



OPERATIONAL CIRCULAR

Enquiries to: Neil Purdy
9222 2492

Number: 1610/02
Date: 24 October 2002
File No: 01-00523

Supersedes:

Subject: **NEW VISITING MEDICAL PRACTITIONER (VMP) ARRANGEMENTS - RURAL PRACTICE INCENTIVE**

The Rural Practice Incentive (RPI) is a fixed payment incentive over and above fee for service payments which is paid in recognition of the importance of attracting and retaining doctors in regional, rural or remote areas. The payment is available to VMPs who sign a contract and are resident in those areas.

To facilitate payment, localities throughout country Western Australia have been placed in 5 categories and a percentage ranging from 4% to 20% allocated to each. The Rural Practice Incentive is calculated by applying to the Agreed Fees Base (AFB) the percentage applicable to the category of the town where the doctor concerned is either resident and/or has their major practice. The AFB is a figure agreed between the Board and the VMP based on a figure historically paid to the VMP. For example it may represent either the total payments for the last financial year or an average of the last 2 or 3 years. In the case of a new VMP, it may require an estimate of fee income for the future financial year. The AFB in this case is not a projection but historical only in recognition of the contribution of the VMP to the locality. Adjustment for the increase to the contract rate is therefore not required.

For example, if a doctor has an AFB of \$50,000 and is resident in Jurien (Category D = 15%) then the calculation is:

$$\begin{aligned} \text{RPI} &= \text{AFB} \times \text{Category \%} \\ &= \$50,000 \times 0.15 = \$7,500 \end{aligned}$$

As a guide to the application of the RPI, the following points should be noted:

- The precise application of the RPI is a matter for the Board. It should, however, be made available to all resident VMPs at a category rate for the location where they reside or provide the majority of their medical services.
- Locum or shorter term VMPs should be addressed on a case by case basis.
- Where a VMP provides medical services for more than one Board, separate contracts must exist for a RPI to apply in each case. Where the VMP provides medical services for different Boards and/or at different locations within a region, the rate to be applied is the category rate for the location at which the VMP resides or provides the majority of their medical services.
- The incentive is not normally available to visiting specialists who have their usual practice in the Metropolitan area.

- If a VMP Medical Services Agreement is held by a corporate body, the total RPI is calculated by reference to the AFB of each of the doctors involved and the classification of the town applicable to each particular doctor.

The RPI is only available upon signing a contract. The manner of payment for these fixed payments is a matter for discussion between the Board and the Contracting Medical Practitioner but it is anticipated it would be on a regular basis, eg monthly, quarterly, etc and subject to the Board's usual accounting requirements. Payment currently cannot be made through MAAS.

Any inquiries should be addressed to Neil Purdy, Workforce Directorate, Department of Health telephone 08 9222 2492 or email neil.purdy@health.wa.gov.au.

Philip Aylward
ACTING GROUP DIRECTOR
POLICY & RESOURCE MANAGEMENT

RURAL PRACTICE INCENTIVE

Classification	Metropolitan	A	B	C	D	E
Locality loading	0%	4%	6%	10%	15%	20%
	<p>Armadale Bentley Kalamunda Osborne Park Rockingham Swan Districts Woodside</p>	<p>Albany Australind Bunbury Busselton Collie Donnybrook Dunsborough Geraldton Harvey Pinjarra Yarloop Waroona</p>	<p>Bridgetown Denmark Manjimup Margaret River Mount Barker Northam Toodyay York</p>	<p>Augusta Beverley Boddington Boyup Brook Bruce Rock Corrigin Cunderdin Dalwallinu Dongara Goomalling Kalgoorlie- Boulder Katanning Kellerberrin Kojonup Kondinin Kununoppin Merredin Moora Mullewa Nannup Narembeen Narrogin Northampton Pemberton Pingelly Quairading Three Springs Wagin Wongan Hills Wyalkatchem</p>	<p>Broome Dampier Esperance Gnowangerup Jurien Kalbarri Karratha Kununurra Lake Grace Morawa Norseman Port Hedland Ravensthorpe Southern Cross</p>	<p>Carnarvon Derby Exmouth Halls Creek Laverton Leonora Meekatharra Newman Onslow Paraburdoo Roebourne Tom Price Wickham</p>