Nursing around the world is evolving to meet the changing health care needs of the public and the career goals of nurses. Nurse entrepreneurship is a global trend and a small but increasing number of Canadian registered nurses\(^1\) have taken the initiative to establish their own businesses providing nursing services.

CNA has steadfastly promoted publicly funded health care services and through their professional associations, nurses are lobbying for increased public access to essential nursing services.

Unfortunately, many nursing services in the home and community (e.g., home care, nursing homes) are privately funded and publicly funded nursing services in hospitals, homes and communities are being cut back. CNA would like to see public funding for “essential nursing services” as well as for essential medical services.

In response to requests for guidance on self-employment received from nurses across the country, CNA has prepared this resource to answer some frequently asked questions about entrepreneurial nursing practice.

Who are nurse entrepreneurs?

Nurse entrepreneurs are proprietors of businesses offering nursing services in advocacy, health promotion, direct care, education, research, administration or consultation.\(^2\) They provide nursing services themselves or employ others to do so. Described as being in “independent” or “private” practice or “self-employed”, these nurse entrepreneurs are directly accountable to the client.

Their clients are individuals, families, communities, educational institutions, government departments, health care facilities and agencies, private businesses, church groups and non-profit organizations.

Is self-employment in nursing something new?

Not at all. In the early years of this century, most nurses were independent practitioners, engaged by families to provide nursing services in their homes. In the 1930s, 60 per cent of all registered nurses in Canada were self-employed private duty nurses.\(^3\)

Following the Second World War, social, economic and technological changes resulted in a reorganization of nursing practice. The delivery of nursing services moved from the home to the hospital and most nurses became employees.

What has renewed nurses’ interest in self-employment?

Changes in nursing and health care have created new opportunities. There is a greater diversity in nurses’ roles and significant advances in nursing knowledge and education have taken place. Excited by the prospect of practicing to their full scope and tailoring their services to meet specific client needs, a growing number of nurses have chosen to establish their own businesses.

Necessity accelerated this trend as nurses lost jobs through hospital restructuring.

Health care has also changed. Today, greater emphasis is placed on health promotion, illness and accident prevention, rehabilitation and support services. More consumers are better informed about their health needs and they wish to choose their own provider.\(^4\)

How does this trend fit with CNA’s vision of nursing?

In CNA’s vision of the profession, nurses are committed to the public interest and to excellence in client-centred care. As an
access point to the health care system, nurses assess, admit and discharge clients from health services, provide a wide range of nursing interventions and support clients along a continuum of care.  

Many nurses believe that they can best fulfill this vision by providing their services independently. The need exists and nurses have the expertise to offer. To be completely accessible, health care has to be affordable. Since governments do not reimburse nurses through provincial or territorial health insurance plans, most self-employed nurses are paid directly by their clients. Some are reimbursed through private insurance carried by the client. This reduces access to nursing services. Nurses, individually and as a profession, must lobby to increase recognition of the value of nursing services so that these services will become part of the publicly funded system.

What services are nurse entrepreneurs offering?

Nurses offer a broad range of innovative services in a variety of settings. Many services provide direct care such as supporting breast-feeding mothers, enterostomal therapy, family counselling, holistic nursing with complementary modalities, health promotion services such as stress management and occupational health nursing services. Nurses provide advocacy and organize support services for clients with chronic problems. Some nurses offer continuing education to employees of health care facilities. Others provide administrative services such as quality monitoring to health care facilities and agencies. These are just a few examples. Nurses will continue to develop creative solutions to meet the changing health needs of Canadians.

Is self-employment for you?

Self-employed nurses talk about the personal satisfaction and sense of achievement that comes with being an entrepreneur, although at times they have to live with financial uncertainty and perhaps diminished income. The Gage Canadian Dictionary describes an entrepreneur as someone “attempting to make a profit, but taking the risk of a loss.” They stress the importance of planning and good advice, keeping in mind that self-employed nurses assume many of the responsibilities of employers in traditional settings. If you are contemplating self-employment, both professional (nursing) and business issues need to be considered. Although they are presented separately below, the boundaries between the two parts of your practice are not necessarily so clearly defined.

PROFESSIONAL CONSIDERATIONS

How do I choose the services I will offer?

Assessment is always the first step! You have the best chance of success if you identify a need for your services and work with the community to meet those needs. Explore avenues of funding and agencies that might support your services.

Is the service I’m planning nursing?

Self-employed nurses are legally permitted to offer any service that falls within the practice of nursing and does not infringe on the legislated responsibility or the exclusive practice of another health discipline. The practice of nursing is guided by standards determined by your nursing regulatory body. Legal definitions of nursing are generally very broad. It’s not always easy to determine whether the service you intend to provide falls within the scope of nursing practice. The key question to ask yourself is: does the service being provided require the application of professional nursing knowledge? A service cannot be considered nursing solely because a registered nurse performs it. The determining factor is the requirement for professional nursing knowledge. A review of nursing curricula and literature can also help you decide whether nursing education is a prerequisite for the performance of your planned service.

With the evolution and expansion of nursing practice, it is also important to review provincial or territorial legislation regulating the practice of other health disciplines such as medicine, pharmacy, podiatry and psychology to determine that the service you plan to provide is not the exclusive practice of another discipline. Many competencies, such as counselling, are shared by several health professions. Others, such as the diagnosis and treatment of disease, are unique to medicine.

In some Canadian jurisdictions, nurses must accumulate a designated number of hours of practice to renew their nursing registration/license. Since self-employed nurses achieve this within their business, it is critical that the service they are providing be defined as nursing.

What qualifications do I need to be a nurse entrepreneur?

You must be currently registered with your regulatory body as a practising member and have:

- appropriate education and experience to practise competently within your chosen area of nursing expertise;
- knowledge and skill in the nursing services you provide;
- ability to manage the outcomes of your assessment;
- consultation and communication skills so you can develop and maintain referral mechanisms with other health care providers; and,
- marketing and management skills to conduct the business aspects of practice.

Self-employed nurses often have fewer opportunities for nursing consultation and supervision than nurses who are employees in health care facilities and agencies. Therefore, you need to have sufficient educational preparation and
experience both for the services that you will provide and to manage the independent aspects of your practice.

**To whom am I accountable and how do I demonstrate my accountability?**

As a member of a self-regulating profession, you are accountable to your clients and your professional regulatory body. In certain situations you may also be accountable to a third party (e.g., a health care agency) which has contracted you to provide nursing services.

All nurses are guided by:

- nursing legislation;
- provincial/territorial standards of nursing practice; and,
- the CNA Code of Ethics for Nursing.

In addition, nurses who practise in a specialty are guided by specialty standards.

**Should I have a written description of my practice?**

You should describe the scope of your intended services in a way that clearly specifies it is an independent nursing practice. You will also need to describe your arrangements for such things as:

- obtaining informed consent to treatment;
- agreements with your clients for services provided (e.g., verbal agreement, written contract);
- payment mechanisms;
- referral to other health care providers, health care facilities and agencies, and mechanisms for sharing information;
- your record keeping system;
- assessing your nursing competency, acknowledging limitations and arranging for upgrading of knowledge and skills, as required; and,
- systematic evaluation of the practice such as on-going quality monitoring and peer review.

**What are some other professional considerations in managing my practice?**

**Client records**

In documenting your nursing services, consider relevant provincial/territorial legislation and standards or guidelines for documentation prepared by your nursing regulatory body. Plan for:

- the charting system for nursing assessment, plans, intervention and client response;
- security of confidential information;
- consent for release of information; and,
- storage, retention and destruction of records.

**Marketing your nursing services**

Marketing is key to the success of your business. You can use various marketing strategies including business cards, brochures, advertisements in newspapers and radio and television interviews. The service must be represented clearly and fairly. You may wish to register your business name, so choose it carefully.

Review guidelines concerning advertising nursing services prepared by your regulatory body and consult with their nursing practice personnel. Consider consulting a lawyer, too. In particular, be aware of any potential conflict of interest or restrictions regarding the use of the registered nurse title, solicitation of clients and endorsement of products.

**Setting appropriate fees**

You are financially responsible for your practice. Currently, a variety of client billing methods are used, including hourly, daily or sessional rates, sliding scale payments and fixed price contracts. Nurses are exploring ways to sell their services to a “community” (e.g., a community council or seniors residence). Many nurses find it difficult to determine how much to charge for nursing services.

Your fee should reflect the scope and complexity of the service provided. Your clients need to be clear about what services you are providing for the fee.

In establishing your fee structure:

- find out what clients are paying for similar services and what other nurses are charging;
- seek the advice of an accountant and other financial consultants; and,
- factor in your costs (e.g., travel, equipment) and desired profit.

**Liability protection**

Self-employed nurses who are members in good standing with participating professional associations are eligible for professional liability protection from the Canadian Nurses Protective Society (CNPS) for incidents that arise out of the provision of professional nursing services. This is another reason why it is so important to be clear that the service you are providing is a nursing service. Some nurses are registered in more than one discipline (e.g., midwifery, massage therapy) and must clarify the impact of dual registration on liability protection. Contact CNPS at 1-800-267-3390 to discuss liability issues and refer to CNPS’s Infolaw: Independent practice: Legal considerations.

If you employ others, you need employer liability protection. This protection is not available from CNPS. Contact an insurance broker to arrange appropriate coverage.

**BUSINESS CONSIDERATIONS**

An independent nursing practice is a business. You need to start with a business plan. Although planning and managing your business will likely present many challenges, several resources are available to assist you.

Familiarize yourself with legislation pertinent to small business. Contact
your provincial/territorial association for names of lawyers, accountants, consultants and insurance brokers who specialize in small business to help you. They can also review your business plan, and provide advice on matters such as the optimal structure for business, records and insurance. These business considerations are summarized briefly here.

**Business plan**
Outline your goals and objectives, and identify the market and marketing strategies. Include a financial forecast for your business and determine any financing requirements. Some municipalities require that you hold a business license.

**Business structure**
Your practice can be structured in various ways including: sole proprietorship, partnership or group practice or, in some provinces, incorporation as a limited company. Obtain legal and accounting advice to determine which structure is most suitable.

**Business records**
In addition to client records, you must keep business records. Consult an accountant to establish good record keeping practices related to billing systems, client accounts and the filing of tax forms (e.g., income tax, goods and services tax). Consult regional district taxation offices of Revenue Canada.

### Business Considerations

- ✔ Business Plan
- ✔ Business Structure
- ✔ Business Records
- ✔ Business Insurance

**Business insurance**
Business insurance needs vary greatly according to the type of services offered, location and number of employees. Consult an insurance broker and provincial/territorial workers’ compensation boards.

**RESOURCES FOR NURSES CONSIDERING ENTREPRENEURIAL NURSING PRACTICE**

Before establishing yourself as a self-employed nurse, you will need to carefully research the professional and business issues identified above and elsewhere. While valuing the independence that comes with self-employment, you may at times feel isolated and lack opportunities for mutual support and relevant education. The resources listed below will help you with your research and lead you to sources of personal support and education.

- ✔ Consult your provincial/territorial nursing association. Nursing practice and education consultants, and the registrar can provide you with practice standards, advice, position statements and guidelines.
- ✔ Network with other nurse entrepreneurs. Sharing information and services will help you to identify community needs and a collaborative network for referrals.

The Canadian Association of Nurses in Independent Practice (CANIP) is an interest group of CNA. CANIP has prepared Guidelines for Independent Nursing Practice and maintains a national directory of nurses in independent practice. Membership provides you with a network and support group of self-employed nurses, information and educational opportunities and a forum for lobbying. CANIP’s mailing address is: 55 McCaul Street, Box 155, Toronto, ON M5T 2W7.

- ✔ Educational courses and workshops that combine both the professional and business issues of practice are increasingly being offered. Contact nursing organizations and your local university or community college for information.

- ✔ Midland Walwyn Capital Inc. provides CNA’s Retirement & Savings Program and offers financial services, including no-charge financial planning to CNA members. Call the CNA Investor Services Hotline at 1-800-563-6623 for information.

- ✔ Contact nursing libraries — such as CNA’s Helen K. Mussallem Library (E-mail: hkmlib@cna-nurses.ca) — for literature under headings such as entrepreneurship and private practice.

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1 Subsequent use of “nurse” refers to registered nurse.
6 In Canada nursing is regulated by professional legislation that defines, describes and controls the practice of nursing. As a self-regulating profession, the responsibility for regulation is usually granted to a professional body by the legislation. This responsibility usually rests with the provincial or territorial nursing association, although in Ontario, there is a separate college for this purpose. The nursing regulatory bodies specify the details of how legislation is applied. (Canadian Nurses Association [1993]. The scope of nursing practice: A review of issues and trends. Ottawa: Author, pp. 10-12.)

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