

Ethical Guideline 2

Guidelines for members having a financial interest in a treatment or management facility

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Responsible Committee/ Department:	Committee for Professional Practice
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1. DEFINITION

"Financial interest" is defined as the contribution of capital, the receipt of dividends or director's fees, the receipt of any benefit whether in cash or kind other than fees charged to a patient.

2. BACKGROUND

There has been general interest in and criticism of doctors who have a financial interest in a facility to which they refer patients or in which they treat patients. Such facilities may be a hospital, day surgery facility, nursing/rest home or even a specialised boarding or lodging house.

Unless the relationship with the facility is absolutely clear and ethical, criticism is bound to occur. This may be allegation of over servicing, relative neglect, inappropriate treatment and even fraud. All of these accusations have been made and occasionally sustained.

The College believes that it is important for psychiatrists to be absolutely clear and transparent to their patients, patients' families and carers about psychiatrists having financial interests in a facility to which they refer patients or in which they treat patients. It is hoped that the following guidelines will assist psychiatrists in the above.

3. GUIDELINES

- 3.1. It is mandatory that psychiatrists who have a financial interest in a facility to which they propose to refer a patient whether they personally treat the patient or not should declare that interest to the patient and if necessary the responsible relatives/ carer.
- 3.2. The same applies if the psychiatrist's financial interest is indirect, for example through a family member or family trust.
- 3.3. Having made the declaration it should be noted in the psychiatrist's clinical notes.
- 3.4. Any psychiatrist having a direct or indirect financial interest in a private facility should notify those funding agencies which would contribute to or provide rebates to the fees charged for example Health Insurance Commission, Private Insurance Funds, and others, if requested.

Disclaimer

This information is intended to provide general guide to practitioners, and should not be relied on as a substitute for proper assessment with respect to the merits of each case and the needs of the patient. The RANZCP endeavours to ensure that information is accurate and current at the time of preparation, but takes no responsibility for matters arising from changed circumstances or information or material that may have become subsequently available.

Contact:	Senior Manager, Practice Policy and Partnerships		
Date	Version	Approver	Description
10/1980	1.0	Board	Adopted
1990	2.0	Board	Reviewed
2005	3.0	Board GC2005/1 R.47	Reviewed
2010	4.0	Board GC2001/1 R.47	Reviewed
05/2015	5.0	B2015/3 R22	Reviewed
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