



13th February 2023

ACCREDITATION AND PAYROLL TAX COLLIDE, PUTTING PRACTICES AT RISK OF LOSING PIP

Recent concerns expressed to QPA by many practices have highlighted the risks they may be facing in regard to their accreditation status and PIP payments under the current payroll tax imbroglio.

Practices are becoming increasingly reluctant to have clinical governance systems in place, ask doctors to engage in practice based clinical discussions, or direct doctors to improve medical records or allocate responsibility for handling of results, because this may be taken as evidence that doctors are employees and not independent contractors. Practices may feel threatened from both sides, the state payroll tax offices and doctors themselves who conceivably as employees could claim (back) holiday pay, superannuation and other employee entitlements.

The RACGP itself defines doctors as part of the clinical team, regardless as to whether they are engaged as independent contractors under a management services contract or as an employee. This definition includes:

1. Accessing and contributing to a medical records system
2. Sharing practice resources with other members of the clinical team
3. Attending meetings or has access to meeting documentation
4. Practitioner is covered by practice medical indemnity insurance

The RACGP does not distinguish between an employee or contractor in defining the clinical team and responsibility for meeting standards requirements.

In the RACGP factsheet, [Definition of a clinical team for the purposes of accreditation](#)



The RACGP notes that:

"When a practice displays notice of its accreditation in a shared physical patient space (eg reception, waiting room) or digital space (eg their website or social media) it is reasonable for a patient to believe any services provided by that practice are provided by the accredited practice team. That is, a patient could assume the practice's obligations for accreditation extend to any practitioner at the practice".

Medical record non-conformities comprise a significant proportion of areas where practices have difficulty in meeting the standards. It is important to dispel the myth that accreditation is solely a practice manager activity. All clinicians and other support staff have a role in quality assurance and accreditation.

Unfortunately, regardless of the legitimate concerns regarding payroll tax and contract status for doctors, if a practice cannot meet all mandatory indicators under the National General Practice Accreditation Scheme then an accrediting agency cannot legally certify that practice and they are at risk of losing their PIP payments.

For further information practices should contact their accreditation provider or visit the Australian Commission on Safety and Quality in Health Care [website](#) for further information about the National General Practice Accreditation Scheme.