

# ATMS GUIDELINE

## Retiring from or Leaving Clinical Practice

### Preamble

This statement is designed to act as a guide for ATMS members who wish to cease clinical practice, and are either planning on transferring their clinical practice to another commercial entity, closing or selling their practice.

### Guiding Principles

While there are many elements to this process, the most important are:

1. Provide existing clients with continuity of care.
2. Ensuring that you meet all of your regulatory requirements.

### Continuity of Care

As a healthcare provider, you still have a responsibility to your existing clients. This responsibility extends into several areas. You should provide each of your existing clients with the contact details of the person who is taking the practice over, within a reasonable period of time before you leave the practice. If you receive notification from clients that they do not wish to remain with the clinic under the new arrangement, you should supply them with information that makes it clear that they still require treatment and supply them with the contact details of a competent local practitioner who may be able to provide this, to the same standard that you have been providing or better. If nobody is taking the clinic over, the contact details of a competent local practitioner who can provide the same services as those that you have been providing and to the same or better standard, should be given to your existing clients.

### Regulatory Obligations

There are a number of things that you need to do under various sections of government legislation. These include but are not limited to the following.

- If selling your clinic, the Australian Taxation Office (ATO) needs to be notified of the change of ownership, and if the business is a limited liability company, the Australian Securities and Investments Commission (ASIC) should also be notified of the change of ownership.
- If the practice is located in Victoria, you should ensure that the vendor is aware of the requirements stipulated in the Health Records Act 2001. To comply with this Act, a healthcare provider selling, transferring ownership of, or closing a practice, must publish an advertisement in a newspaper or newspapers that cover the trading area advertising this fact, outlining the future of the clinic and what is to become of the client records held by the clinic. This advertisement must be published at least two months prior to the change in the ownership or status of the practice and if clients do not use English as their first language, the advertisement will need to be published in their preferred language.
- Capital Gains Tax may be payable on the sale price of the clinic.

- You should be aware of your requirements under the National privacy legislation. For example:
  - You have a responsibility to ensure that client information is only handed over to the new entity (the new clinic owner) where the new entity will use the client information for the purpose for which it was originally collected (that is, for use in clinical assessment and treatment), and that the new entity will continue to provide essentially the same service, in very similar circumstances.
  - You must securely stores client information for at least 7 years, or where the client was under 18 years of age at the time of the last consultation, that those records are kept until the person reaches the age of 25 years.

### **Selling Your Clinic**

If you plan to sell your clinic, you should ensure that the practitioner who purchases the clinic will be well suited to the task. You should also ensure that you have the documentation that most potential purchasers will wish to see. This includes but is not limited to:

- The clinic financial records for at least the previous 3 years.
- Copies of trademarks, business names or certificates.
- Stock inventory.
- Employee records.
- Client lists (ensure that you meet all provisions of the privacy legislation).
- Leases.
- Supplier lists.
- Stocktake records with all relevant tax details.
- Warranty claim history.
- Policy and procedure documents that you may use to operate the clinic.
- A vendor statement, outlining the name and address of the business, the name and address of the vendor, and exactly what is being offered for sale.

Also consider securing a valuation of the clinic so that you know what price you should be asking for it. If the clinic premises are being leased, ensure that the lease can be transferred. If you employ staff, determine if they intend to stay with the clinic and make this known to potential buyers.

