

Early Medical Career Legal Info - The Devil Is In The Detail: Service, License And Sessional Agreements

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You have finally finished your qualifications and you're ready to begin the next phase of your career. It is likely that you have been working for public or private hospitals for some time and you're looking to transition into some form of private practice.

Before you take that step, there are a few matters you should consider, subject to whether you are establishing your own practice, or looking to join an established practice.

Regardless of the size, it is essential that the structures are in place to ensure effective management and compliance. In turn this will allow you, the doctor, to focus on your core business of caring for patients and practising medicine.

In the early stages of the move to private practice, it is also likely that you will want arrangements that are cost effective and flexible so that you can determine exactly how much or low little private work you wish to do, and to determine if the private practice lifestyle is right for you.

There are several options to consider when you are looking to take the first step such as:

1. **Joining an established practice;**
2. **Creating your own practice; or**
3. **Working with a flexible service fee or pay-as-you-go provider to manage the bulk of your practice for you.**



If you are joining an established practice, some basics you need to consider are:

1. What is the structure of the business – is it a trust, associateship, partnership or company (or a combination)?
2. How will you be brought into the practice and will you have an option to ‘buy-in’ in the future?
3. If you are brought in under a Service Fee arrangement, what does the practice provide you under the Service Agreement, how much is the Service Fee and what is excluded?
4. If you are going to operate within the practice under a Sessional or Licence Agreement, what are your entitlements in addition to using the space/room? Is there any equipment included? Will you have access to staff, consumables, tea room facilities, billing/practice management software and so on?
5. What are the business liabilities and what will you be liable for when you join? What is the fee structure and does it provide flexibility to work less than full time? Is there flexibility generally if some work more and produce more fees than others?
6. How easy is to extricate yourself from the arrangements if they are not working out? Are there any restraints, access to patient records and data or other barriers to doing something different in the future if you decide to leave?
7. Have you obtained legal and accounting advice?

Some of the basics of that need to be considered before opening a new general or specialist medical practice include:

1. Will you be ‘going it alone’ or will you be starting the practice with some friends/colleagues?
2. Where will your practice be located? Sessional suites may mean you do not have the heavy burden of a long-term lease and rent when you are getting up and running.
3. Do you have advisors in place who can assist with accounting, tax, IT, recruitment and legal requirements?
4. How will you structure your business, for example shareholder agreements and service agreements?
5. Have you considered your staffing requirements?
6. What IP requirements and protections do you need?
7. Asset protection and estate planning to protect your family.

Ordinarily, we find that doctors in their early career are looking to join existing practices under either a Service, Licence or Sessional Agreement.

While these agreements should be relatively straightforward and clear, there are potential tricks and traps that can cause you grief in the long run. For example, the agreement may contain a restraint, confidentiality or waiver in relation to your patients and the area you practice in.

While this may not be problematic at the time, when you progress in your career and look to move out into your own private practice, these restraints/waivers can prevent, delay or otherwise hinder, you from moving on.

There are various options for young doctors looking to break into the market. If you want to get a taste of private practice without the commitment of hiring staff, back of house programs, accounting and reporting, you may want to look into a sessional suite arrangement or join a managed practice.

Regardless of whether you are joining an established practice, or setting out on your own, there are several considerations before you should put pen to paper. We have prepared a medical practice checklist which is [available here](#) for your consideration.

If you are looking to move into private practice, please [reach out](#) to us so that we can assist and help make the process as smooth and stress free as possible.

Whilst it will be your first and only time in transitioning to private practice we have helped hundreds of doctors through the same process and you can utilise that knowledge and experience to put your best foot forward.

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