



Review RD 02 (2011)

## WELFARE OF ANAESTHETISTS SPECIAL INTEREST GROUP

### FINANCIAL ISSUES

#### SEEKING ADVICE

- We are doctors trained in anaesthesia, pain medicine and intensive care - we do not receive specialist training in financial matters. We would not expect our financial planners to give us an anaesthetic, so it is sensible to seek expert advice on financial matters. Consider using the services of a registered financial advisor or planner
- Have a financial plan for both your professional life and personal life, including plans for managing debts at both ends of your career (student debt repayment, and planning for retirement).
- Review those plans and your options on a regular basis (see checklist below).
- Many organisations have guidelines about how to choose a financial advisor and what questions to ask of him/her [Australian Society of Anaesthetists (ASA) & New Zealand Society of Anaesthetists (NZSA) guidelines - see below]

**The following are general strategies only and should be considered in light of your personal situation.**

#### SETTING UP IN SPECIALIST PRIVATE PRACTICE

In Australia the ASA supports seminars on setting up in private practice in some states. Subjects covered in these seminars (“The Part Three Course”) may include the Trade Practices Act, registration, Medical Defence, computerised billing systems, public relations, setting fees, and practical experience. A Practice Legal Package is available from the ASA.

The following points may be useful:

- Consider joining your professional organisation (eg ASA, NZSA) if you are not already a member.
- The NZSA provides guidance with billing
- Check your standing with your Medical Defence Organisation (MDO).
- Contact your referees to ensure they are willing to provide (multiple) references.
- Apply for privileges to the Credentialing Committee of each hospital in which you propose to work.
- Contact an accountant and financial advisor.
- Organise a Personal Digital Assistant (PDA) or diary.
- Investigate methods of billing patients and consider what fee schedule you will use.
- Investigate associate or partnership options for group practice.
- Obtain personal or group business cards.
- Ensure that your business is set up to maximise efficiency
- Ensure your personal liability is not at risk.



- Miscreant or fraudulent practices may lead to charges of professional conduct

### **SETTING UP IN SPECIALIST PUBLIC HOSPITAL PRACTICE (or in other organisations)**

Many of the points mentioned above may be applicable, particularly if you have the right of private practice.

- Seek a suitable **appointment**
- Review the **conditions of service** and the options available to you.
- Sign the **contracts** as appropriate.
- Obtain appropriate financial advice, including opportunities to **salary sacrifice**.

### **REGISTRATION & TAX**

#### **Australia**

- Ensure that you are registered with Australian Health Practitioners Registration Agency (AHPRA)

#### Private Practice

- Arrange provider number(s) and prescription pads through the Health Insurance Commission (HIC)
- Obtain an Australian Business Number (ABN) and register for Goods and Services Tax (GST)
- Ensure compliance with the Business Activity Statement process (Australia).
- Consider formation of a company for your private practice
- Contact an accountant and/or financial advisor.

#### **New Zealand**

- Ensure that you are on the register of the Medical Council
- Organise premiums for the Accident and Compensation Commission (ACC)
  - Information is provided by the Medical Assurance Society Website. The website has links to relevant medical protection, medical council and NZSA sites.
- Contact an accountant and/or financial advisor.
- Consider the formation of a company for your private practice

### **INSURANCE**

#### **Disability insurance and income protection**

- Inability to work and illness causing disability can affect practitioners at any age and may have catastrophic consequences for you and your family, particularly if you have dependents.
- It is recommended that insurance of this type is commenced early in your career and upgraded regularly as your income changes.
- Inability to work and illness causing disability can affect practitioners at any age.

#### **Other types of insurance**

- Ensure that you have adequate insurance for your assets, for example the family home and its contents. Do read the small print, particularly in relation to natural disasters.

#### **Periodically review your insurances**



## **SUPERANNUATION AND PLANNING FOR RETIREMENT**

(see Resource Document RD 04).

There are many available superannuation packages which **MUST BE STARTED EARLY**.

**Contribute regularly to your superannuation fund(s)**, and be **aware** of the ongoing changes to superannuation regulations.

Factor in **when you wish to retire** and **PLAN to have the resources** to be able to do so.

## **LEGAL DOCUMENTS**

Have an up-to-date estate plan, including a valid will (covering private & business affairs), and an enduring power of attorney, (EPOA), for your personal and/or financial affairs.

Consider an advance health directive (AHD) if you have specific requests for plans in the event of you becoming incompetent to make decisions.

## **FINANCIAL CHECKLIST**

Consider maintaining a financial checklist. Record this in your computer, with appropriate file information and tracking. Consider an annual “recall” date for checking the “health of your business”

Suggestions for checklist:

- Medical Defence Organisation indemnity insurance
  - Subscription current
  - Claims-based, or full tail cover
- Registration and number (Medical Council or AHPRA)
- Disability/Income protection insurance
- Tax issues (accountant)
  - Business accounts – keep up to date
  - Tax deductible items or expenses
  - Practice manager and practice expenses
- Company
  - Meeting dates
  - Minutes
- Patient records stored (10 years minimum)
  - Archive system/company - cost billed to company expenses
- Business emergency contacts
- Spouse's contact for emergency
- Driver's licence- renewal date, number

## **References and further reading**

Australian Society of Anaesthetists (ASA)

[www.asa.org.au](http://www.asa.org.au); Suite 603, Eastpoint Tower, 180 Ocean Street, Edgcliff, NSW 2027; PO Box 600 Edgcliff, NSW 2027. Tel 02 9327 4022 fax 02 9327 7666

New Zealand Society of Anaesthetists (NZSA): [www.anaesthesiasociety.org.nz](http://www.anaesthesiasociety.org.nz)



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<http://www.healthypractice.co.nz/Specialist+practice>

<http://www.healthypractice.co.nz/sitemap.aspx?catID=1861&subID=5&pagID=2521>

<http://www.healthypractice.co.nz/Specialist+Practice/Footer/UsefulLinks.htm>

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ACECC is a joint initiative of the Australian and New Zealand College of Anaesthetists, the Australian Society of Anaesthetists and the New Zealand Society of Anaesthetists.

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