



Income Streams for Medical Practitioners and Practices

A medical practitioner may be eligible for additional income streams to the practice salary. Understanding and promoting these allowances, subsidies and grants can assist in the attraction and retention of a medical practitioner to your practice.

Practice-based income

Through the employee contract or independent contractor agreement the following are suggested inclusions where available:

Salary or agreed rates of pay

Calculated weekly, fortnightly or monthly, a medical practitioner's salary (or invoice for a contractor) is usually paid on a percentage of billings basis, flat hourly, sessional or daily rate or a combination of a percentage and flat rate, whichever is the highest.

Patient co-payments (gap)

A patient co-payment or 'gap' is the out-of-pocket expense between what Medicare Australia pays for a Medicare Benefit Schedule (MBS) item and what a medical practitioner charges the patient for that particular item.

Bulk billing

An eligible medical practitioner may bill Medicare Australia instead of a patient for a consultation. This is known as bulk-billing. If a medical practitioner bulk-bills, he/she undertakes to accept the MBS fee as full payment for the consultation and additional charges for that service cannot be raised against the patient.

On-call retainers

In a town where on-call is required, a medical practitioner may be paid a retainer by the practice or the WA Country Health Service via a Medical Services Agreement (MSA) in return for being available at all hours of the on-call period.

After-hours billings

Private, public, Department of Veterans' Affairs or MBS fees may be charged to a patient where a medical practitioner has been called out to an after-hours emergency, attendance at a hospital, home or aged care facility.

Private hospital inpatients

Where a medical practitioner consults a patient in a private hospital, the patient may be charged a private fee. This is in addition to hospital fees and may be claimed for a rebate from Medicare Australia and/or a private health fund.

Practice Incentives Program

An accredited general practice may be eligible for Practice Incentives Program (PIP) payments. These payments are usually paid quarterly to the practice based on PIP activity. An employment or contractor agreement should specify if the practice intends to seek a percentage of, or all of, the PIP payment categories, such as Service Incentive Payments (SIPs).

Superannuation

From 1 July 2014, employers are required to pay a minimum of 9.5 per cent superannuation contribution for eligible employees, based on 'ordinary time earnings'. These compulsory contributions must be paid to a complying superannuation fund at least four times a year.

Whilst all care has been taken in preparing this document, this information is a guide only and subject to change without notice.

Practice Assist is an initiative of



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Rural Health West is funded by the Australian Government and the WA Country Health Service.

Employment considerations

Clarification should be sought with the practice accountant on the employment status of all staff – this will affect how the practice pays taxation and superannuation. For example, medical practitioners engaged as independent contractors may still be regarded as employees under superannuation law.

Provision of or allowances for non-cash incentives

Non-cash incentives and allowances may also be considered by the practice. Conditions, values, restrictions and availability should be included in the employee contract or independent contractor agreement. Examples include:

- Accommodation
- Internet use
- Mobile phone
- Vehicle
- Travel
- Relocation
- Regional allowances

Some mining and industrial organisations may supplement medical service providers with additional income, housing or travel support to compensate for the additional work created by fly-in-fly-out workers and site visits.

A regional shire may also provide a house, car or additional financial support to encourage the recruitment and retention of medical practitioners to their town.

Rural Health West

Funded by the Australian Government Department of Health and the WA Country Health Service, Rural Health West specialises in recruiting medical practitioners, nursing and allied health providers to rural and remote Western Australia.

The Rural Health West Locum Placement Service also offers attractive incentives to locum doctors and eligible practices may receive additional payments and subsidies.

WA Country Health Service

Medical Service Agreements

Medical practitioners are engaged by the WA Country Health Service (WACHS) under Medical Services Agreement (MSA) arrangements. MSA arrangements cover local general practitioners, resident and visiting specialists, and locums

(collectively referred to as Visiting Medical Practitioners - VMPs) for any public in-patient and emergency department services.

Southern Inland Health Initiative

The Southern Inland Health Initiative (SIHI), funded under the Royalties for Regions program, aims to improve medical resources and 24-hour emergency coverage in eligible areas of Western Australia. The Southern Inland catchment area of WACHS stretches from Kalbarri and Meekatharra in the north, to Laverton in the east, down to Esperance in the south-east and is characterised by a dispersed population and low population density. The catchment area excludes the regional resource centres of Albany, Bunbury, Geraldton and Kalgoorlie, Busselton District Hospital, parts of the south west coast and the metropolitan area as these already have well developed and supported medical models.

Participating medical practitioners may be eligible for:

- Emergency Department Incentives
- Procedural Incentives
- Primary Health Care Incentive
- Aboriginal Healthcare Incentive
- Location Incentive
- Attraction and Assistance Incentive

Please note that the SIHI is currently under review. GPs should contact southerninland@health.wa.gov.au to find out current incentives and eligibility criteria

General Practice Rural Incentives Program

The General Practice Rural Incentives Program (GPRIP) aims to encourage medical practitioners to practise in rural and remote communities and to promote careers in rural medicine.

GPRIP comprises two components:

- Retention Incentive – GP Component
- Retention Incentive – Registrar Component

GP Component

To be eligible for the GP Component, medical practitioners must provide primary care services in rural and remote locations, and meet the continuous service requirements.

GPRIP eligible areas are located in Modified Monash Model (MMM) 3 – 7 towns. MMM Locator maps are available at www.doctorconnect.gov.au

Two systems are used to calculate incentive payments. They are:

System	Applies to
Central Payments System (CPS)	<ul style="list-style-type: none"> Medical practitioners who bill Medicare for their services Payments are based on Medicare records of eligible services provided in eligible locations
Flexible Payments System (FPS)	<ul style="list-style-type: none"> Medical practitioners who provide services outside the Medicare billing system (eg RFDS) which are not reflected in Medicare records Payment calculations are based on the number of sessions To be assessed under the FPS, medical practitioners must contact the Rural Workforce Agency in the state or territory in which they provide services

GP Component Payment Schedule

Practice time in rural and remote location					
MMM	1 year \$	2 years \$	3 years \$	4 years \$	5+ years \$
3	0	4,500	7,500	7,500	12,000
4	0	8,000	13,000	13,000	18,000
5	0	12,000	17,000	17,000	23,000
6	16,000	16,000	25,000	25,000	35,000
7	25,000	25,000	35,000	35,000	60,000

Registrar component

Registrars on the rural or general pathway of the Australian General Practice Training (AGPT) Program may be eligible for incentive payments while undertaking training.

Eligible training placements are those located within categories MMM 3 -7.

Some training placements in MMM 1 - 2 are also eligible if the training is authorised by the Regional Training Provider (RTP). For example, when completing Advanced Rural Skills Training (or Advanced Specialised Training) at a metropolitan hospital.

GPRIP incentive payments are intended for the individual medical practitioner providing the medical services in eligible locations. Incentive payments are not intended for the practice at which the practitioner is providing services.

For further information

Contact the Australian Government Department of Health on:

W www.doctorconnect.gov.au

E GRIP@health.gov.au