to in that paragraph, be a member of that fund-holding practice notwithstanding that he did not join in the making of an application under regulation 3 of the Application Regulations.

Withdrawal of a member of a fund-holding practice

5.—(1) Subject to paragraph (2), a member of a fund-holding practice may withdraw from the practice and the recognition as a fund-holding practice of the remaining members of the practice shall not be affected by the withdrawal.

(2) A member of a fund-holding practice who is a partner of another member of the practice may not withdraw from the fund-holding practice unless he also ceases to be a partner of that other member.

Death of a member of a fund-holding practice

6. Where a member of a fund-holding practice dies, the recognition as a fund-holding practice of the remaining members of the practice shall not be affected by the death.

(3) 1977 c. 49; section 30 was amended by the Health Services Act 1980 (c. 53), Schedule 1, paragraph 43 and Schedule 7, S.I. 1981/432, article 3(1), the Health and Social Security Act 1984 (c. 48), Schedule 3, paragraph 4 and S.I. 1985/39, article 7(4).