

Doctors Pay Calculator - DPC v10

What is new in version 10?

A number of key features have been added to improve practice productivity and help you manage your records better in addition to bug fixes.

1. Add your practice logo

The screenshot shows a 'Practice Details' form with the following fields and values:

- Installation Date:** 05/30/2018
- Practice Name:** Doctor Good Practice
- ABN:** ABN 006 0060 000
- Address:** 14 Grenfee St
- State:** NSW
- Postcode:** 5006
- Suburb:** Burnside
- Practice Logo:** A placeholder image with the text 'your logo' in a stylized font.
- Practice Manager:** David Dahm

At the bottom of the form, there is a copyright notice: (c) Health & Life 2018- 19. This software is owned by Health & Life Pty Ltd and is protected by copyright laws, international treaty provisions and all other applicable national laws.

You can upload your practice logo, so it appears on all your stationery you send to providers.

Total (Sorted)
 Records

Layout: Tax Invoice with no Gua... View As:



**Service Fee
Tax/Adjustment Invoice**

Doctor Good Practice

From:
Doctor Good Practice **Trans No.** **1**
 ABN 006 0060 000
 14 Grenfee St
 Burnside NSW 5006 **Payment Period** **Fortnightly**
BAS Period **Sept Qtr**

To: Mart Pty Ltd
 Dr Brent Mart ABN 123491245364
 27 Tran St **Provider A/c#** **41**
 Klemzig QLD 5000 **Email** **6@want.com.au**

| | |
|--|-----------------------------------|
| Period Fortnightly ending 4 Jan 2009 | BAS Period Sept Qtr |
| Total Gross Fees (GST Exclusive) | \$176,472.73 |
| GST Collected on behalf of Doctor | \$817.27 |
| Total Gross Fee (incl. GST collected on behalf of Doctor) | \$177,290.00 |
| Service Fee (incl Adjust/Discounts) | \$82,914.54 |
| GST on Service Fee | \$8,291.45 |
| Total Service Fee (GST Inclusive) | \$91,205.99 |
| Net Receipt Owed to You (Gross Fees less Service Fee) | \$86,084.01 |

You can simply upload to each tax invoice your practice logo. The easiest way is after uploading the first time is to duplicate the previous periods for that provider record.

2. Attach service fee calculation source documentation due to the recent payroll tax case see [Payroll Tax case](#).

Calculation Sheet

Help menu and for great practice tips check the following

Name: Pay Period: [Return to Pay Menu](#)

[Go To Payment Record](#) [Go To Fee Summary List](#)

Step 1 - Enter Gross Fees

Enter Gross Fees generated by Doctor/Provider. Ensure fees are separately identified into groups per the Item Description Legend.

1. Enter appropriate details and figures in the yellow boxes

1.1 Create a separate line item no. for Medical Fees which attract which are GST Free (1) and includes GST (2)

1.2 Create a separate line item no. for medical fees that attract different service fees eg. After Hours and Weekends.

| Item Descr. | Total Gross Fees Received | Gross Fees (GST Free) (1) | Gross Fees (GST) (2) | GST Collected | Total Gross Fees GST Exclusive |
|----------------|---------------------------|---------------------------|----------------------|-----------------|--------------------------------|
| 1 GST Free - | \$10,000.00 | \$10,000.00 | | | \$10,000.00 |
| 2 GST not Free | \$1,200.00 | | \$1,200.00 | \$109.09 | \$1,090.91 |
| 3 Consumables | \$1,000.00 | \$1,000.00 | | | \$1,000.00 |
| 4 SIPS | \$1,300.00 | \$1,300.00 | | | \$1,300.00 |
| 5 ACIR | \$100.00 | \$100.00 | | | \$100.00 |
| 6 Other | \$1,000.00 | | \$1,000.00 | \$90.91 | \$909.09 |
| 7 After Hours | \$100.00 | \$100.00 | | | \$100.00 |
| Total | \$14,700.00 | \$12,500.00 | \$2,200.00 | \$200.00 | \$14,500.00 |

Doctor/Provider Message/Comments:

Step 2 - Enter Service Fees - e.g. Item 1 Gross Fees attracts an Item 1 Service Fee Code

| Item Descr. | Code | Service Fee Description | Service Fee Rate | Service Fee excl GST | GST on Service Fee | Net Receipt |
|----------------|------|---------------------------------|------------------|----------------------|--------------------|-------------|
| 1 GST Free - | 2 | Equity After Hours - Weekdays | 50.00% | \$5,000.00 | \$500.00 | \$4,500.00 |
| 2 GST not Free | 7 | ACIR/SIP Payments | 60.00% | \$654.55 | \$65.45 | \$370.91 |
| 3 Consumables | 11 | Consumables billed on behalf of | 100.00% | \$1,000.00 | \$100.00 | -\$100.00 |
| 4 SIPS | 7 | ACIR/SIP Payments | 60.00% | \$780.00 | \$78.00 | \$442.00 |

[Billing Report PDF 1 \(upload e.g. Dr X Best Practice by Provider cash receipts including and excluding GST for the weekly/fortnightly/monthly pay period\)](#)

[Billing Report PDF 2 \(upload any other supporting document\)](#)

LEGEND: Item Description

- 1 Medical Fees (Free)
- 2 Medical Fees (GST)
- 3 Nursing & Allied Health
- 4 SIPS/ACIRS
- 5 Consumables
- 6 After Hours
- 7 Other

You can upload practice billing by provider PDF reports to each calculation. It is known that a number of popular provider reports do not accurately report from one period to the next the same numbers. This provides a convenient audit trail.

3. A new service agreement document filing system to help you keep track of any unsigned service Agreements and any payroll tax issues.

Doctor Good Practice

ABN 006 0060 000

| | | | | |
|------|----------------------|--------------------|--------------|------------|
| Name | Mart, Brent | Paid From | Billings A/c | Provider # |
| Type | Non-Equity Associate | Period for Payment | Fortnightly | 41 |

| Service Fee Code | Service Fee Description | Service Fee Rate |
|------------------|---|------------------|
| Service Fee 1 | 1 Weekday Receipts | 60.00% |
| Service Fee 2 | 2 After Hours - Weekdays | 50.00% |
| Service Fee 3 | 3 Weekday Receipts | 40.00% |
| Service Fee 4 | 3 Equity After Hours - Weekends | 40.00% |
| Service Fee 5 | 11 Consumables billed on behalf of the doctor | 100.00% |
| Service Fee 6 | | |
| Service Fee 7 | | |

| Latest Agreement Version* | Date | Guaranteed Minimum |
|---------------------------|------|------------------------------|
| Service Agreement 1 | | \$200.00 |
| Service Agreement 2 | | Guaranteed Minimum Per Hour* |
| Service Agreement 3 | | |
| Service Agreement 4 | | |
| Service Agreement 5 | | |

These incentives may attract payroll tax see <https://thebusinessofhealthcare.com.au/2018/07/09/2018-historic-doctors-providers-payroll-tax-warning/>

Latest Agreement Version*
Service Agreements should be reviewed every 24 months. Contact Health and Life at pa@healthandlife.com.au to ensure you have the latest practice templates for your practice.


Special Terms Notes

4. Attach service fee calculation source documentation due to the recent payroll tax case see [Payroll Tax case](#).

Calculation Sheet

[Help Menu](#)

Help menu and for great practice tips check the following



Doctor Good Practice

Pay Period Ending Date **1 Jul 2018** Trans. No **3**

Doctor/Provider Name List * * Please select the provider and enter the no. in the box to the right. Entry Date **12 Jul 2004 4:33:43**

Ire, Deborah Date Modified **6/29/2018 9:41:36 PM**

Provider **37** ABN **ABN 006 0060 000** Type **Senior Associate**

Ac# **Deborah** BAS Period **Dec Qtr**

First **Ire** Payt Period **Monthly**

Last **Ire**

[Copy & Modify This Pay](#)

[Refresh](#) [Go to Tax Invoice for Doctor with Guaranteed Minimum/Adjustment](#)

[Print](#) [Go to Tax Invoice for Doctor with Adjustment/NO Guaranteed Minimum](#)

[Individual Fee Summary List by Doctor](#) [Go to BAS Extract Summary for Doctor](#)

[Return to Pay Menu](#)

LEGEND: Item Description

| | |
|---|-------------------------|
| 1 | Medical Fees (Free) |
| 2 | Medical Fees (GST) |
| 3 | Nursing & Allied Health |
| 4 | SIPS/ACIRS |
| 5 | Consumables |
| 6 | After Hours |
| 7 | Other |

Step 1 - Enter Gross Fees

Enter Gross Fees generated by Doctor/Provider. Ensure fees are separately identified into groups per the Item Description Legend.

1 Enter appropriate details and figures in the yellow boxes

1.1 Create a separate line item no. for Medical Fees which attract which are GST Free (1) and includes GST (2)

1.2 Create a separate line item no. for medical fees that attract different service fees eg. After Hours and Weekends

| Item Descrip. | Total Gross Fees Receive | Gross Fees (GST Free) (1) | Gross Fees (GST) (2) | GST Collected | Total Gross Fees GST Exclusive |
|----------------|--------------------------|---------------------------|----------------------|---------------|--------------------------------|
| 1 GST Free - | \$100,000.00 | \$100,000.00 | | | \$100,000.00 |
| 2 GST not Free | \$0.00 | \$0.00 | | | \$0.00 |
| 3 SIPS | | | | | |
| 4 ACIR | | | | | |
| 5 Consumables | | | | | |
| 6 After Hours | | | | | |
| 7 Other | | | | | |
| Total | \$100,000.00 | \$100,000.00 | | | \$100,000.00 |

Step 2 - Enter Service Fees - e.g. Item 1. Gross Fees attracts an Item 1 Service Fee Code

| Item Descrip. | Code | Service Fee Description | Service Fee Rate | Service Fee excl GST | GST on Service Fee | Net Receipt |
|----------------|------|------------------------------|------------------|----------------------|--------------------|---------------------|
| 1 GST Free - | 11 | Consumables billed on behalf | 100.00% | \$100,000.00 | \$10,000.00 | -\$10,000.00 |
| 2 GST not Free | 8 | NEA / SIP Payments | 45.00% | \$0.00 | \$0.00 | \$0.00 |
| 3 SIPS | | | | | | |
| 4 ACIR | | | | | | |
| 5 Consumables | | | | | | |
| 6 After Hours | | | | | | |
| 7 Other | | | | | | |
| Adjustment | | | | | | |
| Total | | | | \$100,000.00 | \$10,000.00 | -\$10,000.00 |

Step 3 - Calculate Adjustments/Discounts on Service Fees (if applicable)

Adjustments, discounts or rebates on service fees arise because Doctors/Providers are paid for a guaranteed

Doctor/Provider Message/Comments

[Billing Report PDF 1](#)
(upload e.g. Dr X Best Practice by Provider cash receipts including and excluding GST for the weekly/fornightly/monthly pay period)

[Billing Report PDF 2](#)
(upload any other supporting document or working calculations if applicable)

[Other Calculations PDF](#)
(upload any other supporting document or working calculations if applicable)

Calculation Sheet

Guaranteed Minimum Calculator- use if Guaranteed Minimum Applies

Min Hourly Rebate Per Hour

No. of Hours for the Period

Guaranteed Minimum Discount* **-\$4,445.46**

Net Receipt (before GST and adjustments) \$6,645.46

Guaranteed Minimum \$2,200.00

The above two figures should always be the same or net receipts should be higher. If not keep adjusting below until equal. Please note record this as a 'Discount on Fees' below or it may attract payroll tax if solely based on hourly rates for more information read <https://thebusinessofhealthcare.com.au/2018/07/09/2018-historic-doctors-providers-payroll-tax-warning/>

*This figure should be negative or "\$0". If not, enter value in Adjustments/Discount Summary below

Adjustments/Discounts Calculator Summary

Please enter a description of any adjustment.

| Description | Amount |
|---|-----------------|
| Rental Discount - After Hours Incentive | -\$43.64 |
| | |
| | |
| | |
| Total Adjustments | -\$43.64 |

NOTE: you must assign a negative "\$10" value if you are seeking to increase the doctors pay.

This warning ensures payroll tax compliance.

- An improved service fee calculation source documentation remittance advice due to the recent payroll tax case see [Payroll Tax case](#). This must be used every time a provider is paid.

your logo[®]

Payment Summary

Associates Name Ire, Deborah

Pay Period End Date 1 Jul 2018

Bank Account Paid

Cheq/Ref No

Total Gross Fees (Excl.GST) \$100,000.00

Net Receipt owed to Doctor/Provider (\$10,000.00)

Net Receipt payment to Doctor/Provider

Balance due to Doctor/Provider (\$10,000.00)

Service Fee (incl GST) charged to Doctor/Provider \$110,000.00

GST Collected on behalf of Doctor

Payment Notes

6. A new self-help menu that links to You Tube videos and other web-based help menus.



7. Health Homecare compliant

According to KPMG Health Home Care advice which is not legally binding however the Federal Government has requested them to provide national advice see [KPMG Health Care Homes employment tax information](#).

Practices who not only use Doctors Pay Calculator but follow our business structure and accounting system recommendations using MYOB, Xero and Quick Books this will be consistent with Model 2 from the advice given.

Both of the above practice/practitioner arrangements are summarised in the table below.

| Payment model: practitioner contracts with the practice | Further issues to consider |
|--|--|
| <p>Model 1: The medical practice enters into an agreement so that income received under HCH program is assigned.</p> | <ul style="list-style-type: none"> • The instrument that would be most effective (commercially and legally) to assign funds would depend on the existing arrangements in place for the practice. • The taxation implications of assignment of HCH funds should be carefully evaluated. |
| <p>Model 2: The medical practice retains HCH payments in full and adjusts existing service agreement receipts to account for the practice’s HCH receipts.</p> | <ul style="list-style-type: none"> • A ‘matching’ process would be required to offset MBS service fees payable to the medical practice against HCH service fees payable by the practice. • For some practices this could be administratively demanding. • May not be practical if there is a high amount of HCH funding relative to MBS receipts. |

The other solutions given are legally more complex. Reassigning income back to providers without the tax office challenging these arrangements including GST compliance is a concern. These are similar to the ATO’s tax alert on [Everett Assignments](#) in relation to professional practices. We do not recommend Model 1.

Please consult your legal and accounting advisers. All Health and Life accounting clients are already compliant in meeting the requirements detailed below with the latest release of the Doctors Pay Calculator. Point 4 addresses this concern. We also have an automated solution that has passed successful trials to reduce the complexity of Model 2.

Privacy, Disclaimer and Terms and Conditions

The Privacy, Disclaimer and Terms and Conditions for use can be found [here](#).

Do not hesitate to contact us on 1800 077 22 or email pa@healthandlife.com.au for any further information. For more information about Doctors Pay (Service Fee) Calculator visit our [website](#) and consider this [FACT check sheet](#).