

Practice Mergers

Practical considerations.

The number of practice mergers is on the rise.

With increasing demands on GP-led partnership practices, many are choosing to work together as larger, or even so-called 'super' partnerships. On paper, a merger is very simple – two or more practices combine to become a single, often much larger, practice. In reality, they are a significant undertaking, but when executed well they can be highly beneficial both to patients and GP partners.

Why do practices merge?

There are lots of benefits to be gained from merging. By sharing resources, such as facilities premises and administrative functions, practices can take advantage of economies of scale and mitigate work load pressures. Similarly, through sharing knowledge and growing in size, they may gain greater clinical capacity expertise and skills, improving the quality and volume of care for their patients.

There is no 'one size fits all' rule when it comes to mergers. Each merger will be carefully negotiated by all parties before an agreement is reached, to ensure the best possible outcome for everyone. In some cases, one practice may simply take over another, and in other cases, practices will come together to form an entirely new entity.

Top six things to consider when merging:

1. **Object/ vision** – it is essential for the merged practices to share a vision as to the direction that their enlarged practice will go. This could range from its size, the services it will provide and the location from which it will operate.
2. **Staff** – most mergers will involve a transfer of staff for TUPE purposes. Identify this fact and early and take the necessary steps to inform and consult the staff that are involved.
3. **Core contracts** – all mergers require careful consideration of how you handle your core contracts. Will all contracts be preserved, will they merge, will one or more fall away?
4. **Premises** – identify the premises from which you will operate from in the short, medium and long term. Will the current property arrangements (including lease terms) prohibit the realisation of these aims?
5. **Decision making** – be clear as to how decisions will be made. Depending on the size of the merged practice you are likely to need to have a degree of delegated

authority. What decisions will be delegated, what will require the approval of all partners?

6. **Assumed liabilities** – each practice should carry out due diligence on one another. If historic liabilities exist considered whether these will be shared by the merged practice or ring fenced and assumed by the practice/ partners from which it originated.

You should take care to seek legal advice before considering a merger, to ensure that your interests are properly protected. The next part of our email series will explore the legal considerations in more detail.

Expert legal advice

If you are considering a Practice Merger, contact us to find out how we can help.

T | 0300 123 2014

W | info@bmalaw.co.uk