Australian Government
Department of Health, Disability and Ageing

# Single Employer Model Jurisdiction-Led Trial Parameters and Principles

Last updated: 19 May 2025

## CONTENTS

# 1. Purpose of SEM Trials

The Single Employer Model (SEM) trials explore new approaches to employment arrangements for general practice (GP) and rural generalist (RG) trainees. The trials aim to address key barriers to attracting and retaining GPs.

The model allows GP trainees to be centrally employed by one employer throughout their training rotations. This increases ease of accruing and accessing employee entitlements (such as personal leave, recreation leave and parental leave), and increases certainty of training arrangements. The trials aim to improve the attractiveness of GP training and improve recruitment of GPs in regional and rural communities. This seeks to establish sustainable pathways to build a local workforce in regional, rural, and remote geographic areas and areas of workforce need.

GP registrars participating on the trials occupy existing training positions when they bill Medicare for services provided in private primary care practices. It is intended that only the employment arrangements of the registrars change in a SEM trial. All other operational and training matters should remain unchanged.

This document relates to jurisdiction-led trials, whereby the state or territory acts as the employer. It outlines the parameters underpinning the SEM trials and aims to guide trial design and implementation. The parameters for the First Nations SEM trial may differ. Jurisdiction-led trials cannot commence until a Memorandum of Understanding (MoU) is established and a *Health Insurance Act 1973* subsection 19(2) Direction (s19(2) Direction) is issued.

This document is intended to be a living document and will be reviewed and updated, as required.

# 2. s19(2) Direction

The SEM s19(2) Direction supports the employment of registrars where the state or territory acts as the single employer through the state health service. It allows the registrar to bill the Medicare Benefits Schedule (MBS) for their work in private GP practices, while they are also a state or territory employee.

## A. Purpose of a SEM s19(2) Direction

Subsection 19(2) of the *Health Insurance Act 1973* provides that a Medicare benefit is not payable in respect of a professional service, if that service is also provided under another government arrangement. The purpose of the subsection is to prevent ‘double-dipping’, where a single medical service is paid for twice. A s19(2) exemption is required to support the employment arrangement under a SEM to allow SEM registrars to bill MBS as a state or territory employee. A SEM does not enable a ‘double dip’, and services already paid for under the National Health Reform Agreement cannot be claimed using the SEM s19(2) Direction. The Direction only allows for a change in the funding flows, not additional funding flows.

The SEM s19(2) Direction lists out the eligible MBS items that SEM-participating registrars can claim within the approved primary care Modified Monash Model (MMM) 2-7 locations. The Direction also specifies the number of trainees that can use the Direction at any one time.

## B. Trial site eligibility

The SEM s19(2) Direction will only list approved practices located in MM2-7 locations. As MM regions are subject to review every 5 years, the MM2-7 requirement is based on the highest MM classification over the last 5 years.

The Commonwealth Department of Health, Disability and Ageing (the Department) requires the classification and suburb of each proposed SEM practice, as per the Health Workforce Locator.

## C. Legal Entity Name

The Department requires a list of all the legal entity names for each proposed SEM practice. The s19(2) Direction is a legislative instrument. It ensures the Commonwealth can legally provide Medicare benefits to the site owned by a particular provider or entity. If the Direction lists inaccurate legal entity names, the Medicare payments to these legal entities and practices may be called into question. Jurisdictions/state health services must ensure that the details are correct before submitting to the Department.

It is recommended that jurisdictions/state health services collect the ABNs from practices when confirming their involvement in the trials. Noting the trading name and the legal entity name may differ, this will help to ensure the correct legal name is listed, using the ABN lookup tool.

If a practice changes ownership during the SEM trial, jurisdictions/state health services must notify the Department as soon as possible to update the s19(2) Direction and reflect the new legal entity. It is possible to make these updates outside of the annual s19(2) Direction review process.

## D. Overlap of different s19(2) Directions

### *Council of Australian Governments (COAG) and Aboriginal Community Controlled Health Service s19(2) Directions*

SEM participating registrars may be placed in practice locations covered by a COAG or Aboriginal Community Controlled Health Service (ACCHS) s19(2) Direction. In these circumstances, the existing Direction can apply and a separate SEM Direction will not be issued. This may affect the MBS items claimable at these locations. All s19(2) Directions can be found on the Federal Register of Legislation.

### *Urgent Care Clinic s19(2) Directions*

Medicare Urgent Care Clinics (UCCs) operate under their own s19(2) Direction. The scope of MBS items under the UCC s19(2) Direction is limited and it is unlikely that a placement in an Urgent Care Clinic will meet GP College training requirements.

If a practice is operating an UCC and would also like to participate in a SEM trial and be listed on a SEM s19(2) Direction (for example, in a co-located practice providing full general practice services), the Department will consider inclusion of the practice on a case-by-case basis.

### *Remote Vocational Training Scheme s19(2) Directions*

The Remote Vocational Training Scheme (RVTS) s19(2) Direction states that professional services must be provided by a trainee employed in an RVTS Extended Targeted Recruitment Pilot training post. This employment requirement excludes SEM registrars as they will not be employed by the RVTS training post.

If a practice is currently listed on the RVTS s19(2) Direction but would also like to participate in a SEM trial and be listed on a SEM s19(2) Direction, the Department will consider inclusion of the practice on a case-by-case basis.

### E. s19(2) Direction Review

The locations listed in the SEM s19(2) Direction may be reviewed annually to allow flexibility with placement sites. The Department will initiate the review process with participating jurisdictions at least 3 months prior to the end of the training year.

Please note the annual review process can occur at any time during the year, to provide flexibility and allow timeframes to better align with recruitment campaigns. The Department will initiate the process around September/October each year for any Directions that have not already been reviewed, however should jurisdictions wish to conduct the review process earlier in the year, please advise the Department well in advance to discuss timeframes.

### F. Medicare billing

The SEM s19(2) Direction does not require participating practices and registrars to bulk bill. As with any other training placements, billing practices of the participating registrar should align with the primary care practice protocols. It is up to each jurisdiction and participating practice to determine the business model which is best suited to their place-based needs.

## 3. Memorandum of Understanding

Where a state or territory acts as the single employer, an MoU is negotiated between the Commonwealth and the jurisdiction and/or state health services. The MoU outlines the roles and responsibilities of all involved parties. It aims to foster co-operation and facilitate operational arrangements. The MoU will also specify the trial parameters, such as the number of registrars permitted under a trial.

The MoU requires the jurisdiction and/or state health services to participate in ongoing collaboration with the registrars, primary care practices, the Department, and other key stakeholders throughout the trial. The Department requires cooperation with basic data and reporting requests, and participation in the national evaluation of the SEM trials.

### G. Number of participating registrars

A maximum of 80 rural generalist and/or GP registrars per jurisdiction can use the SEM s19(2) Direction at any one time. Participants in placement settings utilising another SEM s19(2) Direction (e.g. COAG or ACCHS s19(2) Direction) or which do not require an exemption (e.g. hospital placements), do not count towards the cap of 80 trainees. This allows flexibility for a broader network of placements for registrars while participating in a SEM trial.

Jurisdictions have discretion to determine the distribution of trainees across their SEM trial sites. Jurisdictions are not obligated to meet the maximum limit across their trials.

### H. MoU arrangement

The MoU may be a tri-partite arrangement, involving the Commonwealth, the jurisdiction, and the state health service/s, or a bilateral agreement between the Commonwealth and the jurisdiction only. If a jurisdiction chooses to not have the relevant state health services as parties to the MoU, the state government will assume responsibility for ensuring that the state health services are aware of and executing their responsibilities.

Jurisdictions can advise whether they prefer one MoU to cover all trials within the jurisdiction, or separate MoUs are required for each trial.

All parties will negotiate and agree on any changes required to the MoU during the trial.

### I. Eligibility criteria for registrars

Any GP registrar who is formally enrolled in a fellowship training program that meets the training standards of either the:

- The Australian College of Rural and Remote Medicine (ACRRM); and/or
- The Royal Australian College of General Practitioners (RACGP).

SEM trials are not limited to rural generalist registrars, though individual trials may apply different eligibility for participating registrars. GP Fellows and other healthcare professionals are not in scope for SEM trials.

### J. Trial duration

SEM trials are time-limited until 31 December 2028.

The Department is supporting a comprehensive national evaluation of all the SEM trials. The Final Report for the evaluation is expected to be delivered by 2028. The evaluation findings will help inform Government decision making on the continuation of the SEM trials.

The MoU also includes procedures for early trial termination.

## 4. Roles and Responsibilities

### K. Commonwealth

The Commonwealth is responsible for leading MoU negotiations and establishment, issuing s19(2) Directions to support trials, and overseeing the SEM evaluation.

#### *SEM s19(2) exemption and MoU timeframes*

The process of establishing an MoU and issuing a SEM s19(2) Direction requires a minimum of 3 months. However, negotiation of the MoU may influence the overall timeframes. Trials can commence once an MoU has been established and a SEM s19(2) Direction has been issued.

Any amendments to the SEM s19(2) Direction during the trial period (i.e. annual review), must be communicated to the Department with sufficient processing time to ensure its effect ahead of the training term.

#### *Funding*

The Commonwealth contributes significant funds to GP training through existing programs, such as the Australian General Practice Training (AGPT) Program, Rural Generalist Training

Scheme and Remote Vocational Training Scheme, providing National Consistent Payments to supervisors and practices, as well as the programs listed in section 5 below. All Commonwealth funding supports available to GP registrars are applicable to registrars participating in a SEM trial, depending on their pathway and training circumstances.

The Commonwealth also provides Medicare funding to the trials through the SEM s19(2) Directions.

Where a jurisdiction wishes to access other Commonwealth funding to support their trials, this activity must be within the scope and the terms of any existing agreement or grant opportunity guidelines.

### *Evaluation*

A comprehensive evaluation will assess if the SEM trials are achieving the desired outcomes for participants, health services and communities. The national evaluation will take place from mid-2024. Early feedback on the trials will be collated and brought back for ongoing Government consideration over the course of the evaluation.

Please see **Attachment A** for key success factors that has been identified from the early findings of the trials.

## L. State Government/State health service

The state Government/state health service is responsible for developing the model for their trials, including identifying and working with participating locations, employment of registrars, and management of the trials once operating. The MoU outlines more specific roles and responsibilities, including basic data reporting and participating in the SEM evaluation.

Collaborative relationships between the state health services and the participating registrars and practices are essential as a foundation to the trials.

### *Funding*

Jurisdictions will determine how they would like to fund their SEM trials. Costs will be determined by local factors, such as administrative arrangements, registrar salaries and entitlements, and agreements with the participating practices. The claiming of Medicare billing under the SEM s19(2) Direction will contribute to the costs incurred by the state health services.

Training supports provided under GP training programs, such as the AGPT, apply equally to SEM-participating registrars on these programs. Jurisdictions are encouraged to liaise with the GP Colleges to leverage any existing supports (housing in remote communities, etc.).

### *Funding flow arrangement*

The agreements between practices and the state health service specify the funding flows from the practices to the state health service to contribute to registrars' salaries. The SEM s19(2) Direction allows MBS funding to flow to relevant private practice placement settings. A portion of MBS funds will flow to the state health service according to the negotiated agreement with the practices. As the central employer, the state health service will pay registrars' salaries. The state health service and the participating practices must agree on all funding flow arrangements. It should be supported by the principle that practices should not be financially disadvantaged through their participation. There may be alternative funding

flow arrangements that suit local circumstances; jurisdictions are encouraged to discuss ideas with participating practices and the Department.

### *Voluntary participation*

Voluntary participation is a critical element of SEM trials, for both registrars and practices. It is important for the state health services to manage the impact to all parties, ensuring no adverse impacts, including for trainees or practices who choose not to participate in trials. For example, it must be ensured that non-participating practices are not under-allocated registrars. It is important that the jurisdictions work with the Colleges to ensure registrars are equitably distributed among the practices in the local area. Similarly, non-participating registrars must not feel obligated to participate nor should their training experience be otherwise negatively impacted. This will ensure participation remains entirely voluntary and there are no disadvantages for not participating.

### *Trial preparations and engagement*

The time from the proposal submission to trial commencement can vary greatly. Translating the proposal to the everyday mechanics of the trial requires significant local planning and engagement. The Department encourages jurisdictions/state health services to consider the success factors from early findings of the trials, as outlined in **Attachment A**.

Jurisdictions must ensure that key stakeholders have been consulted with and support the proposed model. Jurisdictions/state health services are expected to maintain a productive working relationship with the GP Colleges and GP sector support organisations. This will ensure both the placements are supported and consistent with training requirements, and practices remain sustainable.

### *Data reporting & privacy notice*

Jurisdictions/state health services are required to provide six-monthly performance reports on the agreed data requirements as outlined in the MoU, by the first business day of March and October. The Department may also request ad hoc data reports.

It is noted that the data collection requirements may evolve as the evaluation progresses. Any changes will require agreement by all parties to the MoU.

The Department has obligations under the *Privacy Act 1988* to protect the personal SEM participant data provided by the performance reports and ad hoc reports. It is essential that all SEM-participating registrars have consented to the sharing of their data to the Commonwealth, which is primarily being collected for program reporting, evaluation, and program compliance purposes.

### *Medical Provider Numbers (MPNs)*

The state health services, and the primary care practices are responsible for ensuring MPNs have been issued prior to trial commencement. This allows registrars to bill Medicare for their services and ensures funds can flow from the practice to the state health service. As an employer, jurisdictions/state health services should make themselves familiar with the process to attain an MPN.

The MoU requires jurisdictions/state health services to forward all MPN applications to Services Australia using a covering email provided by the Department. This will enable Services Australia to apply a SEM flag to all SEM registrars. It ensures SEM registrars are

accurately captured in the MBS system. This does not affect or replace the regular MPN application process for registrars.

MPNs are collected under the MoU for compliance and monitoring purposes.

### *Medical indemnity*

Arrangements relating to medical indemnity will vary between jurisdictions and any related issues are a matter for the relevant jurisdiction to resolve. Jurisdictions are encouraged to explore what arrangements have been in place under other programs involving rotation of hospital employees into private practice. The same arrangements are expected to apply to SEM participants during community general practice training placements.

## M. GP Colleges

The GP Colleges are responsible for delivering high-quality, well-distributed GP training consistent with the terms of their respective grant agreements with the Department. This includes the development and management of the GP colleges' individual training program policies. The GP Colleges are also responsible for registrar management, including career planning, selection, placements, pastoral care, and appeals. They also set training curricula and requirements, and accredit training practices and supervisors to national standards.

The Colleges will work with jurisdictions/state health services and participating practices to facilitate the trials, where practical.

### *Training requirements and placement support*

Jurisdictions/state health services must closely consult with the GP Colleges to ensure their models are consistent with the relevant training pathway requirements and ensure participants are sufficiently supported during their accredited training placements.

## N. Practices and Supervisors

Jurisdictions/state health services must work closely with the practices to ensure the training sites and supervisors meet College accreditation standards. A safe and suitable training site is fundamental to meet the training requirements of GP registrars. GP supervisors play a crucial role in clinical supervision and providing high quality educational experiences for registrars. The role of practices and supervisors in GP training remains unchanged under a SEM. The key difference is that the practices no longer employ the GP registrar under a SEM.

### *Practice agreement*

Participating practices will enter an agreement with the state health services to determine financial and other arrangements. It is expected that state health services undertake reasonable endeavours to ensure practices are not disadvantaged by participating in a SEM trial, either financially or otherwise. Practice agreements should be freely negotiated.

## O. GP Sector Support

GP sector support organisations include but are not limited to the General Practice Registrars Australia (GPRA), General Practice Supervision Australia (GPSA), Rural Doctors Association of Australia (RDAA) and the Indigenous General Practice Trainee Network

(IGPTN). These organisations are responsible for supporting registrars, supervisors, and practice managers on areas such as training, employment, and wellbeing.

## 5. Program Intersections with SEM

It is not intended for SEM to exclude participating registrars from accessing any supports and benefits. However, the Department has identified the following program intersections which may be impacted by the SEM arrangement.

### P. HELP Debt Reduction for Rural Doctors and Nurse Practitioners Program

The HELP Debt Reduction for Rural Doctors and Nurse Practitioners Program initiative offers an incentive to attract and retain doctors and nurse practitioners to rural, remote, and very remote Australian communities through the offer to reduce outstanding HECS debts. The program requires eligible doctors to meet minimum practice thresholds.

The potential split of rosters between hospital and primary care may impact these thresholds. The Department will work with jurisdictions on any specific issues if they arise.

### Q. AGPT Program Aboriginal and Torres Strait Islander Salary Support Program

The AGPT Program Aboriginal and Torres Strait Islander Salary Support Program Policy funds GP training placements delivered in Aboriginal and Torres Strait Islander health settings. It aims to improve access to appropriate, holistic health care for Aboriginal and Torres Strait Islander communities.

The First Nations GP Training Committee has supported an amendment (section 6.2) to the policy, valid to 31 December 2028, allowing Aboriginal and Torres Strait Islander health settings to access salary support payments if they are to train GP Registrars participating in a SEM trial.

### R. Health Workforce Scholarship Program (HWSP)

The Health Workforce Scholarship Program provides scholarships and bursaries to existing health professionals committed to rural service. It supports the costs of completing postgraduate courses, short courses, workshops, conferences and seminars.

Health professionals employed solely by Federal, State or Local government (i.e. employed in a public hospital) are not eligible to apply. However, Rural Workforce Agencies (RWAs) have allowed SEM participants to apply.

### S. John Flynn Pre-Vocational Doctor Program (JFPDP)

Some doctors may proactively enrol on a GP vocational training pathway, such as the AGPT, while undertaking their prevocational training. These doctors may be eligible to participate in the John Flynn Prevocational Doctor Program (JFPDP), subject to grantees managing their learning and ensuring that there is no disruption to the duration of their training in their vocational pathway in which they are enrolled.

JFPDP participants are unable to bill Medicare for the duration of their JFPDP rotation, even if they are part of a SEM trial. However, jurisdictions/state health services can use

Commonwealth funding contributions from the JFPDP for the registrar's salary and practice costs (if applicable). The usual SEM procedure for billing Medicare applies once the JFPDP rotation has been completed and commences training on their vocational training pathway.

Where a JFPDP participant is also enrolled on a vocational training pathway, Commonwealth funding is not to be used under both the JFPDP and any other Commonwealth program for the same purposes. Professional services that attract a payment through the National Health Reform Agreement are not eligible. The jurisdictions/state health services are responsible for ensuring that Medicare billing practices are compliant during the crossover of a JFPDP rotation and SEM trial.

## 6. Commonwealth Contact

Please direct any queries to SEM@health.gov.au.

# Attachment A: Key SEM Success Factors and Principles

Baseline findings of the SEM trials by the external evaluators noted the below key factors for success. There is flexibility to adapt the models and try new approaches during the trial phase. The National SEM Evaluation will seek to identify the most effective arrangements under a SEM.

- **Strong relationships** between primary care and state health service within regions and shared objectives between all players. This requires key leadership and personnel within the health service who understand and value General Practice and have the local relationships with practices.
- **Codesign of Practice Agreements** with participating General Practices/training sites to alleviate the financial and administrative burden from the primary care providers.
- **Codesign and significant consultation** on the operationalisation and implementation of SEM for each trial with a diverse range of key stakeholders. This will also strengthen relationships across the sector.
- **Strong and shared governance** with representation from various players, which will promote transparency and accountability.
- **Local/place-based approach** that leverages connection with the community and training opportunities within the region (e.g. integrated GP and hospital appointments). This approach enables deep understanding of each registrar and training site to ensure appropriate and strategic placement of registrars in communities they are likely to stay in longer term.
- **Joined up training pathway** which is enabled by the trial lead coordinating all elements of the training pathway. It aims to create a seamless training pathway for participants.
- **Ability to manage issues responsively** is supported by strong trusted relationships between the state health service and General Practices

The below key principles underpin the SEM trials, which have been described in action throughout the document.

- Collaborative relationships
- Practices should not be financially disadvantaged through their participation
- Voluntary participation

Flexibility to adapt the models

**Health.gov.au**

All information in this publication is correct as at May 2025