

# Companion Document: Enhanced Guidelines on Conflict of Interest

## Introduction

To ensure ethical practice and maintain trust in the physiotherapy profession, it is crucial to address conflicts of interest with clarity and precision. The following guidelines offer more detailed advice, drawing from specific examples not covered in the practice direction, to help practitioners navigate potential conflict of interest scenarios.

### 1. Referral for Profit

#### 1.1 Kickbacks:

- A practitioner receives a discount or free services from a clinic in exchange for patient referrals, this constitutes a kickback. Such arrangements compromise the integrity of patient referrals and should be avoided.
  - This aligns with *performance expectation D.i in the conflict-of-interest practice direction*, which prohibits offering or accepting payments or other benefits for referrals.
  - Examples of such benefits include, loans, credit, debt reduction, gifts or other financial benefits.
- Referral reporting fees disguised as payment for consultation or referral reports are also considered a kickback as, they are essentially fees given to the referring practitioner for information they are ethically obligated to provide for free.
  - This practice contravenes *section D.ii* on providing referrals in return for payment or other benefits.

#### 1.2 Rental Agreements'

- Health Care practitioners who own commercial property and also lease out space to other practitioners at below-market rates in exchange for a guaranteed number of referrals from those tenants are involved in a conflict of interest.
  - Conversely, if the rent is set at fair market rates and is not tied to referral volumes, it avoids conflicts
  - This is addressed in *section D.iii*, which covers contract terms which incentivize actions potentially compromising the physiotherapist's professional judgment.

#### 1.3 Shares in Publicly Traded Corporations:

- If a physiotherapist owns shares in a publicly traded company that operates a clinic, facility, or business, but has no control over the company's operational decisions is not involved in a referral for profit situation. The profit resulting from the ownership of stock consists primarily of increases in equity or share prices. Any financial gain for referrals would be negligible and unlikely to induce any inappropriate referrals.
  - This reflects the avoidance of conflicts as per *section A*, which involves identifying and managing conflicts of interest appropriately.

#### 1.4 Selling Products for Profit:

- A physiotherapist may sell physiotherapy related product at a fair market price plus a reasonable handling cost. Costs in addition to the price of purchasing the product, may include other actual and reasonable expenses, including ordering, delivery and maintaining stock. costs of time spent fitting or modifying products and educating

patients about their use, but only where the costs are not covered by payments for treatment.

- Inform the client they can purchase the product from another supplier without affecting their physiotherapy services, ensuring transparency, and providing options to patients prevents any perception of profit-driven motives.
  - This practice supports *performance expectations A and D. iii*

## **2. Endorsement**

### **2.1 Financial Gain from Endorsement:**

- Endorsement is defined as “the recommendation of an advertised product for a fee”. Promoting a brand of rehabilitation equipment in exchange for a monetary fee is considered unethical and a conflict of interest. Endorsements should be based on the product’s merit and patient benefit, not financial incentives.
  - This aligns with *expectations C*, which prohibits using professional status for purposes unrelated to physiotherapy and *D.iii* which prohibit contract terms that provide financial or other incentives to the physiotherapist for selling physiotherapy products.

## **3. Research and Development**

### **3.1 Direct Sales to Patients:**

- A physiotherapist involved in developing a new therapy device may sell the device to patients, provided all financial interests are disclosed. The device's benefits must be clearly communicated, and the physiotherapist must avoid any undue influence over patient choices.
  - This practice aligns with *section E.i*, which requires full disclosure of conflicts of interest.

## **4. Multi-Disciplinary Clinics**

### **4.1 Cross-Referrals and Transparency:**

- In a multi-disciplinary clinic where different practitioners may refer patients to each other, clear information should be provided to patients about all available treatment options and facilities, ensuring patients make informed choices without undue pressure.
  - This is in line with performance expectation A, which stresses the importance of identifying and managing potential conflicts of interest.

## **5. Disclosure of Conflict of Interest**

### **5.1 Limitations of Disclosure:**

- Simply disclosing a conflict of interest, such as a financial relationship with a product manufacturer, does not suffice to resolve the conflict. The practitioner must actively manage and mitigate the conflict to uphold ethical standards.

## **Conclusion**

Adhering to these guidelines helps maintain the integrity of the physiotherapy profession and ensures that patient care remains the primary focus. Practitioners should continually assess their practices and relationships to prevent conflicts of interest and to uphold the highest ethical standards.