

A GUIDE TO WORKING IN NON-PHYSICIAN OWNED CLINICS



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INTRODUCTION

Physicians are increasingly practicing medicine in contractual arrangements like employment contracts and service contracts.

Under some of these contractual arrangements, physicians practice in a clinic owned by a non-physician owner or a private company, which may or may not be owned by a physician. Given the specific professional and regulatory obligations of physicians, a non-physician owner may not be bound by the same obligations as the employees providing clinical services, which may present challenges if not properly anticipated or addressed up front.

Non-physician owned clinics are practices that are owned and operated by a non-physician entity. These owners can take the form of private individuals, corporations, and pharmacists, among others (provincial health authorities can also be considered non-physician owners; however, for the purposes of this document “non-physician owners” refer to private owners only).

When contemplating whether to work in a non-physician owned clinic, there are a variety of considerations that you should be aware of. These include:

- You will not have the startup/overhead costs (i.e. clinic staffing, medical equipment, clinic lease) that are typically associated with owning your own clinic.
- You may have less control over your working environment and scheduling.
- You may experience difficulty in being granted enduring access to your patients’ medical records if you leave the clinic, as the non-physician owner maintains custody over the records and this may impact your ability to meet your professional and regulatory obligations.
- Non-physician owners are not subject to the regulatory oversight of the College of Physicians and Surgeons of BC. This is important to note as it may mean that you as a contracted physician have fewer avenues by which to raise concerns about a non-physician owner if you feel there is interference with your medical practice or your ability to meet your professional obligations.

Note: This guide is not intended as accounting or legal advice, and no reader should act or refrain from acting on the basis of information in this guide without first seeking professional advice.



PURPOSE

This document aims to outline some of the considerations for physicians when considering or entering into a contractual arrangement with a non-physician owner for the provision of clinical services.

1. PROFESSIONAL OBLIGATIONS

When practicing medicine in a clinic in which someone else is the owner, you may feel that the owner has a level of influence over your practice, particularly in non-physician owned clinics.

It is important to be aware that your professional and ethical obligations apply regardless of whether you are contracted or not. Such obligations include your responsibility to the medical profession and your commitment to:

- the well-being of the patient.
- professional integrity.
- professional excellence.

Additionally, all practice standards outlined by the College of Physicians and Surgeons of BC still apply to physicians whether you have contractual commitments or not.

NOTE

For more information, see the Canadian Medical Association's ["Code of Ethics and Professionalism."](#) and the CPSBC's ["Practice Standards and Professional Guidelines."](#)

Medical Director

It is also important to be aware of your professional duties when agreeing to take on a formal title, such as "medical director," a title many are familiar with. Always be sure to clarify the duties and responsibilities of the formal title you are given in your contract, and be aware of the regulatory and legal implications of your title. The College of Physicians and Surgeons of BC sets the regulatory obligations of a medical director; defined as a single physician who is accountable and responsible for ensuring that the key clinical and operational management activities of a clinical office are met. The role of the medical director must include responsibility for establishing administrative procedures to ensure standards of appropriate medical care are met. Some of these responsibilities include:

- Meeting the Physician Practice Enhancement Program (PPEP) assessment standards.
- Ensuring the clinical office has qualified non-medical staff.
- Ensuring the clinical office has qualified and competent medical practitioners.



TIP

For a full list of all the standard responsibilities of a medical director, see the College of Physician and Surgeons of BC's [Assessment Standards for Medical Director](#) document.

2. MEDICAL-LEGAL ISSUES

Many contracts require the physician to maintain professional liability protection.

Some contracts also contain indemnification clauses, which are promises in which one person (“A”) agrees to compensate another (“B”) if B suffers a specified harm or loss. Confidentiality clauses, dispute resolution provisions, and contract termination privileges are often included.

NOTE

For more information and guidance on understanding medico-legal issues in individual contracts, see the following documents by the Canadian Medical Protective Association (CMPA): [“Medical-legal issues to consider with individual contracts”](#) and [“The changing practice of medicine: Employment contracts and medical liability.”](#)

Key considerations

- Ensure you review your contract with your own independent legal counsel to fully understand what you are agreeing to.
- Review the language in professional liability clauses.
- Ensure you understand details of indemnification clauses if there are any, including:
 - Who is indemnifying whom?
 - What kinds of harm or loss will be compensated?
 - What must the harm or loss be caused by to be compensated?
- Understand your obligations with respect to confidentiality clauses, such as the maintenance of electronic medical records and the duration of those obligations after the contract term ends.
- Understand the mechanism by which you can engage in a formal dispute resolution process as it may or may not be laid out in the contract.



3. ELECTRONIC MEDICAL RECORDS

In Canada, [patients own the information in their medical records](#) and are entitled to examine or receive a copy of their medical record. The record itself is usually owned by the person or organization responsible for its creation.

However, in a non-physician owned clinic, the physician creating the medical record is not the owner of the clinic or the EMR license and therefore does not own or have custody over the record. Control over patient records is typically restricted when working in a non-physician owned clinic. This may present challenges in meeting Standards of the College with respect to medical record access and retention. It is important that you consider your obligations and how you will meet those in the context of your employment relationship.

Key considerations

- Ensure that you have addressed issues of record ownership, custody, and access for yourself and your patients before entering into a contract with a non-physician owned clinic.
- Consider the issue of enduring access to patient records. If you are no longer employed by the clinic, will you still be able to have access to your patients' records?
- As in all cases, ensure that you abide by all legal requirements and practice standards with respect to the creation, maintenance, and general use of electronic medical records where applicable when working in a non-physician owned clinic.



TIP

For more information on your responsibilities and obligations with respect to patient records and other personal health information, see: [“Practice Standard: Medical Records, Data Stewardship and Confidentiality of Personal Health Information”](#) developed by the College of Physicians and Surgeons of BC.

4. REMUNERATION

When working for a non-physician owned clinic, the method of remuneration may operate somewhat differently than working in your own clinic or a group practice where you have some degree of ownership.

Under most service contracts, you would typically bill fee-for-service, but a cut of your billings goes to the clinic owner to help cover the overhead costs of running the clinic.

Alternatively, some non-physician owned clinics will offer contracts where your income is derived from fixed hourly rates instead of fee-for-service billings. This can make your income more predictable and stable, but less flexible; you will typically have limited ability to earn a higher rate unless your contract is renegotiated. Depending on the payment model, your income may not always increase parallel with workload.

Key considerations

- Ensure that you understand your remuneration model as specified in the contract, including details such as whether you are paid based on fee-for-service billings or an hourly rate, your payment schedule, and your benefits if applicable.
- Consider factors such as income predictability, income flexibility, and benefits, when deciding whether to sign a contract with a non-physician owned clinic.



5. CONFLICT/DISPUTE RESOLUTION

As in all workplaces, disputes can and likely will arise between coworkers and colleagues.

When working as an employee in a non-physician owned clinic, disputes may also emerge between yourself and managers or employers.

These disputes may arise from lack of communication, differences in professional priorities, and lack of control over one's working environment, among others. Maintaining healthy and communicative professional relationships is always important in a clinic setting, but it is especially important when working for an employer where unresolved disputes can potentially lead to disciplinary actions taken against you.

Key considerations

- Ensure that you are familiar with dispute resolution mechanisms/processes outlined in your contract. This is important if disputes with your employer arise.
- Make sure to inform your employer of any issues with your working environment, such as lack of necessary equipment or unsafe/unsanitary working conditions.
- Consider the possibility of disciplinary action occurring if conflicts or disputes go unresolved. Ensure that you are familiar with the forms of disciplinary action that can be levied against you, including termination, in your contract.
- Remember to do your best to communicate and maintain healthy working relationships with clinic staff, other physicians, managers, and your employers in order to avoid drawn out conflicts/disputes.

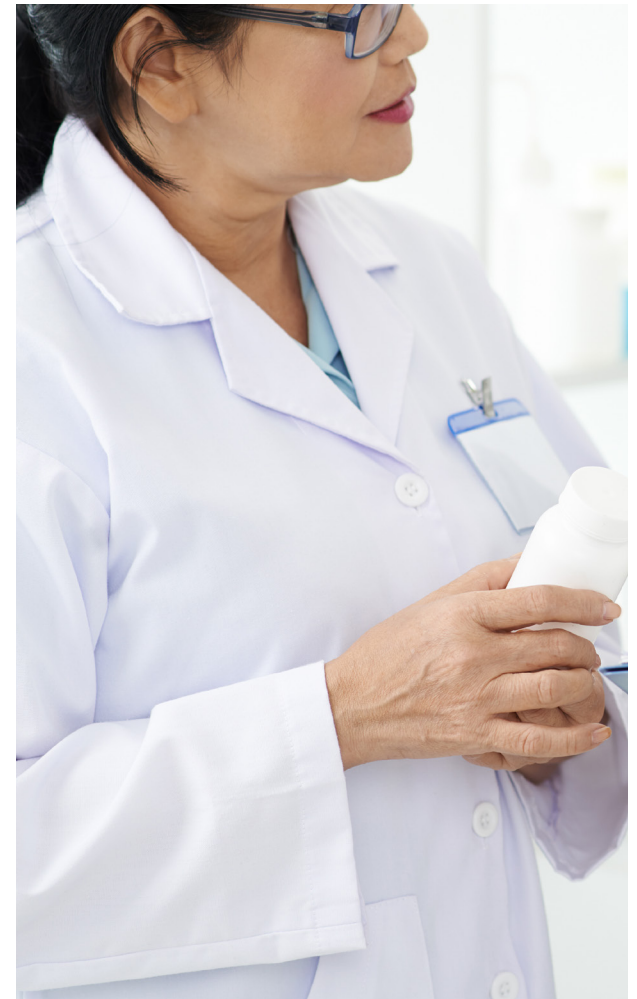


6. PROFESSIONAL AUTONOMY

When working in a non-physician owned clinic, it is important to note that you will typically have less control over your workplace environment and work schedule.

Key considerations

- Ensure that you understand your work schedule commitments as laid out in your contract. This includes the number of hours/days you are expected to work, rescheduling shifts, your vacation time, call schedule, taking professional leave, or taking time out of scheduled hours to do other work such as clinical teaching.
 - Know what kind of work environment you will be working in, as well as how much control or flexibility you will have over the equipment/resources at your disposal in the clinic. The College of Physicians and Surgeons, as the regulator of physicians, may impose rules around required equipment or set up of clinical space. It is important to ensure that these requirements are met and that new requirements will also be met as they evolve or emerge.
- Be familiar with the considerations of your employer when practicing, and remember your commitments to the medical profession that apply regardless of the owner's considerations (see section on "Professional Obligations").



7. CONCLUSION

There are important considerations to think about when deciding whether to practice in a non-physician owned clinic.

These arrangements often remove some of the financial barriers associated with starting/operating your own practice, and may be appealing to doctors who are uninterested in the business management of running a clinic. However, keep in mind that this also means that you will have less control and autonomy over the clinic and your practice, but will still be required to meet your professional and regulatory obligations regardless.

The tradeoffs of working in these settings will be different for every physician. They will depend on your professional goals, your practice style, and your financial circumstances, among other factors. It is therefore important that you fully understand the terms of a contract before committing to one so that you can make an informed decision that's best for you.



WANT TO LEARN MORE?

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