



## The Medical Insurance Advisory Bureau

### Recent Case Study of a Partnership Dispute

“Church Street Surgery was a well run, high earning practice consisting of 4 partners had who worked well together for many years under a PMS contract. The long standing practice manager retired and the senior partner, Dr Jones, hired a replacement that had been recommended by a friend of his.

The new practice manager decided that certain efficiencies could be made, and so changed all the staff rotas without consultation and changed all the reporting lines. He also replaced several members of staff with members of his own extended family. In a very short time the practice received two employment tribunal claims citing the new practice manager, as well as a number of patient complaints (*employment dispute cover would apply if there were prospects of success and employment law had been followed*). Data recording also became a problem, which then reflected on reduced QOF scores. An anonymous letter about problems in the practice resulted in several letters from the PCT and a request for an explanation from the Partners.

Dr Jones felt that the changes that had been made to the practice would be of long term benefit, whilst the other partners felt that the new practice manager was a liability and would have to go. A stalemate was reached and partner meetings became difficult. Even the most straightforward of decisions could not be made.

The dispute escalated quickly and the partners investigated their options. It became clear that a full-blown dispute could easily cause the break-up of the practice and the loss of the PMS contract.

Fortunately the Partners had taken out Partnership Dispute insurance. They called Miab and DR Solicitors analysed the merits of the situation. The practice Partnership Deed made clear that recruitment needed to be a unanimous decision so Dr Jones had acted outside his authority in recruiting the new practice manager. This meant that the insurance cover for legal fees was provided to the 4 remaining partners. Faced with this, Dr Jones backed down and agreed to replace the practice manager. A more serious dispute was in this way avoided (*cover would apply in the circumstances described*).”