

The Cheque is NOT in the Mail

By Philip A. Baer, MDCM, FRCPC, FACR

Medicine is a calling and a profession, but it is also a business. Cash flow is the lifeblood of a business, with monthly, quarterly and annual expenses requiring a matching source of funds to cover them. With a single-payer healthcare system, the easiest payer from which to obtain income is your provincial healthcare plan. The number of fee codes used routinely is small, billing takes a few mouse clicks after each clinical encounter, and electronic submissions of batches of bills is easy, at least when the government's web portal is up and running (just don't use one of the many browsers it can't handle). Payments turn up monthly in my practice bank account, with very few claims rejected. The only hitch is that fiscal pressures on government budgets currently result in arbitrary fee discounts of 4.45% on every bill where I practice, with no end in sight. In fact, the Ontario government now proposes to fix the pot of physician payments with a hard cap, and add risk-sharing to the payment equation, which at best will see physicians receiving a fixed income for the foreseeable future. Better pray for low inflation and no tax hikes!

Theoretically, non-government payers should be more attractive to deal with. No clawbacks, the possibility of future raises, and income diversification are among the benefits. However, invoicing and collecting for work from these entities is a little more challenging. I have already written about the difficulties of obtaining payments for online surveys in a prior editorial. What about industry and other private payers? Let me share a few personal examples.

Advisory boards: These were the subject of a CRAJ Joint Count survey (Summer 2016 issue). For those who don't frequent these events, let me tell you that the easy part is attending. The paperwork beforehand and the payment process are harder. First to arrive is an invitation and a registration form. With many companies, no matter how many times I have worked with them before, the registration form is blank, even if they should already know my demographic details, company name and HST number. Each new rep and each new third-party CME company seems to start from scratch. Where is Big Brother when needed? Next comes a 7-page contract, in which I swear I am not a government official, will take the company's secrets to the grave, *etc.* I must admit I rarely actually read this boilerplate. I applaud the few companies which allow electronic document signing, rather than forcing me to print out, manually sign, and scan everything back. More and more, there are also requests for my CV and credentials. I now keep all those files on my phone so I can fire them back upon request.

Following the meeting, being paid on the spot is a rarity. Payments usually drift in over 4-8 weeks, after which time it is wise to start making enquiries. Interestingly, the deadlines to complete pre-meeting paperwork are often very tight, but

"The cheque is in the mail."¹

"I'm from your government, and I am here to help you."¹

"It's not the money, it's the principle of the thing."¹

all urgency disappears after I have completed the contracted work. Once, I did not send in an expense form, as I had none to report. When no payment arrived, I found out that this particular company did not process honoraria without a completed expense form, even if they were nil. Lesson learned—I now send them a signed expense form each time. Of course, this incentivizes behaviour like charging \$16 for an orange juice (Bev Oda, former federal cabinet minister), or \$3 for tea and cookies while receiving a \$3000/day consulting fee (Ontario's e-health consultants). Try to avoid that. My record is waiting five months to be paid \$17 of expenses—it would have been better not to have billed for those.

I have almost given up trying to have honoraria paid to my company, and personal expenses repaid separately to me personally. Apparently, this is too difficult for the accounting systems of most multi-national companies, as they would have to set me up as 2 different vendors. I may have to rethink this, as another trend is for companies to issue T4A slips years after the fact, after they have been audited by the other CRA. Only my accountant profits from the ensuing need to amend prior tax returns. Remember to transfer repayments of personal expense out of your practice account if they are substantial, to minimize unnecessary taxation.

The HST came into effect in 1991, but after over a quarter century, collecting it remains challenging as well. Sometimes, I miss the line in the contract specifying the payee: if it is not my company, HST will likely be omitted, even if I have provided my HST number elsewhere. I always try to calculate the actual HST and write it on the contract or expense schedule. Despite that, one recent cheque which should have been for \$663 was printed as \$366. Computer dyslexia and failure to use an auto-calculating spreadsheet program likely explain that one.

Another GST/HST nuance: I live in Ontario, so I add 13% HST to my invoices, and send the collected HST quarterly to the other CRA. Recently, a multi-national company with hundreds of employees across Canada, headquartered outside Ontario, started only paying 5% GST. They justify this on the basis that they have only a single physical office in Canada, and it is not in Ontario. A call to their accounting department produced documents justifying their position, which no other company I deal with duplicates. More bookkeeping headaches, and more bills from my accountant will surely result. Even more interesting, this same company pays the 13% HST if I speak for them, but only 5% GST if I merely attend one of their advisory boards.

Direct deposit setups are the best. No more concerns about Canada Post strikes for one thing. No waiting for a company representative to show up in my office with a cheque (note to all payers: I can be trusted to know what to do with an enve-

lope containing a cheque if it arrives in the mail). No excuse that someone put my cheque in the trunk of their car and then couldn't find it (true story). No playing tag with couriered cheques, most of which arrive looking like someone has left them on the floor of a delivery truck and walked all over them with muddy shoes. Recently, one couriered cheque was scheduled to arrive at the office while I was away. I was notified in advance, and I asked to have it delivered instead 2 weeks later, after my vacation. No problem, supposedly. What actually happened was that the original cheque was accepted in my absence by the pharmacy in our building, which then sat on it for weeks before delivering it to me. Around the same time, I received a replacement cheque, and had to figure out which one to cash, as payment had been stopped on one. Multiple emails later, we resolved the issue. On other occasions, cheques from reputable payers have bounced for a variety of reasons (corporate account closed, duplicate payments issued), embarrassing everyone involved.

Always keep all correspondence related to such work until after payment is received. Recently, I received a letter thanking me for my work on a project, and stating that my payment of \$x was enclosed. The actual cheque was for \$0.5x, a substantial difference. More emails and phone calls, a cheque to be returned, and a new demand for an invoice for the proper amount.

Ah, invoices. I used to provide them without being asked, as they provide me with a standard audit trail, and include my company details and HST info. Then, I was told the invoices confused the accounting department, so it was better not to provide them. Lately, some companies have taken the opposite position, requiring an invoice from me if HST is to be paid. But not just any invoice. One company sent me a guide to invoices, with 10 essential items they required in a certain order. Other companies aren't that prescriptive, but the key for them is to bill the company under its legal Canadian corporate name, which may be quite different from the name they use in day-to-day correspondence.

Anecdotal payment story which also allows me to nominate a colleague as Canada's most honest rheumatologist: I completed an on-line survey over two weeks, late in 2015, for a promised three-figure honorarium. After six months, I enquired as to the status. I was told the survey was just wrapping up, and to allow up to 60 business days for payment processing. Three months later, I sent another email query and received another assurance that payment would be forthcoming. Finally, ten months after study completion at my end, my colleague Dr. Lynn Hamilton called and informed me that the honorarium, made out to me, had been delivered to her home address. But for her honesty, I would never have been paid. Thank you, Lynn!

Dr. Roman Jovey, a colleague and specialist in pain management, also helped me out when he received a cheque made out to me for expenses, in an envelope incorrectly addressed to his home.

Non-governmental work is great if you can get it, but actually receiving payments requires far more work than you may have realized.

Reference:

1. Retrieved from www.lotsofjokes.com/biggest_lies.asp. Accessed on March 23, 2018.

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