

Human Resources Policy

Visiting Medical Officer – Engagement, entitlements and duties**Policy Number:** B20 (QH-POL-256)**Publication date:** June 2020**Purpose:** To outline the engagement, entitlements and duties for visiting medical officers (VMOs).**Application:** This policy applies to VMOs who are engaged as employees (whether on framework contract or not) of Queensland Health.**Delegation:** The 'delegate' is as listed in the Department of Health Human Resource (HR) Delegations Manual, or Hospital and Health Services Human Resource (HR) Delegations Manual, as amended from time to time.**Legislative or other authority:**

- *A New Tax System (Goods and Services Tax) Act 1999 (Cth)*
- *Hospital and Health Boards Act 2011*
- Terms and Conditions of Employment, Queensland Government Visiting Medical Officers 2011 (2011 VMO Agreement)
- Health Employment Directive No. 8/14: Visiting Medical Officer – Employment Framework

Related policy or documents:

- Financial Management Practice Manual (FMPM)
- GST Business Procedure on Allowances and Reimbursements (Finance Branch)
- GST Business Procedure on Tax Invoices (Finance Branch)

Policy subject:

1	Policy statement	2
2	Engagement of Visiting Medical Officers in excess of 15 Hours per week and hours of work.....	2
3	Leave	2
4	Professional development	3
	4.1 Rural general practitioners professional development	3
5	Annual private indemnity insurance premiums – reimbursement and associated timeframes.....	3

Definitions:	4
History:.....	5
SCHEDULE ONE	Leave application process
SCHEDULE TWO	Annual private indemnity insurance premiums reimbursement process and calculations

1 Policy statement

Visiting Medical Officers (VMOs) employed in Hospital and Health Services (HHSs) are engaged on a framework contract as provided for in Health Employment Directive No. 8/14, or in accordance with their existing contract of employment.

This policy outlines some of the entitlements and duties applicable to VMOs while working for Queensland Health, including hours of engagement, duties, leave and professional development.

The policy also outlines the general requirements for reimbursement of annual private medical indemnity insurance expenses.

2 Engagement of Visiting Medical Officers in excess of 15 Hours per week and hours of work

To ensure that medical services are provided in a cost effective manner, HHSs who are considering engaging VMOs need to consider the total hours of engagement across the HHS.

When the collective total hours of engagement across the HHS exceeds 15 hours per week, specific approval from the Health Service Chief Executive is required **prior** to any arrangement being offered or finalised. It is not the intent to provide VMOs with the equivalent of full-time employment across the HHS.

Where approved, the total of sessional attendances scheduled per week shall not exceed 32 hours for any VMO. Provided that, with mutual agreement, the total sessional attendances scheduled for a VMO may be averaged; but must not exceed 64 hours in any one fortnight.

Where a VMO is required to attend an authorised meeting by the employer, at the facility at which the VMO is employed, such time will be deemed work time and paid at the normal sessional rate.

VMOs must continue to provide advice for other staff members by telephone or facsimile for which no additional payment is made.

3 Leave

The process and payment for various leave entitlements is outlined in Schedule One of this policy.

Recognition of previous service is granted provided there is not a break of more than three months between periods of service before 1 December 1989. The break in service was extended to 12 months for periods of service on or after 1 December 1989.

Periods of recreation leave accrued as a VMO are paid at the loaded rate based on the number of hours of sessional services that would have been worked over the period of absence. Additionally, approved notional sessions are paid during absences on paid recreation leave.

An employee shall be entitled to long service leave in accordance with the provisions of Directive 10/13 Recreation and Long Service Leave as it pertains to long service leave, as amended from time to time, issued by the Minister for Industrial Relations under section 54 of the *Public Service Act 2008*.

4 Professional development

The VMO is to complete and submit the relevant Application for Professional Development Leave/Professional Development Allowance for Visiting Medical Officers form and forward to the appropriate delegate for approval.

4.1 Rural general practitioners training payments

Rural general practitioners undertaking private procedural work in Queensland public hospitals and other approved facilities (and who are appointed as VMOs) are entitled to a training payment as from 17 June 2002.

The practitioners are paid for their participation in rosters in accordance with the VMO employment framework (HED #8/14). This payment is to be used for skills maintenance costs (course fees and accommodation) in areas in which they are providing specialist procedural services. This payment is not in addition to practitioners receiving the VMO professional development allowance.

The training payment is adjusted as at 1 July each year in line with consumer price index (CPI) increases.

5 Annual private indemnity insurance premiums – reimbursement and associated timeframes

Insurance premiums may be for periods of indemnity insurance that commence at the beginning of a financial year, calendar year or any other time for a period not exceeding 12 months.

When the premium paid by the VMO, who is engaged as an employee of Queensland Health, is based on a calendar year rather than a financial year, the premium paid by the VMO in the previous financial year is the premium to be used in the calculations to determine reimbursement.

Applications for reimbursement and the supporting documentation are to be submitted for processing by 1 July each year. Original receipts and invoices or certified copies only are accepted. No consideration is given to payment in advance as the arrangement is for reimbursement of premiums.

The usual arrangement is for only one reimbursement payment to be made each financial year. When a VMO services a cluster of HHSs, the facilitating HHS may centralise processes for payment.

Schedule Three provides additional information regarding the annual private indemnity insurance premium reimbursement process.

Definitions:

Professional development activities	Appropriate courses, conferences, meetings, study programs and appropriate committees or as an office bearer to an appropriate national or international professional medical body which are beneficial to the maintenance of an employee's professional competence and which are deemed by the employer to be of benefit to the public health system.
Premium for the current year	The premium paid by the VMO in the financial year to cover similar risks to that which the VMO is employed by the health service district and for which reimbursement is being sought. Premium includes stamp duty and membership and legal fees when applicable.
Applicable premium (in the identical category) for the base year (2000/2001)	The premium paid by the VMO in 2000/ 2001 financial year to cover similar risks to that for which the VMO is employed by the health service district and for which reimbursement is being sought. Premium includes stamp duty and membership and legal fees when applicable.
Associate	Any of, or combination of, the following: <ul style="list-style-type: none"> • a practice company • relatives • trustees of family trusts • trustees of a service trust • companies or partnerships controlled or significantly influenced by the employee or their associates as defined under section 195 of the <i>A New Tax System (Goods and Services Tax) Act 1999</i> (the GST Act).
Applicable Commonwealth Government subsidy	Any indemnity subsidy paid to the VMO directly by the Commonwealth Government for similar risks to that for which the VMO is employed by the health service district and for which reimbursement is sought.
Base year	The financial year of 2000/2001.
GST Act	<i>A New Tax System (Goods and Services Tax) Act 1999</i> (Cth)
Medical defence organisation (MDO)	An entity that provides indemnity and or insurance cover for medical practitioners (for the purposes of this policy).
Number of base hours per week	The hours per week stated in the VMO's appointment letter from the health service district. This does not include overtime, call ins, self-initiated attendance, or any other add ons. It does include approved notional sessions which are also paid for leave and superannuation purposes
The call (also referred to as back funding contribution)	The sum levied on members of certain medical defence organisations and payable to that organisation as either a lump sum or apportioned over five years, with contributions commencing on or about the 2000/ 2001 financial year. In the case of United Medical Protection (UMP) the call was payable by practicing members as at 17 November 2000.

History:

<p>June 2020</p>	<ul style="list-style-type: none"> • Policy application amended as a result of changes to the Hospital and Health Boards (Changes to Prescribed Services) Amendment Regulation 2019.
<p>August 2014</p>	<ul style="list-style-type: none"> • Policy formatted as part of the HR Policy Simplification project. • Policy amended to include the following documents: <ul style="list-style-type: none"> – IRM 11.1-3 Leave – General – Notice for absences – Visiting Medical Officers – IRM 11.2-7 VMO Entitlements - Recreation Leave – IRM 11.3-6 VMO entitlements – Sick Leave – IRM 11.4-4 Leave - Long Service Leave – Reimbursement of Medical Indemnity Insurance Premium HR Policy B22 (QH-POL-257). • Policy amended to: <ul style="list-style-type: none"> – re-title policy from ‘Visiting Medical Officers - Professional Development Leave/Assistance’ to ‘Visiting Medical Officers – Engagement, leave and entitlements’ to better reflect the content – update references and naming conventions – remove sick leave entitlements as they are outlined in the Terms and Conditions of Employment, Queensland Government Visiting Medical Officers
<p>April 2010</p>	<ul style="list-style-type: none"> • Amended section 5 References to reflect Self Education – FBT Fact Sheet • Country areas definition revised to correctly reflect health service facilities excluded under the previous district structure.
<p>August 2008</p>	<ul style="list-style-type: none"> • Developed as a result of the HR policy consolidation project.
<p>Previous</p>	<ul style="list-style-type: none"> • IRM 11.2-7 VMO Entitlements - Recreation Leave • IRM 11.1-3 Leave – General – Notice for absences – Visiting Medical Officers • IRM 11.3-6 VMO entitlements – Sick Leave • IRM 11.4-4 Leave - Long Service Leave • IRM 11.6-2 Professional Development Leave/Assistance for Visiting Medical Officers • Reimbursement of Medical Indemnity Insurance Premium HR Policy B22 (QH-POL-257)

Visiting Medical Officers – Engagement, leave and entitlements – Schedule One - Leave application process

The following information is provided as the minimum mandatory standard practice, procedure or process to enable satisfactory compliance with this Queensland Health HR policy.

Local guidelines/procedures may be developed to facilitate implementation of this policy. Any local guidelines/procedures must be consistent with this policy and schedule and ensure employee entitlements continue to be met.

1 Process for leave

The employee must advise their line manager as soon as practicable of the absence and the expected length of absence. This will ensure potential disruption to services is minimised.

Failure to provide the required four (4) weeks' notice may result in the non-approval of the leave. This would mean the absence would be treated as 'absence without pay'.

It should not be assumed that applications are approved because they have been submitted. An official approval is required prior to the taking of leave.

It is incumbent upon the line manager, and also the VMO requesting leave, to consider the following issues prior to granting/submitting leave applications:-

- number of medical practitioners who will be absent at the one time
- impact upon planned clinics, services or theatre allocation times
- necessity for and availability of a suitable locum and
- nature of the request.

While the responsibility for continuation of services remains with the HHS, the co-operation of the VMO in these circumstances is imperative.

2 Long service leave payment

Payment for long service leave will be made at the ordinary rate of pay being paid to the VMO immediately prior to the long service leave being taken.

Visiting Medical Officers entitlements – Schedule Two Annual private indemnity insurance premiums reimbursement process and calculations

The following information is provided as the minimum mandatory standard practice, procedure or process to enable satisfactory compliance with this Queensland Health HR policy.

Local guidelines/procedures may be developed to facilitate implementation of this policy. Any local guidelines/procedures must be consistent with this policy and schedule and ensure employee entitlements continue to be met.

1 Reimbursable items

Reimbursement is provided for the proportionate amount of annual private medical indemnity insurance premium as per the formula. For the purpose of this scheme the following is included within the invoice for reimbursement issued by the Medical Defence Organisation (MDO):

- membership costs
- legal fees
- stamp duty
- the call (refer section 2 of this Schedule).

The goods and services tax (GST) component is not reimbursable (refer section 8 of this Schedule).

2 The call

Reimbursement has included a proportion of the call which was made by United Medical Protection (UMP) or the Medical Defence Association of South Australia (MDASA) on members of those organisations for the 2000/2001 year due to the need of those organisations to maintain cash reserves to meet unreported claims.

Payment of the call to the MDO occurred either as a lump sum payment or instalments over a period of up to five years. It was agreed that this is the only shareholder/ member's funds call to support MDOs that is reimbursable under this scheme. This is **not a precedent** for reimbursement of other calls that may occur in the future by the above or any other MDOs.

3 Changes of status/hours

The following are to be considered when assessing reimbursement:

- Any change in the VMOs contracted hours, e.g. a reduction or increase in hours.
- A change in the specialty provided to Queensland Health by the VMO, e.g. a new letter of engagement providing for solely gynaecology service instead of to obstetrics and gynaecology.
- A different level of service provided compared to the level of insured risk, e.g. many elective cosmetic procedures performed in private sector facilities are not undertaken in Queensland Health hospitals. The premium for the VMO however reflects the higher level risk procedures.

- When a VMO incurs expenses for premiums for practice categories outside the ambit of the practice category for which a Queensland Health appointment is held by the VMO, reimbursement is only be made for the premium costs of the particular practice category for which the VMO holds appointment.
- When a VMO has engagements in more than one HHS (and the Mater Misericordiae Health Services), each HHS is to undertake an assessment based on the hours of work outlined in the VMO's appointment letter for that HHS. It may be necessary for the VMO to submit separate applications to each HHS where service is provided.
- Termination of the VMO's employment.

4 Practice category alterations

Reimbursement is calculated for each practice category (on a pro rata basis) when a VMO changes practice category during a year.

Separate reimbursement forms are required as different premiums are applicable for each practice category. In some cases it may be necessary to obtain the average premium for the particular category for the base year.

5 Application form

VMOs are to submit their application for reimbursement using the application for reimbursement of annual private medical indemnity premium for visiting medical officers with supporting documentation (refer HR forms).

A receipt solely for premium payment is not sufficient as it does not indicate premium and risk details.

HHSs are to develop local protocols for processing applications. All claims are to be endorsed by the medical superintendent/director of medical services in consultation with the delegate and HR manager.

Completion of the application for reimbursement of annual private medical indemnity premium for VMOs and its certifications is essential. For example, without the taxation certification the VMO is likely to incur fringe benefits tax (FBT).

6 Supporting documentation

Copies of documents are acceptable providing the document copy is supported by receipts. Documents are to provide evidence that claimed transactions actually occurred. Documentation is to follow the requirements set out in section 7.11 of the Financial Management Practice Manual (FMPM).

7 Calculation of base year average premiums

The VMO Agreement provides that the average for the practice category for the base year of 2000/ 2001 is to be used in the calculation (as component B of the formula) for VMOs who were engaged on or after 1 July 2001.

The MDO is to consider the following when determining insurance categories and subscription rates:

- the type of work done in the professional practice category
- whether an employee is indemnified by an employer for the professional practice

- the State in which the doctor practises
- the income band for the doctor
- previous claims history.

Where they exist, published average premiums cannot be relied upon as sufficiently authoritative to base the determination of the average premium for an individual. MDOs generally regard premium information as commercial in confidence.

To avoid disadvantaging VMOs, particularly those employed on or after 1 July 2001, the MDO is to be approached to obtain a statement outlining the relevant average premium for the VMO for the base year.

If a VMO changes practice arrangements and a different practice category to the practice category for the base year applies, reimbursement is to be calculated on the average premium for the new practice category for the base year.

8 Goods and services tax (GST)

When the VMO or associate (whoever incurred the expense) is registered for the GST, that party is entitled to claim an input tax credit from the Australian Taxation Office (ATO). Consequently, the VMO may not claim any GST in the reimbursement from Queensland Health. It does not matter if the VMO or associate chooses not to claim the input tax credit. The VMO or associate is still entitled to claim the input tax credit from the ATO, and this is sufficient to deny Queensland Health the input tax credit.

The GST component is reimbursable to the VMO only in cases when no other person or entity (including the VMO) is entitled to claim an input tax credit in respect of the premium and the call. Care is to be exercised in examining claims to ensure that this occurs.

In cases when a VMO or associate is not able to claim GST as an input tax credit, Queensland Health is to reimburse the GST component following confirmation of the GST registration status of the person or entity in whose name the invoice was rendered, and then claim the GST component as an input tax credit from the ATO through the standard monthly BAS process.

Correct GST tax codes are to be used and the VMO is to provide a valid tax invoice for this to occur (refer GST Business Procedure on Allowances and Reimbursements, and the GST BP on Tax Invoices). Consequently, Queensland Health is not to reimburse the GST component without a valid tax invoice.

9 Other taxation implications

The reimbursement to the VMO represents an expense payment fringe benefit, but the taxable value is able to be reduced to nil as it is considered to be an otherwise deductible item. Therefore the reimbursement is not to attract FBT if the VMO completes the required declaration in the reimbursement claim form.

The amount reimbursed by Queensland Health cannot be claimed by the VMO as an income tax deduction. In addition, it is understood that the ATO considers the Commonwealth Government medical indemnity subsidy to be assessable income.

VMOs are to obtain independent advice on taxation issues.

10 Reimbursement process – submission

The application for reimbursement of annual private medical indemnity premium for VMOs is to be used by VMOs in claiming reimbursement under the scheme.

11 Reimbursement process – varied hours

When a VMO's hours vary during a financial year, reimbursement is to be calculated using a split for each period of differing hours.

12 Reimbursement process – calculation of base hours

Calculation is to be based on the ordinary hours as per the letter of appointment excluding overtime call-ins, self-initiated attendance, plus any other add ons. Notional hours in accordance with section 4.8 (4) (iii) of the VMO Agreement 2011 are to be included as base hours.

13 Reimbursement process – termination

Where a VMO terminates employment during a year, calculation is to occur on a pro rata basis for the respective period worked.

14 Reimbursement process – claim period

Reimbursement claims are to be submitted for processing by 1 July annually. Reimbursement is to occur within four weeks providing all necessary documentation has been submitted.

15 Reimbursement process – examples

Example 1

A VMO engaged for nine base hours per week with an applicable premium of \$23,000 per annum in the current year, and a premium of \$13,000 in the base year of 2000/ 2001 (who receives no Commonwealth Government subsidy), and did not pay the call.

(A minus B minus C) x D ÷ 40 = reimbursement
(\$23,000 minus \$13,000 minus NIL) x 9 ÷ 40 = \$2,250.00

Example 2

When a VMO is engaged for a monthly session of three hours only, the monthly hours are divided by four to determine the weekly hours, in this case with the same premium costs as above.

(A minus B minus C) x D ÷ 40 = reimbursement
(\$23,000 minus \$13,000 minus NIL) x $\frac{3}{4}$ ÷ 40 = \$187.50

Example 3

When a VMO is engaged for 12 base hours per week, has a premium of \$45,000 per annum in the current year, a premium of \$37,000 in the base year of 2000/ 2001 (who receives a Commonwealth subsidy of \$6,500 in the current year), and has made a lump sum call payment of \$23,500 in the current year.

(A minus B minus C plus E) x D ÷ 40 = reimbursement
(\$45,000 - \$37,000 - \$6,500 + \$23,500) x 12 ÷ 40 = \$7,500

No reimbursement is to occur when the result of the calculation is negative. This may occur in circumstances when a VMO has changed specialties or insurance categories.

16 Reimbursement process – payment process

As the scheme provides proportional reimbursement of private medical indemnity insurance and not salary, payment is made through the accounts payable system.

Each HHS is to maintain a register of all payments to VMOs under the scheme. This is to be particularly useful when verifying the call payments which may be either a lump sum in a financial year or apportioned over a number of years.

Samples of invoices from MDOs indicate that indemnity insurance invoices include a myriad of different content, layouts and styles. Officers processing claims are to assess each claim individually on the merits of the supporting documentation to determine whether the material provided is sufficient to justify reimbursement. Reimbursement is to conform to the requirements of the Queensland Health Financial Management Practice Manual.

17 Feedback from Hospital and Health Services

HHSs are encouraged to provide feedback to HR Services Branch in relation to matters arising from application of the scheme.