

PRACTICE MANAGEMENT SEMINAR

(CanMEDS Roles: Manager, Professional)

Title: Negotiations, Taxes, Incorporation & Financial Considerations in Surgical Practice

Date: December 16, 2015

Time: 9:30am – 12:30pm.

Location: Department of Surgery, 149 College Street, Unit 503 in our boardroom

Speaker: Dr. Barry Rubin

Note: This seminar is Mandatory for all PGY5 Residents

Items for discussion:

1. Negotiating your first staff position.

- A. Appreciating your market value.
- B. What to ask for and how to ask.
- C. Financial arrangement with the Hospital – who is being supported?
- D. Negotiating strategies and your BATNA.
- E. Research support.
- F. Protected time – what does that mean?
- G. Secretarial support.
- H. OR equipment, office furniture.
- I. Community vs. Academic practice.
- J. What determines if you get the job you are seeking?
- K. What determines if your surgical career will be successful?

2. Finances and tax planning.

- A. Quarterly installments and other tax realities.
- B. Choosing an accountant.
- C. Line of Credit – business and personal. Tax implications.
- D. Receivables.
- E. Group vs. solo practice.
- F. Tax installments and deferring taxes in your first year of practice.
- G. Incorporation and family trusts vs salary payments to spouses. Legal implications.
 - i. Small business deduction – partnership vs. cost sharing arrangements.
 - ii. Business vs. personal income tax rates.
 - iii. Tax on dividends.
 - iv. Income splitting and dependents.
 - v. Salary vs. dividends - reasonableness test.
 - vi. Voting and non-voting shareholders.
 - vii. Tax deferral in a Medical Professional Corporation.
 - viii. Expenses that can be run through a Medical Professional Corporation.
 - ix. Individual Pension Plans.
 - x. Employees vs. independent contractors.
 - xi. Association – husband and wife both incorporated.
 - xii. Disadvantages and risks of incorporation.
 - xiii. Process to establish a Medical Professional Corporation.
 - xiv. Costs associated with incorporation.
 - xv. Scientific Research and Experimental Development (SH&RD) tax credits.

3. Office expenses.
 - A. Secretary – criteria for hiring and firing.
 - B. Computers and dictation software.
 - C. OHIP billing program.
 - D. Fax, photocopy, scanner. Networked system. Lease / buy.
 - E. Office rent.
 - F. Car.

4. Insurance.
 - A. Disability – through OMA or private. Rebates, limits, tax implications and riders (COLA, own occupation, HIV/Hepatitis, RRSP).
 - B. Critical Illness. University, OMA and/or private.
 - C. Life. OMA or private.
 - D. Office overhead.
 - E. Car.

5. Group Contracts.
 - A. Legal document defining relationship between physicians.
 - B. Defines criteria for joining, resignation and expulsion from the group.
 - C. Should have dispute resolution and arbitration mechanisms.
 - D. Defines:
 - i. An income sharing formula.
 - ii. The disposition of non-OHIP income.
 - iii. What constitutes partial and full disability.
 - iv. What constitutes allowable expenses (in a net income sharing model).
 - v. Sabbatical and away time (academic and vacation).
 - vi. Family and compassionate leave.
 - vii. Settling of accounts.

6. Additional revenue streams.
 - A. Billing patients for phone services and photocopying.
 - B. Billing insurance companies for letter/forms/chart photocopying.
 - C. Medico-legal reports.
 - D. Consulting work – requirement for an HST number.

7. Alternate Funding Plans and Specialty Review Funds at AHSCs in Ontario:
 - A. Source of funds.
 - B. Percent conversion.
 - C. Role of Governance Organizations and practice plans.
 - D. Implications for academic practice.

8. Other issues.

Barry Rubin BSc, MD CM, PhD, FACS, FRCSC
Professor of Surgery, University of Toronto