

The EMPLOYMENT of healthcare practitioners

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The topic of the employment of healthcare practitioners is one which is subject to constant debate.

With the changing socio-economic

environment the existing HPCSA's Policy Document on Undesirable Business Practices of 2005 has been updated by the Policy Document on Undesirable Business Practices 2015, in an attempt to further define the acceptable business models in the healthcare sector and to protect the public.

Both documents state that the employment of healthcare practitioners must be determined on an ad-hoc basis by a Committee of Council members made up of an auditor, a lawyer, a member of the affected profession, a Chairperson (who is also a member of the Council) and two additional members from the Council. Today, practitioners wishing to venture into potentially unique business models or employ models that involve corporate entities and/or unregistered persons must, prior to engaging with the respective parties, apply to the Committee for approval.

In terms of the 2015 Policy Document, the following business models are regarded as acceptable:

SOLO PRACTICES:

One person owns the business and the business has no existence without the owner, who is the proprietor. Accordingly, the owner is responsible for making all decisions and assumes all risk in his or her personal and business capacity.

PARTNERSHIPS:

Two or more practitioners join together to form a medical practice and to carry on business. The number of partners or practitioners is limited to 20 and each person is expected to contribute to the costs, and to share in the profits and losses.

ASSOCIATIONS:

Two or more solo practitioners share common facilities, but practice for their own account. The sharing of costs like rent, equipment and administration staff can help the solo practitioner generate a larger income.

PERSONAL LIABILITY COMPANIES/ INCORPORATED PRACTICES:

In terms of Section 54A of the Health Professions Act, only natural persons who are

registered with the HPCSA may enter into an incorporated practice and become a director thereof. Each director will need to have his or her own practice number, which is then linked to the incorporated practice number. The number of directors is limited to 50 and each director will receive a monthly salary, as well as a share in the profits on an annual basis.

Today, practitioners wishing to venture into potentially unique business models or employ models that involve corporate entities and/or unregistered persons must, prior to engaging with the respective parties, apply to the Committee for approval.

FRANCHISES:

Rights are granted to one party to produce, sell or use a developed product, service or brand. In a franchise, there are many opportunities for the franchisee to contravene the HPCSA's ethical rules and it is vital that a practitioner does not practice in any form of business which violates these rules.

Any of the above who have outsourced their administration or established a company to manage the administration of a practice, provided that the practitioner does not permit or allow the administrators to operate in violation of the established ethical rules.

Any other business model or structure outside of these models is therefore unacceptable and would lead to prosecution by the HPCSA.

The participation of corporate entities in the healthcare environment is also regulated. Corporate ownership occurs when a juristic or natural person, who is not registered in terms of the Act and in accordance with the ethical rules, shares in the profits or income of a professional practice. Direct or indirect corporate ownership is strictly forbidden.

Corporate involvement occurs when corporate entities provide certain service/s to a practice based on an agreement which sets out an objectively determined market related and reasonable remuneration for the services provided. This is only permissible if certain requirements are met.

The HPCSA's 2005 Policy of Undesirable Business Practices stated that only the following parties may employ a healthcare professional:

- ✚ "The Public Service.
- ✚ Universities and Training Institutes: for the purpose of training and research only.
- ✚ Persons registered with the HPCSA may employ fellow registered practitioners."

In terms of the latest HPCSA Policy Document on Business Practice of 2015, a further category of potential employers has been added. In addition to the 3 categories above, mining companies non-profit organisations (NPOs) or non-governmental organisations (NGOs) are now permitted to employ healthcare practitioners, subject to the approval of the relevant board at the HPCSA.

Previously, in terms of the Policy Document of 2005, an application had to be lodged with the HPCSA for the possible employment of a healthcare practitioner, however the new policy document of 2015 states that the healthcare practitioner who wishes to take up employment with any other agency, institution, company or organisation (including NGO's and NPO's) is required to lodge the application with the HPCSA. The onus of making the application has thus now shifted to the potential employee. **SF**

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Multiple choice questions

SURNAME

INITIALS

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- 1 What was the purpose of updating the HPCSA's Policy Document on Undesirable Business Practices of 2005?
 - a. To protect the public and further define the acceptable business models in the healthcare sector. A
 - b. To limit the number of healthcare practitioners employed by corporate entities. B
 - c. To eliminate certain categories of employment. C
 - d. All of the above. D
- 2 Which of the following parties will NOT form part of the Committee of Council Members to determine whether or not a healthcare practitioner may be employed?
 - a. A lawyer: A
 - b. An auditor: B
 - c. A member of the affected profession: C
 - d. The CEO of a large corporate entity. D
- 3 In order to venture into a potentially unique business model or employ a model that involves a corporate entity and/or unregistered person must, the healthcare practitioner must apply to:
 - a. CIPC: A
 - b. SARS: B
 - c. The Committee appointed by the HPCSA: C
 - d. The Board of Healthcare Funders. D
- 4 Which of the following is regarded as an acceptable business model?
 - a. A solo practice: A
 - b. An incorporated practice: B
 - c. An Association: C
 - d. All of the above. D
- 5 A franchise is not regarded as an acceptable business model.
 - a. True A
 - b. False B
- 6 A company may be established to manage the administration of a practice, provided that:
 - a. The ethical rules determined by the HPCSA are maintained. A
 - b. The company is able to share profits with the healthcare practitioner. B
 - c. The healthcare practitioner has targets which he or she is required to achieve. C
 - d. None of the above. D
- 7 Corporate ownership occurs when:
 - a. A corporate entity provides services, such as financial or legal advice to a practice for remuneration. A
 - b. A corporate entity shares in the profits or income of a professional practice. B
 - c. A healthcare practitioner is able to take full responsibility for all business decisions and transactions which take place. C
 - d. All of the above. D
- 8 Corporate involvement occurs when:
 - a. Direct or indirect corporate ownership is determined in accordance with an agreement between a corporate entity and a healthcare practitioner. A
 - b. A corporate entity provides certain service/s to a practice based on an agreement which sets out an objectively determined market related and reasonable remuneration for the services provided. B
 - c. The income stream generated from patients is transferred to the healthcare practitioner by the corporate entity who owns the practice. C
- 9 Which of the following has been added as the new category of potential employers:
 - a. The Public Service: A
 - b. Universities and Training Institutes: for the purpose of training and research only: B
 - c. Persons registered with the HPCSA employing fellow registered practitioners: C
 - d. Mining companies & NPO's/NGO's. D
- 10 The new Policy Document of 2015 states that the healthcare practitioner who wishes to take up employment with any other agency, institution, company or organization (including NGO's and NPO's) is required to lodge the application with the HPCSA, shifting the onus of making the application to the potential employee.
 - a. True A
 - b. False B

This is to state that I have participated in the CPD-approved programme and that these are my own answers.

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