

<b>Report to:</b>	Trust Board – 25 <sup>th</sup> April 2013
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Enclosure 9ii

<b>Title</b>	Annual Losses, Compensation and Write offs
<b>Sponsoring Executive Director</b>	Neil Nisbet, Finance Director
<b>Author(s)</b>	Vicky Hall, Senior Financial Accountant
<b>Purpose</b>	
<b>Previously considered by</b>	

### Executive Summary

The following table summarises the losses and special payments during 2012/13 that require Trust Board approval:

NHSLA Public Liability settlements	£11,400	£3K maximum per case
NHSLA Employer Liability Settlements	£82,235	£10K maximum per case
Payment in lieu of complaint	£1,824	
Contribution for patients loss of items/cash	£2,767	
Contribution towards cost of lost medical equipment	£14,285	Gas cylinders, bladder scanner, ECG machine
Bad debts - Overseas patients	£5,836	Overseas patient's invoices are always set up as potential bad debts
Bad debts - Prescriptions	£6,554	643 cases
Claims withdrawn from Compensation Recovery Unit	£339,809	
Increase in bad debt provision	£73,322	CRU Bad Debt provision at 12.6% (previously 10.5% to August 2012)
Pharmacy expired stock	£119,467	
<b>Total</b>	<b>£657,499</b>	

Related SATH Objectives	SATH Sub-Objectives
A. Financial Strength: We will develop and deliver robust services that generate surpluses to reinvest in quality.	A3. Increase surpluses to reinvest in quality and innovation.

<b>Risk and Assurance Issues (including resilience risks)</b>	
<b>Equality and Diversity Issues</b>	
<b>Legal and Regulatory Issues</b>	

### Action required by the Trust Board

To **NOTE** and **APPROVE** the annual write-off schedule for bad debts.

**Losses and Special Payments of the Shrewsbury and Telford Hospital NHS Trust**

Period Details	10/11 Total £	10/11 Average £	11/12 Total £	11/12 Average £	Apr-12 £	May-12 £	Jun-12 £	Jul-12 £	Aug-12 £	Sep-12 £	Oct-12 £	Nov-12 £	Dec-12 £	Jan-13 £	Feb-13 £	Mar-13 £	YTD £
Public Liability Settlement	28,706	2,392	-	-	200	3,000				700		300	5,000	1,250	4,100	1,000	15,550
Reimbursement from NHSLA for Public Liability Settlement	(25,100)	(2,092)	-	-									(2,000)			(2,150)	(4,150)
Employers Liability Settlement	103,275	8,606	188,909	15,742	7,855	1,400	4,105	371	4,321	1,250	16,827	28,000	3,700	14,400	8,790	13,415	104,435
Reimbursement from NHSLA for Employers Liability Settlement	(34,729)	(2,894)	(43,875)	(3,658)								(18,200)			(3,000)	(1,000)	(22,200)
Settlement in lieu of employment tribunal claim against Trust	3,000	250	26,458	2,205										1,824			1,824
Payment in lieu of complaint			1,000	83													
Contribution for patients loss of items	615	51	1,092	91		247	405	177		407	799	65		569	25		2,694
Reimbursement of patients cash	50	4	-	-			73										73
Contribution towards cost of lost medical equipment	-	-	5,598	467		1,125						9,090		4,070			14,285
Late payment fee	471	39	190	16													
Bad debt write-offs - Private patients	-	-	5,404	450													
Bad debt write-offs - Overseas patients	6,984	582	140,913	11,743												13,396	13,396
Bad debts written back - Overseas patients	(2,787)	(232)	(66,061)	(5,505)			(4,054)									(3,506)	(7,560)
Bad debt write-offs - Other	(1,420)	(118)	19,959	1,663			3,599					1,923			1,032		6,554
Increase/Decrease in general bad debt provision	32,417	2,701	(8,207)	(684)												4,643	4,643
CRU Bad Debt write-off claims cancelled from CRU system*	388,776	32,398	384,534	32,045	41,745	17,919	31,460	10,856	75,593	26,926	17,127	20,871	19,976	27,448	28,523	21,366	339,809
CRU Bad Debt Provision at 12.6% (previously 10.5% to August 2012)	69,247	5,771	(7,814)	(651)	(2,393)	2,786	(6,565)	11,070	752	61,885	4,269	13,386	(11,703)	1,529	(3,381)	(2,954)	68,679
PRH Pharmacy expired stock:**	26,564	2,214	26,945	2,245	1,554	810	6,025	958	2,295	5,913	14,483	8,032	2,442	11,692	2,898	3,473	60,575
RSH Pharmacy expired stock:**	51,505	4,292	28,294	2,358	3,785	5,179	8,735	7,324	3,783	10,124	10,282	4,482	1,185	925	734	2,355	58,893
<b>Total for period</b>	<b>647,576</b>	<b>53,965</b>	<b>703,338</b>	<b>58,611</b>	<b>52,745</b>	<b>32,464</b>	<b>43,782</b>	<b>30,757</b>	<b>86,744</b>	<b>107,205</b>	<b>63,787</b>	<b>67,949</b>	<b>18,599</b>	<b>63,707</b>	<b>39,721</b>	<b>50,038</b>	<b>657,499</b>

**Summary By Type**

Summary By Type	10/11 Total £	10/11 Average £	11/12 Total £	11/12 Average £	Apr-12 £	May-12 £	Jun-12 £	Jul-12 £	Aug-12 £	Sep-12 £	Oct-12 £	Nov-12 £	Dec-12 £	Jan-13 £	Feb-13 £	Mar-13 £	YTD £
Liability Settlements	72,153	6,013	145,034	12,086	8,055	4,400	4,105	371	4,321	1,950	16,827	10,100	6,700	15,650	9,890	11,265	93,635
Settlement in lieu of employment tribunal claim against Trust	3,000	250	26,458	2,205	-	-	-	-	-	-	-	-	-	-	-	-	-
Payment in lieu of complaint			1,000	83	-	-	-	-	-	-	-	-	-	1,824	-	-	1,824
Contribution for patients loss of items	615	51	1,092	91	-	247	405	177	-	407	799	65	-	569	25	-	2,694
Reimbursement of patients cash	50	4	0	-	-	-	73	-	-	-	-	-	-	-	-	-	73
Contribution towards cost of lost medical equipment	-	-	5,598	467	-	1,125	-	-	-	-	-	9,090	-	4,070	-	-	14,285
Late payment fee	471	39	190	16	-	-	-	-	-	-	-	-	-	-	-	-	-
Bad Debt Movement	493,218	41,101	468,727	39,061	39,351	20,704	24,439	21,927	76,345	88,811	21,396	36,179	8,272	28,978	26,174	32,945	425,522
Expired Stock **	78,070	6,506	55,239	4,603	5,339	5,988	14,760	8,282	6,078	16,037	24,765	12,515	3,627	12,616	3,632	5,829	119,467
<b>Total for period</b>	<b>647,576</b>	<b>53,965</b>	<b>703,338</b>	<b>58,611</b>	<b>52,745</b>	<b>32,464</b>	<b>43,782</b>	<b>30,757</b>	<b>86,744</b>	<b>107,205</b>	<b>63,787</b>	<b>67,949</b>	<b>18,599</b>	<b>63,707</b>	<b>39,721</b>	<b>50,038</b>	<b>657,499</b>

**Comments**

\*Compensation Recovery Unit (CRU) previously Road Traffic Accidents (RTA) recognised on a monthly basis from the Department of Work and Pensions (DWP).

\*\* Certain drugs have to be kept in stock but are rarely used. These have a limited shelf life and have to be replaced periodically. In addition any unused Chemotherapy drugs can not be used on other patients since they are prepared on an individual basis.