[Health service letterhead]

 [Date and reference]

[Participating VMO details]

[Address]

Dear Dr [Last Name]

**Re: Improving Access to Primary Care in Rural and Remote Areas (s19(2) Exemptions) Initiative (the Initiative)**

Under the Initiative, an exemption from subsection 19(2) of the *Health Insurance Act 1973* (Cth) allows Medicare benefits to be claimed for eligible non-admitted, non-referred professional services. An exemption has been granted by the Australian Minister for Health for [insert site name].

You have consented to participate in this Commonwealth Initiative. As part of the terms and conditions of the Initiative, you are required to pay over to the health service the Medicare billings assigned to you for relevant services provided under the Initiative. These funds will then be reinvested in local primary care services as articulated in the site’s Operational Plan. I draw your attention to the Victorian *Improving Access to Primary Care in Rural and Remote Areas – COAG Section 19(2) Exemptions Initiative: Guidance 2022* that sets out the requirements of medical officers participating in the Initiative (available at <https://www.health.vic.gov.au/improving-access-to-primary-care-in-rural-and-remote-areas>).

You continue to be appointed as a visiting medical officer by the health service under contractual arrangements, and remuneration will be paid to you in respect of the services you provide under those arrangements, even where those services are also being billed under the Initiative.

The Australian Taxation Office has issued an income tax Class Ruling (CR 2012/20) in respect of visiting medical officers and the Initiative arrangements. It confirms that the Medicare billings assigned to you by the patient with respect to eligible services are assessable income for income tax purposes. It also confirms that the billings then paid over by you to the health service are a corresponding allowable deduction.

At the conclusion of each financial year, a letter will be sent to you providing details of the Medicare billings received on your behalf and paid over to the health service under the Initiative for the previous financial year to assist with the preparation of your income tax return.

You are requested to indicate your agreement to complying with the above requirements by signing this letter. Please retain a copy and return the original to [contact details].

Thank you for your participation in this important initiative. Should you have any queries please contact [name] on [contact details].

Regards

Chief Executive Officer

[Name] Health Service

I Dr [insert First Name Last Name] understand the requirements of my participation as outlined above.

Signed ……….…………………………. Dated…………………………