Tick Tock The Super Clock
Time is running out before super contribution restrictions kick in

Twilights Highlight
Key insights on ageing and ‘wellness’

A True FAMILY Holiday
More than meets the eye at Club Med Cherating Beach

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THE HIDDEN LEGAL TRAPDOORS FOR MEDICAL PRACTITIONERS
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Dedicated to you, dedicated to the profession

Doctors’ Health Fund was created by the AMA in 1976 as a restricted fund to provide health insurance to doctors and their families. In 2017 we are celebrating 40 years of protecting the health insurance needs of medical and health professionals, their staff and families.

Why Join Doctors’ Health Fund?

1. At Doctors’ Health Fund we believe in providing our members with quality products and excellent service which is why we achieved a very high member satisfaction rate of 95%*
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Members of Doctors’ Health Fund: Dr Claire McAllister, Dr Jomini Cheong, Dr Janette Stening, Practice Manager
The Quest for Wellness

The National Wellness Institute of Australia defines the term wellness as “an active process through which people become aware of, and make choices toward, a more successful existence”.

The pieces in the multidimensional puzzle of successful existence, they suggest, are:
- Intellectual
- Physical
- Emotional
- Occupational
- Social
- Spiritual
- Environmental
- Financial and
- Cultural

Instinctively we know this to be true, surely we all want an integrated, balanced life that addresses our relationship to each of the above aspects of our self.

The missing element for most of us, is a conscious, self-directed and evolving process, which the experts suggest is crucial to achieving our full potential. In reality, most of us leave wellness to chance.

Sure, we have goals for our business lives, financial lives, perhaps even social and relationship goals but how many of us actively create a structure to our lives that daily addresses and progresses our relationship to each of these dimensions?

This edition of our magazine, the first for 2017, has a strong current of wellness flowing through it – from Gary Lembit’s article, Twilights Highlight, providing key insights on ageing and wellness, to David Murphy’s article The Health Promotion Charity, explaining how we can individually promote medical research through our own charitable entity, and even my indulgent family travel piece on Club Med Cherating Beach.

Our 2017 Course and Workshop Program, continues to be inspired by the notion that our desired lifestyle aims should be the main driver of business and financial management decision making and action.

In fact, this year our inaugural events The Private Practice Big Weekend and the Women in Medicine Symposium are primarily focussed on identifying the pieces of the wellness puzzle and providing strategies for bringing them together to achieve a self-actualised whole.

We hope you enjoy our first offering of the year and that we see and get to work with you at upcoming events.

Happy Reading.

Steven Macarounas, Managing Editor
editor@theprivatepractice.com.au
Always here for you.

“When your career is in jeopardy, our 115 years of experience will make a world of difference.”

Dr Martin Altmann
Chairman

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©MIGA April 2016
Gary Lembit provides some key insights on ageing and ‘wellness’.
Ageing gracefully is an expression we use to describe the way we would like to live our twilight years. Encouragingly, a new Once in a Lifetime Study by Perpetual reveals this stage of life will be less like an episode of the Twilight Zone as we seem to expect.

A BIT ABOUT THE SURVEY
We asked 2,400 Australians from 16 to 100 how they felt about life and the future and what advice they could give to others based on their experience to date. The study covered many aspects of Australians’ lives and over the next year we’ll be sharing insights from the study that provide a view to the future and a different view of the past.

AN INTERESTING FINDING ON MENTAL HEALTH
In this first article we examine how Australians describe their overall health, both physical and mental. One of the most interesting findings is that despite a high level of concern about mental health in our twilight years, only a small percentage of people over the age of 70 actually report mental health making life difficult for them.

DIVING INTO THE DETAIL
When Australians were asked to describe their mental health, the most common answer was “I’m in good shape” with 29% describing themselves this way. What might surprise you is that 41% of Australians 70 years and over described themselves as “In good shape”, a larger proportion than for every other age group ‘decade’. No wonder we’re living longer.

We followed up by asking Australians about the health issues they worry most about when they think of the future. The chart below shows what they told us.

<table>
<thead>
<tr>
<th>HEALTH ISSUE I WORRY MOST ABOUT</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Loss of mental capacity</td>
<td>30%</td>
</tr>
<tr>
<td>Mobility, being able to get around</td>
<td>23%</td>
</tr>
<tr>
<td>I don’t worry about any health issues in the future</td>
<td>22%</td>
</tr>
<tr>
<td>Getting old</td>
<td>14%</td>
</tr>
<tr>
<td>Passing away</td>
<td>11%</td>
</tr>
</tbody>
</table>
It was particularly interesting to see how these concerns change over time. We found that Australians in their later years are divided over what concerns them most. For Australians 70 years and over, it is an even split between physical health (35%) and mental health (35%). Only a few were concerned about passing (3%) or getting old (7%) and many said they don’t worry about health issues at all (19%).

What is more interesting is what we found when we asked Australians about the factors that make life difficult for them right now. Only 5% of Australians 70 years and over said their mental health made life difficult for them, yet 37% said their physical health did indeed make life difficult.

Of course it’s important to be concerned about both, but it’s intriguing that relatively few are troubled at all by mental health which when we looked closely is more of an issue for younger Australians.
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EVENTS

Every day, our members provide efficient and effective surgical, diagnostic and medical care to improve the lives of Australians. While they ensure patients are in the best of hands, we make it our mission to ensure these Day Hospitals have a voice that advocates their work and fosters their role within the Australian Health Care System.

During almost 25 years as the Australian Day Hospital Association, we have supported our members and helped drive their success through promotion, education, advocacy and representation. At the dawn of a new era in modern same day medical treatment, our organisation is evolving.

ADHA will now be known as Day Hospitals Australia and our new identity will ensure our message and members are heard louder and clearer than ever. Members will still enjoy:

- Representation
- Support
- Access to resources
- Partnership agreements
- Training and education
- Networking and more

As industry innovators, we are committed to using our growing profile and influence to increase lobbying, investment and development activity so that we can shape the future of Day Hospitals in Australian health care – one day at a time.
EVENTS

EVENTS

29-30 October 2016, Sydney, ANZCA Advanced Wealth Planning & Management Workshop
28-30 October 2016, Sydney, ANZCA Private Practice
‘Comprehensive’
EVENTS

25 November 2016, Melbourne,
The Private Practice Marketing Workshop
Introducing our latest healthcare collection

An ergonomic design to meet the needs of the elderly. The Proyec collection can be viewed at the Australian Healthcare Conference at Stand 29.

Also available at kezu.com.au
Education in Practice, Financial and Lifestyle Management for Healthcare Professionals
The Business of Being in Business
Since its establishment in 2009, The Private Practice education program has attracted over 3,500 delegates keen to lift their knowledge of business and financial management, and position themselves for success in their practice and personal lives. Whether preparing for the transition from trainee or consultant to private practice principal, seeking effective strategies for practice growth, or positioning for retirement and practice succession, success is directly related to one's level of understanding and application of sound principles in business, financial and lifestyle management.

Medical School is not Business School
Our Medical Schools are amongst the best in the world and produce excellent clinicians and effective medical practitioners, however it is increasingly clear that clinical excellence alone does not guarantee true success as measured, in our opinion, by:
- The operational efficiency, as well as clinical outcomes, of a medical practice
- Quality of life of the practice principals
- Measured and consistent practice growth and
- An economic life that is diverse, fulfilling, and showing a continuous return on investment

The Private Practice team, together with our hand-picked Education Partner Network, continue to be passionately motivated by our mission to empower Australian doctors to make more informed business, financial and lifestyle decisions AND, in the process, better deliver on their promise to serve their community as well as achieving and maintaining their desired lifestyle.

We are excited and proud to present the following 2017 Private Practice course curriculum and look forward to welcoming familiar faces as well as building new relationships throughout the year.

Steven Macarounas
Head of Education and Managing Editor
The Private Practice

The Private Practice
‘Comprehensive’
For Advanced Trainees, Recent Fellows, Consultants and aspiring practice managers seeking a smooth and effective transition to private practice principal.

PERTH: Fri 24 – Sun 26 Feb 2017
Hyatt Regency Perth, 99 Adelaide Terrace

MELBOURNE: Fri 5 – Sun 7 May 2017
The Grace Hotel, 77 York Street

SYDNEY: Fri 2 – Sun 4 Jun 2017
Brisbane Marriott Hotel, 515 Queen Street

BALLARAT: Fri 28 – Sun 30 Jul 2017
Mercure Ballarat Hotel and Convention Centre, 613 Main Road

SYDNEY: Fri 8 – Sun 10 Sept 2017
The Grace Hotel, 77 York Street

MELBOURNE: Fri 10 – Sun 12 Nov 2017
The Grace Hotel, 77 York Street

Registration Fee $2,145 (incl GST)
AMA Member rate $990 (incl GST)
Further Education Partner discounts available see back page for details

The Private Practice Growth Strategies Workshop
Transform your practice from good to great. Wipe the slate clean and re-imagine what your practice could look like, how it should operate for optimal interaction and engagement with patients, referrers, professional, and administrative ‘staff’. Learn why growth is crucial for survival and how to embrace and implement growth strategies to achieve business and lifestyle success.

PERTH: Sat 25 – Sun 26 Feb 2017
Hyatt Regency Perth, 99 Adelaide Terrace

MELBOURNE: Sat 25 – Sun 26 Mar 2017
The Royce Hotel, 379 St Kilda Road

SYDNEY: Sat 1 – Sun 2 Apr 2017
The Grace Hotel, 77 York Street

BRISBANE: Sat 3 – Sun 4 Jun 2017
Brisbane Marriott Hotel, 515 Queen Street

Registration Fee $1,595 (incl GST)
AMA Member rate $990 (incl GST)
Further Education Partner discounts available see back page for details

- Systems, policies & procedures
- Group & multi practice models
- Attracting the right partners/associates
- Attracting, retaining & ‘grooming’ contracted doctors
- Leadership & team building
- Employee equity plans
- Advanced marketing strategy
- Advanced wealth & lifestyle planning
- Day surgery development
- Expanding referral relationships
- Risk management measures
- Practice succession planning

“Succinct, informative & inspirational. The objective is now to translate this enthusiasm into everyday changes in the practice”
Ophthalmologist – Practice Growth Strategies Workshop July 2016
Advanced Wealth Planning & Management Workshop

Ready to take control of your financial life? Keen to understand the secrets of the independently wealthy? This workshop will help explain how to effectively and consistently convert high income into appreciating assets that will provide for your desired lifestyle now and in to retirement, as well as help establish a platform for intergenerational success.

SYDNEY: Sat 6 – Sun 7 May 2017
The Grace Hotel, 77 York Street

BALLARAT: Sat 29 – Sun 30 Jul 2017
Mercure Ballarat Hotel & Convention Centre, 613 Main Road

MELBOURNE: Sat 11 – Sun 12 Nov 2017
The Royce Hotel, 379 St Kilda Road

Registration Fee $1,595 (incl GST)
AMA Member rate $990 (incl GST)
Further Education Partner discounts available see back page for details

• Your values, goals & vision
• Risk tolerance & profiling
• Understanding asset classes
• Understanding relevant legislation – negative gearing, superannuation
• Debt management & finance strategy
• Tax management
• Property – a diagnostic approach to investing
• Understanding investment platforms – master trusts, wrap accounts, SMSF’s
• Managing risks
• Asset protection & estate planning strategy
• Building a bullet-proof financial plan
• Choosing & working with advisers

“The relevant, tailored & detailed information essential to succeeding in both career & personal life.”
Orthopaedic Surgeon – Advanced Wealth Planning & Management, October 2016

The Private Practice Marketing Workshop

Marketing communicates your promise – what differentiates yours from every other practice – but it also focuses on the way your practice delivers that promise: branding, generating referrals, the role of education, websites, social media, patient experience management and much more...

SYDNEY: Fri 31 Mar 2017
The Grace Hotel, 77 York Street

Registration Fee $1,045 (incl GST)
AMA Member rate $660 (incl GST)
Further Education Partner discounts available see back page for details

• Building your practice’s reputation
• Developing a loyal, engaged referrer network
• Multiplying referrals & growing your number of new patients
• Attracting new doctors & potential practice successors
• Supporting new location(s) & new doctors
• Attracting cases that you enjoy or have special expertise for increasing your marketing effectiveness
• Leveraging new technologies
• Working smarter not harder
• Winning at Internet marketing
• Creating an ethical social media strategy
• Understanding & adopting principles of practice design
• Creating an optimal workflow environment
• Starting your NEW business now?
• Committed to practice expansion/growth?
• What are the most important next steps?

“Great course, great speakers, great information presented well – a thoroughly enjoyable experience.”
Dermatologist– The Private Practice Marketing Workshop, June 2016

Day Hospital Growth Strategies Workshop

This two day workshop will guide doctor owners of established facilities through the shifting compliance and regulatory landscape and identify opportunities for growth in the private hospital market.

SYDNEY: Sat 1 – Sun 2 Apr 2017
The Grace Hotel, 77 York Street

Registration Fee $1,595 (incl GST)
AMA Member rate $990 (incl GST)
Further Education Partner discounts available see back page for details

• Marketing your facility for success
• Attracting doctors & patients
• Improving profitability through financial control
• An overview of the health fund contracting landscape
• Hospital purchaser provider agreements between individual facilities & individual health funds
• Revenue modelling for health fund negotiations
• Strategies for improving outcomes for your business when negotiating with health funds. Understanding their vulnerabilities & valuing your product
• Key regulations: Understanding these in order to leverage upside opportunities while mitigating downside risk
• National Safety & Quality Health Service Standards from version 1 to version 2. First assessment 1st January 2019
• Strategies/benefits in place to assist day hospitals manage their business
• Impact of as/nzs 4187:2014 compliance brought forward to October 2018 (part of nsqhs standard 3)
• Federal Government reforms – private health & prostheses progress to date
• MBS review
• State issues
• Key person protection & business succession planning
Women in Medicine Symposium

SYDNEY: Fri 11 – Sun 13 Aug 2017
The Grace Hotel, 77 York Street
Registration Fee $1,595 (incl GST)
AMA Member rate $990 (incl GST)
Further Education Partner discounts available see back page for details

A unique learning and lifestyle event in the heart of Adelaide Hills wine country, designed as a family and/or whole-practice bonding and motivational retreat.

- Identifying your values and building your goals
- Budgeting & effective money management
- The best of banking: understanding good & bad debt & optimising your daily banking
- Interviewing tips & tricks
- Doctors Health: The health reality facing women in medicine
- Tax, accounting & business structures
- Maternity leave & its implications
- Managing stress & bullying in the workplace
- Negotiation skills

- Women in leadership
- Divorce: The implications & how to plan accordingly
- Marketing: Your gender is a competitive advantage, how to use it effectively
- Contracts: Financial matrimonial agreements, leases, employment contracts
- Building & protecting wealth: A man is not a plan!
- Superannuation – from the basics through to pension phase
- Estate planning & asset protection
- Work-life balance while practising medicine, is this possible?
- The power of mentoring: Finding or being a role model
- Professional communication – managing difficult conversations in the workplace

The Private Practice Big Weekend

ADELAIDE HILLS:
Fri 20 – Mon 23 Oct 2017
Mount Lofty House, Adelaide Hills

Registration Fee $2,145.00 (incl GST)
+ Monday Brunch $55.00 (incl GST)
Accommodation not included
Contact enquiries@theprivatepractice.com.au for further details inclusive of family program

NUMBERS ARE LIMITED

Tailored for the specific needs of women practising in medicine, this two and a half day course will enable you to take charge and more effectively manage your health, wealth and career.

- The secret wheels of happiness & success – a discussion of the results of a recent extensive survey of Australian doctor’s participation in a range of activities found to be pre-conditions for improving chances of a happy & successful life.
- Personal & professional sustainability – physician heal thyself – a model for physicians personal care, developed by Doctors Health S.A
- The future of private practice, consumerism & medico-legal risk management
- Your practice – more than just a place of work – effective business management & its role in lifestyle success
- Financial & lifestyle planning – the results of an evidenced based approach
- $#!+ Happens – identifying & managing the risks of life
- Business structures – current thinking on ‘best practice’ models to address ‘growth’ & ‘lifestyle’ aspirations
- The legal safety net – everything you’ve always wanted to know about contracts, agreements, asset protection & estate planning...but were too afraid to ask
- Superannuation – the big opportunities in 2017 & beyond
- Social media & medical practice: Opportunity or threat – an informal panel discussion
Transition to Retirement & Practice Succession Planning Workshop

A successful retirement requires informed and considered decision making as early as possible. Many factors, both ‘business’ and ‘financial’ need to be addressed and strategies developed to achieve a successful transition from practice life to personal life.

**SYDNEY:** Sat 9 – Sun 10 Sept 2017
The Grace Hotel, 77 York Street

**Registration Fee** $1,595 (incl GST)
**AMA Member rate** $990 (incl GST)

Further Education Partner discounts available see back page for details

• Your desired lifestyle
• The mathematics of retirement
• Understanding relevant legislation & making the most of it
• Exploring the current ‘best of breed’ investment platforms
• How to optimise & realise the value of your practice
• Managing the risk of practice growth & sale
• Investment portfolio review & management
• Everything you ever wanted to know about senior living but were too afraid to ask
• Estate planning & family law

**Key Features**

• CPD point entitlement
• Intensive lecture & workshop style presentations by leading professionals in business & financial disciplines specialising in healthcare consultancy
• Completion of needs analyses & action plans
• Course workbook & resource library
• Networking social functions
• Morning tea, lunch & afternoon tea throughout

**Further Information**

Further details including confirmed presenters, course schedules, accommodation arrangements & social program will be forwarded upon registration.

In the meantime, should you have any queries please contact the Course Director.

**Association & Education Partner Discounts**

Receive up to $1,155 discount as an AMA member when registering for The Private Practice events.

Other education partnership discounts may apply.

Contact the Course Director to determine discounts available to you as well as the relevant promotion codes.

Steven Macarounas of The Private Practice on (02) 9229 9731 or via steven.macarounas@theprivatepractice.com.au

www.theprivatepractice.com.au

“This course was very thought provoking in many areas. It identified strategies that we will need to implement in a range of areas in the next few years”

Anaesthetist – Transition to Retirement & Practice Succession Planning Workshop July 2016

2017 Fintuition Institute Pty Limited
ABN 89 139 869 426
Loryn Einstein outlines the 2016 Health Fund and Medicare Changes.

2016 was an interesting year for medical billing. Throughout last year we saw a lot of debate (and some confusion) across the industry about both the Medicare Benefits Schedule changes and the Health Fund changes. This article will avoid any discussion of the political aspects of the changes and will instead focus on giving you solid information to help you navigate the changes that have been made. Up to date medical billing knowledge will help you avoid lost income caused by unnecessary billing errors!

So here are a few things that you need to know to make this year smooth sailing...
1. The items eliminated in the July 2016 Medicare Benefits Schedule update included:

<table>
<thead>
<tr>
<th>Category</th>
<th>Item Numbers</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Respiratory</td>
<td>11321</td>
<td>Klockoff’s tests</td>
</tr>
<tr>
<td></td>
<td>11500</td>
<td>Bronchspirometry</td>
</tr>
<tr>
<td>Gastroenterology</td>
<td>13500</td>
<td>Gastric hypothermia</td>
</tr>
<tr>
<td></td>
<td>13503</td>
<td>Gastric hypothermia</td>
</tr>
<tr>
<td>Obstetrics</td>
<td>16504</td>
<td>Treatment of habitual miscarriage with hormones</td>
</tr>
<tr>
<td>Regional or Nerve Blocks (for ENT)</td>
<td>18246</td>
<td>Glossopharyngeal nerve</td>
</tr>
<tr>
<td>Colorectal</td>
<td>32078</td>
<td>Sigmoidoscopical examination</td>
</tr>
<tr>
<td></td>
<td>32081</td>
<td>Sigmoidoscopical examination</td>
</tr>
<tr>
<td>Ear, Nose and Throat</td>
<td>32081</td>
<td>Sigmoidoscopical examination</td>
</tr>
<tr>
<td></td>
<td>41695</td>
<td>Turbinates, cryotherapy</td>
</tr>
<tr>
<td></td>
<td>41758</td>
<td>Division of pharyngeal adhesions</td>
</tr>
<tr>
<td></td>
<td>41761</td>
<td>Examination of postnasal space</td>
</tr>
<tr>
<td></td>
<td>41849</td>
<td>Direct examination of larynx</td>
</tr>
<tr>
<td></td>
<td>41852</td>
<td>Direct examination of larynx</td>
</tr>
<tr>
<td>Ear, Nose and Throat</td>
<td>58924</td>
<td>Graham’s Test (cholecystography)</td>
</tr>
<tr>
<td></td>
<td>58926</td>
<td>Graham’s Test (cholecystography)</td>
</tr>
<tr>
<td></td>
<td>59503</td>
<td>Pelvimetry</td>
</tr>
<tr>
<td></td>
<td>59504</td>
<td>Pelvimetry</td>
</tr>
<tr>
<td></td>
<td>59736</td>
<td>Vasoepididymography</td>
</tr>
<tr>
<td></td>
<td>59737</td>
<td>Vasoepididymography</td>
</tr>
<tr>
<td></td>
<td>59760</td>
<td>Peritoneogram (herniography)</td>
</tr>
<tr>
<td></td>
<td>59761</td>
<td>Peritoneogram (herniography)</td>
</tr>
<tr>
<td>Respiratory</td>
<td>11321</td>
<td>Klockoff’s tests</td>
</tr>
<tr>
<td></td>
<td>11500</td>
<td>Bronchspirometry</td>
</tr>
</tbody>
</table>

2. The broader scoping changes in the November 2016 Medicare Benefits Schedule update included:

- Addition of 15 item numbers for services provided by addiction medicine specialists for the treatment of addiction disorders;
- Replacement of four age based circumcision items numbers with two new item numbers 30658 (circumcision performed with anaesthetic) and 30654 (performed without anaesthetic);
- Patch testing item numbers 12015 and 12018 were replaced with item numbers 12017, 12022 and 12024 on 1 November 2016 and item numbers 12025-12027 were added retrospectively on 1 December 2016;
TOP TIP:
With more providers joining the Australian Health Service Alliance (AHSA) and several funds softening their stance on charging gaps, early 2017 lends itself to a review of your billing and revenue plan.

- Addition of four new Breast MRI item numbers for patients with metastatic breast cancer (63487-63490);
- Replacement of 48 excision items with 21 new item numbers (31356-31376. The defect size for items 31356 to 31376 is the average of the width and length of the skin lesion and an appropriate margin calculated as follows:

$$\text{Defect size} = \frac{\text{excision length (A)} + \text{excision breadth (b)}}{2}$$

- Addition of an optical coherence tomography item number and two items for retinal photography with a non-mydriatic retinal camera; and
- Amendments to three hip surgery items and one vascular surgery item.

3. The Australian Health Service Alliance (AHSA) Information Disclosure Changes included:
Starting from 1 January 2017, the AHSA Business Guidelines for doctors registered under its Access Gap Cover registration changed. From that date, any doctor submitting claims under the scheme will be subject to the new rules – this applies to no-gap as well as known-gap providers.

Under the terms of the new AHSA Information Disclosure Policy, any medical practitioner registering with AHSA after 1 January 2017 OR submitting a claim to any AHSA fund after 1 January 2017 automatically gives AHSA the right to:

- Publish the doctor’s name, practice address, specialty and other contact details on AHSA’s web-based doctor searches; and
- Publish information relating to the charges that doctors have rendered such as gaps that they have charged to patients who are members of any AHSA fund.

4. The new AHSA participating Health Funds included:
GMHBA joined the Australian Health Services Alliance effective from 1 April 2016. GMHBA members who held GMHBA’s ‘Everyday’ hospital product are now eligible for benefits under the AHSA rates. Previous to this change, the AHSA rate was only paid for members on the GMHBA ‘Premium Hospital Gold’ product. For services provided after 1 April 2016 make sure to invoice at the AHSA rate for all GMHBA patients.

Although Budget Direct and Frank Health are both serviced by GMHBA, neither fund was part of the new AHSA agreement. As a result, Budget Direct and Frank Health members are still only eligible for benefits to be paid under the old ‘Everyday’ schedule of benefits.

Qantas Assure launched in the first half of 2016. Qantas Frequent Flyer members are rewarded for increased physical activity using the wellness app and wearable technology such as the Apple Watch. Qantas Assure patients are to be billed at the NIB schedule rate. NIB’s strict “No Gap” rules apply to Qantas Assure members.

5. But wait – there’s more!
It is important to stay on top of the changes already in effect, but it is equally important to keep up to date with Health Fund changes that are scheduled for early 2017 and Medicare Benefits Schedule changes that will occur throughout the year. Keep an eye out for the next Medical Billing Experts article in the April issue, we will cover it all for you then!
WITH A DEDICATED HEALTHCARE PRACTICE, WILLIAM BUCK CAN HELP YOU STRUCTURE YOUR PERSONAL TAX AFFAIRS TO ACHIEVE THE AFTER-HOURS LIFE THAT YOU WANT.

William Buck is a leading firm of Chartered Accountants and advisors with offices across Australia and New Zealand, experienced at structuring personal tax affairs and can assist you with the following:

— Advice on setting up appropriate tax effective structures
— Comprehensive assistance with your personal taxation affairs
— Develop strategies to help you make the most out of your superannuation, including assessing the taxation consequences
— Securing your financial freedom with business and tax planning

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Attracting new patients is essential for sustaining and growing a medical practice – yet patient engagement is often overlooked. **Jason Borody** from Vividus Marketing explains why storytelling is the future of content marketing in healthcare.
Healthcare and marketing share a vital requirement to look beyond numbers when creating an image of the people you seek to engage. Understanding the audience demographically, behaviourally, emotionally and contextually helps us better target their needs and attract them to our practices.

The uptake in storytelling in the healthcare industry is surprisingly slow for a profession where storytelling is an established part of communication with case studies and patient histories. The healthcare industry does a stellar job in emphasising high standards of care but there is great potential for using storytelling to emphasise a culture of compassion to act as a driver for engagement and growth.

Product marketers have developed excellent techniques for creating rich, emotionally motivated story-based campaigns. Stories are the perfect way to engage with your patients because of their structure. Stories follow a logical process of issue identification, route to solution and resolution otherwise known as beginning, middle and end.

**EMOTION**

Every story is a quest and each quest begins an issue, problem or conflict. Emotion is what drives the quest and great stories evoke great emotion. What is said and done is easily forgotten but the feelings felt are not. To create great emotional stories for our patients we need to understand their experience. Their issues have to be identified and it stretches beyond asking what they are in surveys and polls. Connecting with patients, understanding their challenges and sharing their hopes and fears is how we find the emotion. That is where the true power of storytelling lies.

**RELATABILITY & VISUALS**

Within the beginning of each story is the introduction of the characters. How we relate to these characters determines how much we choose to engage with the story. People relate more to people than they do to ideas and great visuals plays a part in this.

Compelling photos and videos will enhance engagement more than words alone. Make your stories about your real patients because they are far more relatable. With the right approach to data protection and with patient permission, the right presentation of actual patient stories will enhance your credibility as a healthcare provider.

**RESOLUTION**

Like successful healthcare experiences, stories need resolutions otherwise they are not satisfying. However, resolution in storytelling is also about letting the reader fill in the blanks. Your patients will feel more engaged and informed if they are presented with a story that guides them towards information and lets them comprehend the facts for themselves rather than being shown lists of data.

The key to presenting the resolution in this type of storytelling will be about perspective. Keep in mind that the patient will put themselves in the position of the patient in the story. Too much emphasis on the heroic doctor saving the meek patient will not create an ending that resonates with your audience.
SHAREABILITY

The mark of a great story is how immersed in it we are and the measure of that is how much we are willing to share it. The best stories inspire us to share them with others, to introduce them to something we’ve enjoyed, laughed at, cried at or believe to be incredibly profound. We recommend books to friends, share news articles and videos on social media and reminisce about old adverts before frantically searching for it on YouTube to show that person in our group who inexplicably doesn’t know where a famous ad quote comes from.

The power of digital and social media channels is they are built on sharing content and what they all have in common is they are story based. Storytelling is incredibly important to marketers as they understand that a video or an image that tells a story will travel much further than a perfectly worded tweet or Facebook post, because visuals leave a more lasting impression.

Complex information and abstract concepts like medical procedures are easier to understand and process when they are presented in story form. Stories can help people think about things in a way they would never have considered or even just think about certain topics at all.

Sharing information about your practice this way is far more enticing and engaging to a patient than traditional methods. Your medical marketing consultant can show you how to leverage storytelling in healthcare and better engage with your patients.

For more information on how to implement systems to improve your practice profitability and quality of care, contact Vividus on info@vividus.com.au or 07 3482 4262.
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Prevention is far better than cure. This applies equally to our health, as it does to managing the complex and varied risks faced in running a healthcare business. The issue for healthcare businesses is often the unknown risks....

There are known knowns. These are things we know that we know.
There are known unknowns. That is to say, there are things that we know we don't know.
But there are also unknown unknowns. There are things we don't know we don't know.
- Donald Rumsfeld

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The 6 E’s of Patient Experience
In our mission to serve the lives of millions in healthcare, I am often asked to speak at conferences, share my ideas, interview leaders of hospitals and private practices as well as connect and collaborate with healthcare experts and Patient Experience (PX) champions.

A key lesson I’ve learnt is the need for healthcare providers to understand how to measure their patients’ experiences, based on their stage of Patient Experience maturity. Measurement is crucial – you can’t manage what you don’t measure.

We therefore developed our 6E framework, a step-by-step guide to understand and holistically improve patient experience, whether you are a small private practice or a chain of private clinics.

It touches first on Experience – measuring it and verifying it, through a range of research activities.

If you’re just starting out in patient experience, mapping the patient journey is your first step. Ensure you talk to clinicians, non-clinicians and patients to map the journey. Consider using researchers posing as patients (like a mystery shopper) to understand key steps and challenges. Then develop a survey to measure current patient satisfaction for each stage of the patient journey you’ve mapped out.

If you have a patient satisfaction survey, but not getting information you need, review the patient journey (or ‘shadow’ a patient) and determine what factors influence satisfaction at each stage of that journey. You may need to tweak your questions, or consider the timing of the survey.

Dell Children’s Medical Centre found survey responses were neither timely nor representative. They shortened their survey and gathered information real-time (at the completion of patient consultation). Their response rate increased from 30% to 50%, they identified the need for a more child-friendly atmosphere and an information brochure for patients, and rectified a patient/staff safety issue. They formed a Patient Experience Committee aimed at completing one new improvement project every month.

If you’ve been surveying patient experience for a while and now require more context, consider holding small discussion groups of 6 to 8 consumers (focus groups) to get further insight into their sentiments, attitudes and perceptions.

If you feel you are getting the insights you need, consider asking the ‘quiet’ consumer (who may have low literacy, or are reluctant to share views in a survey) via a one-on-one conversation, which is less intimidating.

If the challenge is linking patient experience outcomes to business outcomes, are you mapping and measuring the right element of the journey? For instance, a healthcare provider seeking to drive growth of their maternity services, will need to ensure they understand which elements of care during pregnancy, childbirth and follow up, have the strongest impact on new mother’s satisfaction level.

If you’re a chain of private clinics looking to integrate continuous improvement into your patient experience management, consider use of patient experience technology such as the MES Experience software platform that provides real-time feedback, granular outcomes and data integration, to collate survey outcomes, for view and use by all staff in your setting.

Your measurement of patient experience starts to get effective, as you develop your understanding and measurement of the individual elements that make up that experience. Continuous refinement of your measurement processes is essential in order to move along the maturity spectrum of patient experience.

The MES Experience software platform delivered through Energesse collects patient feedback and reports in real-time, enabling front-line staff to manage complaints and take action quickly. It is also able to collect and analyse free text, enabling staff to systematically collect and understand patient stories from unstructured text and contains sophisticated algorithms which can analyse trends in attitudes, communication and compassion. This empowers front-line staff to understand issues at granular level and make effective improvements for patients, consumers and their families. ©

Dr Avnesh Ratnanesan explains you can’t manage what you don’t measure.
The Health Promotion Charity

David Murphy explains how to fund medical research through a charitable entity.

Medical research and related activities are a major part of the medical profession. Without the conduct of proper and considered medical research, the likelihood of finding cures, treatments and preventative remedies for disease would be severely diminished.

Indeed, the public expects that with the passage of time, new treatments and cures will be discovered resulting in a greater quality of life and life expectancy.

It goes without saying that funding is a key part of conducting quality and reliable medical research.

Whilst the Government is one source of funding, the provision of these funds are often subject to stringent contractual conditions, comprehensive reporting requirements and extensive budgets.

It is important that medical and research professionals source other forms of funding in order to ensure that their positions and projects can flourish.

HEALTH PROMOTION CHARITIES

It is worth considering whether medical research activities should be conducted in a not-for-profit entity that has deductible gift recipient (DGR) status.

DGR status means that members of the general public as well as corporate entities can, subject to certain rules, obtain a tax deduction for gifts of money and other property (including land and shares) provided to a DGR. Accordingly, if a medical research entity has DGR status, this status provides an incentive for the general public and corporate entities alike to provide funding to that medical research entity, whether as the primary or secondary source of funding.

Once such DGR category relevant to medical research is a Health Promotion Charity (HPC) which is a type of DGR introduced in 2001. A HPC is a DGR that is established to promote the prevention or...
control of disease in human beings as its primary activity.

There are a number of key aspects to a HPC which are worth noting:

1. Prevention or Control of Disease:
The term “disease” takes its technical legal meaning and refers to any morbid condition of the body such as cancer, heart disease, respiratory disease and blood disease. It can also extend to recognised forms of mental disease and illness.

2. Disease Versus Injury:
There is a distinction drawn between a disease and an injury with the latter not falling within the activities of a HPC. For example, whilst research into the causes of cancer would be an acceptable activity, research into broken bones would not. If the particular medical research concerned a disease that could lead to broken bones, then research on that disease (as opposed to research on broken bones) would be acceptable.

Similarly, research relating to pregnancy would not fall within the definition of a HPC unless the research related to a disease which resulted from, or arose during, pregnancy (the research focus being on the disease rather than pregnancy).

3. Human Beings:
The research activities must be focused solely on diseases occurring in human beings. A HPC cannot undertake research into medical issues affecting animals and plant matter. This would not usually be a problem for medical research.

4. Prevention or Control:
The use of the words “prevention or control” mean that a HPC can undertake a large number of varied activities. These include the conduct of research into the cure, prevention, treatment and management of disease (including clinical trials) and therefore, a HPC is a prime entity within which to conduct medical research.

It also includes other activities such as providing education on diseases to medical professionals and the general public, the provision of medical equipment, the provision of training and information to persons who care for people suffering with a disease and the provision of treatment to persons suffering with a disease.

Because of the large variety of activities that a HPC can undertake, a HPC will often, but not always, conduct a number of different activities. For example, a HPC which concentrates on asthma research may also provide information materials to asthma sufferers on recent developments in asthma medications and treatments and provide reminders and tips on having an asthma prevention plan.

5. Not-for-profit Entity:
A HPC must operate on a not-for-profit basis which means that profits cannot be distributed to the members or the management committee of the HPC. All profits must be retained within the HPC to be used to further the particular purposes for which the HPC is established.

6. Income Tax Exemption:
In addition to being a DGR, a HPC is also normally eligible for income tax exemption endorsement. Endorsement as an income tax exempt entity means that a HPC does not pay any income tax or capital gains tax which allows profits and gains that would otherwise be subject to taxation to be used for the research and other activities of the HPC. This gives a HPC a tremendous advantage over for-profit research entities. Please note that income tax exemption relates to Commonwealth income tax only.

Each state and territory has its own revenue laws (which cover payroll tax, land tax, transfer duty and council rates) and being income tax exempt for Commonwealth tax purposes does not mean that a HPC will necessarily be exempt from state taxes.

7. Fringe Benefits Tax Exemption:
In addition to income tax exemption and DGR status, a HPC is also usually entitled to fringe benefits tax (FBT) exemption endorsement. FBT exemption means that a HPC can provide exempt fringe benefits to its employees up to the specified statutory cap. These benefits can include car benefits, expense payment benefits or property benefits. FBT exemption allows a HPC to supplement an employee's normal salary and wages with additional benefits and makes a HPC a much more appealing employer.
STRUCTURE OF A HPC

There is no particular legal structure required for a HPC although the preferred structure is usually a public company limited by guarantee. Rather than the legal form of the HPC, the critical elements to consider are corporate governance and exactly how the HPC will operate.

This includes giving careful consideration to the skills and experience of the management committee of the HPC. A mixture of skills and experience is often preferred so that in addition to medical research decisions, the HPC has persons who have qualifications in and can assist with, financial, marketing, accounting and legal decisions.

Other considerations include the number of staff and volunteers required to efficiently operate the HPC, ensuring that the terms of any funding and other contracts are appropriate, asset management protocols and proper insurance coverage.

THE REGISTRATION PROCESS

In order to be registered as a HPC, an entity must make a charity application to the Australian Charities and Not-For-Profits Commission (ACNC). In the application, the proposed HPC must provide details of its management committee, its activities and purposes and its proposed income and expenses.

Once the ACNC has approved an application, the ACNC then forwards the application to the Australian Taxation Office (ATO) which endorses the HPC for DGR status, income tax exemption and FBT exemption. The ATO endorsement process is usually very quick as the ATO relies on the charity assessment of the ACNC (such that the ATO does not again assess whether the entity qualifies as a HPC) and only checks that the entity has satisfied the technical tax law requirements (which are normally satisfied by having particular clauses in the HPC’s constituent document).

CONCLUSION

A HPC is a tax effective and transparent entity within which to conduct medical research that is growing in popularity as a fundamental component of medical practices, some hospitals and medical colleges.

We strongly recommend that expert advice be obtained before establishing a medical research entity as a HPC. Much like the provision of medical advice and patient care, each case must be assessed and considered on its merits and an entity that is suitable for one medical practice may not be suitable for another. As they say, preventative measures can often be the best cure. ☝
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May Lee is a Senior Accountant at William Buck, Perth.
The completion of specialist training or fellowship is a key professional milestone for any medical doctor. It also marks an exhilarating phase in one’s career with the prospect of working independently and greater professional freedom. However, this new chapter creates its own challenges with new work arrangements such as being self-employed or venturing into private practice for the first time. Do you know what your tax obligations are and will you be ready when they fall due? It is likely you’ve not had to worry about this before as your previous employer has withheld your tax for you each pay period.

We’ve compiled a checklist of things to consider when managing your taxes as a private practitioner.

REGISTRATIONS

Australian Business Number (ABN)
You must be operating a business in Australia to register for an ABN. An ABN is a unique 11-digit identifier that makes it easier for businesses to interact. If you do not disclose your ABN when you supply goods or services to another business, they may have to withhold tax from their payment to you at the rate of 49%.

Goods and Services Tax (GST)
You must register for GST in Australia if you are operating a business and your GST turnover from sales that are connected with Australia is greater than $75,000. Medical practitioners will generally bill enough patients to be required to register for GST. This creates an administrative obligation to lodge Business Activity Statements (BAS) on a monthly, quarterly or annual basis.

Pay As You Go (PAYG) Withholding
If you employ a receptionist, nurse or other staff, you may need to withhold tax from payments to employees and therefore will be required to register for PAYG Withholding. You may also need to withhold amounts from payments to directors and businesses that do not quote their ABN to you.

PAYG Instalments System
Since you no longer have an employer to withhold your taxes, the Australian Tax Office (ATO) has a system to assist in this regard called Pay As You Go (PAYG) Instalments. The system calculates the regular payments you’re required to make towards your expected annual income tax liability.

New practitioners are often faced with a large tax bill when they lodge their first tax return as a self-employed practitioner. This is because you only enter the PAYG Instalment system once your first tax return as a self-employed practitioner has been lodged.

For those lodging through a tax agent, this can be up to 23 months after you first start in private practice. At this stage, you may have to fund two years worth of tax on your earnings over the period. Without planning, this could potentially lead to a liquidation of assets at a time that may not be ideal.

STRATEGIES FOR MANAGING TAX

We recommend that you set up an interest-bearing bank account to separate your expected tax liabilities from your everyday or business transaction accounts. Amounts should be periodically transferred from your business account to your tax savings account to allow you to plan and save for your tax obligation.

You can estimate your tax liability by using the tax bracket that you expect to fall into as a guide. You can then use your quarterly BAS to review whether you have paid too little or too much for that quarter and adjust as you see fit. Once you are placed in the PAYG Instalment system, keep in mind that your business is always changing and so is your bottom line. You should continue to review your instalments as you have the option to vary them up or down if your income has significantly declined or increased.

BANK ACCOUNT AND RECORD KEEPING SYSTEM

Bank Account
Separate bank accounts are mandatory for partnerships, companies and trusts. Even for sole traders, a separate bank account would help make it easier to run and manage your business and it allows you to identify business related amounts when preparing your tax return at the end of the year.

Record Keeping System
If you’re running a business, you need to keep comprehensive records,
explaining all transactions that relate to your tax affairs including Business Activity Statements and tax returns. Depending on the complexity of your business, you may need accounting software to keep your invoicing, payments and other business records. In the second half of this article I will discuss the benefits and risks of cloud accounting software.

PRACTICE PLANNING AND SETUP

Business Structure
It’s important to understand the different business structures available and how they will impact your tax position, operations and asset protection. The options for structuring your medical business are: sole trader, company and discretionary trust. The structure you choose will depend on your specific circumstances. A tax accountant can advise you on the most tax effective structure for your needs, ensuring that you keep more of your well-earned money.

Legal Agreements
You should seek legal and accounting advice on any agreements, and these need to be established from the outset. Types of agreements include: partnership agreements with other doctors, contracting agreements and service and agency agreements.

Finance
You may require finance to cover plant and equipment, practice fit-outs and business trading expenses. A finance broker can negotiate a loan between you and the lender on your behalf and can support you through the application and settlement process.

Financial Plan
A financial plan is beneficial for dealing with cash flow, tax and personal wealth creation. A financial planner can help to review your financial position and assist your practice in meeting its long term financial objectives.

It’s wise to use experienced advisers to help you with the process. If you get it right from the start, this will save you time and money later on. Advisers you should consider when discussing your practice include tax accountants, lawyers, finance brokers and financial planners.

CLOUD ACCOUNTING FOR YOUR PRACTICE

Cloud accounting software provides an efficient and innovative way for medical practices and self-employed practitioners to manage their financial data online.

It is accounting software that is stored on remote servers and accessed through the internet instead of on a hard drive on your computer. There has been a rapid growth in the uptake of cloud based accounting software over the past few years, which is reflective of its benefits.

Benefits

Online access allows mobility and flexibility
Cloud accounting software can be used at any time and any location as long as you have internet connection. This allows you to access information outside of working hours or when you are out of your office, providing flexibility of work practices for staff. If you have home visits or conferences, you can easily access patient records and financial data via a laptop or mobile device.

Automatic updates could reduce costs and time
System upgrades to the software and regular and automatic updates are usually included in your subscription providing assurance that the software will always be upgraded to the latest version.

Additionally cloud accounting software does not have to be installed and maintained on individual computers. This may reduce your initial capital investment and ongoing energy consumption as you do not have to provide servers and other hardware.
IN A LOW RETURN ENVIRONMENT, WHAT COULD A CONVERSATION YIELD?

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All your data is stored remotely on secure servers. This means that in the event of a natural disaster or power failure, your data is securely backed up allowing you to restore data simply and continue trading.

**Direct bank feeds**
Cloud accounting software can integrate transactions from your bank directly into your balance sheet. Therefore, bank account balances should be more accurate as errors due to manual data entry are minimised.

Direct bank feeds can also simplify the bookkeeping process as the transactions are already in the software and only require coding. Moreover, some software packages allow you to set rules for recurring transactions to reduce data entry. This process is user friendly and saves time allowing your bookkeeper or practice manager to focus on managing the practice.

**Real time information**
Since the data is live, financial information is updated automatically and is always up-to-date. There is only one data file; there is no need for backups and multiple versions.

If you are working on the file, your accountant and bookkeeper can access the information and work on the file at the same time. This allows for easier collaboration as multiple users can interact in real time and communicate effectively whilst viewing the same financial information.

**Better decision making from management reports**
As bank feeds are imported daily, you can prepare current and year-to-date management reports earlier than if you were using traditional software. You should be able to evaluate the performance of your business faster than before allowing you to take advantage of opportunities, address financial issues and make more effective business decisions.

**Risks**

**Internet connection and technical issues**
Access to the software is dependent on your internet connection. Internet connectivity can be prone to outages and service disruptions. Other technical issues from the cloud service provider include scheduled or unplanned outages due to website maintenance or down-time, issues with hardware failures and faulty vendor software.

**Security and data protection**
You may need to consider issues when patient and practice data is outsourced to a third-party cloud provider. Issues to address include: mitigations to governance and security risks, who owns and has access to the data and security measures to protect your data.

It appears that cloud based accounting software will be the standard in the future, however when starting your private practice, you will need to weigh the benefits and risks of implementing any new system in your business. It’s important that you seek guidance from a qualified accountant to identify the most appropriate system for your practice. 🌐

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The biggest brain cancer research push in Australia’s history writes Michelle Stewart.

The last 12 months have seen some truly incredible moments in the fight against brain cancer in Australia and around the world. And, with each moment, we move closer to a potential shift in brain cancer survival, which has remained unacceptably low for too long.

Cure Brain Cancer Foundation is working with partners in Australia and internationally to help steer the global brain cancer research agenda to increase five-year survival from the current 20 per cent to 50 per cent by 2023.

The Foundation’s time-critical mission involves bringing world-class clinical trials to Australia, as well as supporting Australian science to get new treatments from the lab to the clinic.

2016 RESEARCH HIGHLIGHTS
I am incredibly proud of the many landmark moments of the last 18 months that have propelled us closer to mission and our vision for every person diagnosed with brain cancer in Australia to have access to new treatments
through world-class clinical trials, until effective treatments become part of routine care.

Brain cancer survival has remained unacceptably low for far too long and we now fund five new, world-class clinical trials for both adults and children, representing the biggest ever push to make them available to Australians with brain cancer.

We are proud to report that the Brain Cancer Discovery Collaborative has continued to provide essential infrastructure and support to brain cancer labs around the country and grow brain cancer research expertise in Australia.

Cure Brain Cancer Foundation funds the entire research pathway, supporting 24 research projects with collaborators across 40 sites, on four continents. It also funds basic and translational research, believing this is the foundation for therapeutic discovery to occur.

Keep reading for an overview of the Foundation’s 2016 research highlights.

Cure Brain Cancer Foundation Research by Numbers:
- Research projects: 24
- Collaborators: 200
- Locations: across four continents

Australians to be among first to benefit from brain cancer research revolution

More than 150 of the world’s brightest minds united to create GBM AGILE; the biggest global collaboration in the history of brain cancer research, against glioblastoma (GBM), which is one of the most common and severe forms of brain cancer.

The collaboration, led by Dr Anna Barker at Arizona State University, has paved the way to turn research on its head to develop more effective brain cancer treatments faster and at substantial cost savings than possible through the normal clinical trials process.

Cure Brain Cancer Foundation and Australian experts have been pivotal in developing the coalition and this revolutionary new research system. It will cut red tape, potentially deliver faster results and give patients quicker access to new, effective treatments quicker than traditional clinical trials.

This is the best opportunity we’ve had to dramatically improve outcomes for people with GBM.

One of the big problems is that traditional trials leave patients and researchers in the dark for long periods of time about the impact of potential treatments. GBM AGILE will change that through a systematic learning approach to reveal potentially lifesaving treatments far faster than traditional trials.

As well as testing experimental new therapies, this approach will look at repurposing treatments for use on brain cancer that are already being tested in other diseases, saving years of development time.

GBM AGILE is now being finessed for global approval and the first patients will hopefully be enrolled in 2017, with hundreds of Australians eventually going through the system.

Kids with cancer to access promising tailored treatments

Australian children are starting to benefit from one of the nation’s most exciting ever childhood cancer research initiatives – Zero Childhood Cancer.

It is a personalised medicine program for children with the highest risk of treatment failure or relapse, including those with brain cancer. Although every child and cancer is unique, current treatments operate on a ‘one-size-fits-all’ basis and chemotherapy is largely ineffective in many types of brain cancer.

However, Zero Childhood Cancer managed by Children’s Cancer Institute Sydney, which Cure Brain Cancer Foundation proudly supports, is the biggest Australian program of its kind. It aims to find new treatments for children with high-grade or refractory cancer, including brain cancer, to extend survival but also to reduce the harm caused by current treatments.

The program involves the detailed laboratory analysis of each child’s unique cancer cells to help identify the drugs most likely to kill their specific cancer. Scientists and doctors collaborate to identify and deliver the most effective treatment plan, specifically tailored to each child’s individual disease.

In the first stage, a pilot study was opened to high risk NSW patients in 2016. Following successful completion of the pilot study, a national clinical trial involving 120 children will open in 2017. When fully implemented, it will be offered to children throughout Australia.

Brain cancer kills more children than any other disease and our goal is to ensure that new and innovative treatments are available to children and adults living with brain cancer, as quickly as possible.
**Australian patients enrol in world’s first brain cancer immunotherapy trial**

Australian brain cancer patients have joined a clinical trial investigating a new treatment, which, if successful, could target their tumour without invasive treatment.

Cure Brain Cancer Foundation is helping to fund this project with the Cancer Research Institute New York, which sees Australian researchers joining forces with global counterparts to evaluate the effectiveness of immunotherapy - a treatment that uses the body’s immune system - for Glioblastoma (GBM) patients.

The drug, Durvalumab, has shown promising results in clinical research in other indications. If successful, this research could pave the way for less invasive treatments, potentially improving survival outcomes for GBM patients.

Our research strategy is about getting new treatments to patients as fast as possible. Brain cancer research must be borderless and collaborating with our renowned international partners will ensure Australian patients have access to a novel therapy through this study.

At this stage, the study involves a small number of patients. If successful, trials like this could give brain cancer patients new treatment options worldwide in the future.

**Australians join trial to transform survival outcomes**

Cure Brain Cancer Foundation is helping to fund the VERTU clinical trial, which gives hope to the 70 per cent of GBM patients who often don’t respond to standard treatment options.

The first group of 120 Australian brain cancer patients have joined the VERTU trial, which evaluates a drug called veliparib (a PARP inhibitor), which could enable standard chemotherapy and radiotherapy to more effectively kill cancer cells in all GBM patients, including those who currently face the worst outcomes.

VERTU is entirely designed by an Australian collaboration of world-class researchers, led by the University of Sydney’s National Health and Medical Research Centre (NHMRC) Clinical Trials Centre.

Dr Mustafa Khasraw, who heads the research team, said, “We know radiation is effective in treating brain cancer but unfortunately the cancer comes back in most of the patients. So, by adding this drug to the radiation we are hoping to improve the outcome of patients by increasing the damage to the tumours.”

**Brilliant Minds connects and ignites brain cancer researchers**

Brilliant Minds is Cure Brain Cancer Foundation’s funding and thought leadership program to support researchers in their careers and attract brilliant minds into brain cancer research.

In 2016, the Foundation launched the Brilliant Minds fellowship research awards to help attract and fund talented, emerging researchers into brain cancer.

Brilliant Minds provides researchers with regular, more technical communications about advances in medical science and technology, connecting them online to ignite brain cancer research conversations and ideas.

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**WANT TO KNOW MORE?**

Media contact: Luke Alexander, Head of Communications at Cure Brain Cancer Foundation, luke.alexancer@curebraincancer.org.au or 0406 483 671.
Jackson McDonald are leading lawyers in Western Australia with broad experience and deep relationships across the medical community.

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CLUB MED

Cherating Beach
Malaysia
More than meets the eye writes Steven Macarounas.

To be a parent is to sacrifice!
Yes, of course the rewards are worth it, BUT when it comes to family holidays all parents of young children must face the inevitable growth and development of their kids to a level that comes with strong opinions and their own set of needs and checklists that make for a fun and rewarding vacation.

Having become a convert to the joys of the 5 Star luxury resort, I have feared for some time that our children’s experience was less satisfying than that of their parents.

Whilst their taste and style is highly sophisticated and refined (thanks primarily to the influence of their designer mother) they have begun to grumble about being bored, and over the last few holidays have often pulled out the dreaded iPads for entertainment.

Our son and daughter recently turned 11, and with the advice of close friends with a similar dynamic echoing in my ears, we decided to build a holiday with their needs foremost in mind – we booked a week at Club Med Cherating Beach, Malaysia.

Club Med comes with a certain reputation – it’s brand is universal, unequivocal: Family Fun in the Sun – Action, Noise, Sport, People, People, People!
Not my idea of relaxing, rejuvenating ‘down-time’.
But with an open mind and our kids smiles as the goal, we bit the bullet, made our travel arrangements and prepared ourselves to sacrifice seven days of our precious annual holiday budget – with gritted teeth we hoped they appreciated it.

WELL, we were wrong! Not about our kids appreciating our efforts or about them enjoying, in fact revelling, in this action-packed adventure – their smiles attested to the ‘blast’ they had.

We were wrong about this holiday being a sacrifice, a compromise. Club Med gave us some of the finest family holiday memories and deeply rewarding experiences of our lives, both individually and collectively as a family.

It really was a life-changing holiday. Now, before you start questioning my sanity and accuse me of being easily impressed or overly dramatic, consider the following story and whether a similar experience for you might not elicit the same emotions and praise.
The first ever Club Med in Asia, opening its doors in 1980, the Cheating Beach Resort is embraced by 85 hectares of rainforest, and caressed by a lazy, calm expanse of sea which, in the mornings, reflects the yawning sun and appears as a shimmering silver blanket rustling in the mild breeze over a bed of sandy beach.

Between the beach and accommodation complex (a labyrinthine network of bungalows on stilts) lays a spread of verdant, manicured lawn – soft and moist with dew underfoot as you stroll to your pre-breakfast dip.

The location is idyllic, the accommodation (make sure to get one of the large beach-facing suites) is rustic but in keeping with the jungle treehouse vibe.

The photos in this article will attest to the beauty of its location, the cornucopia of sports and activities available, the multinational, all-day offering of food and beverages all-inclusive in the daily accommodation rate, and the adult, zen spaces that allow for stylish, pampered, secluded repose.

What is almost impossible to convey in pictures, however, and also hard to do in writing, is the deep developmental impact that Club Med’s unique and well-crafted holiday experience had on our children, how it had an enduring effect in boosting their self-confidence, adding new layers to their personalities whilst providing moments of powerful connection between us all.

Our children have never been ones for kids clubs and I don’t blame them, nor do I want to offload them to kite making and puppet show baby-sitting.

At Club Med, however, our 11 year olds got to learn and experience trapeze ‘flying’, jungle mountain hiking, snorkelling, archery, hatching turtle ocean release and even to conquer fears in the death defying Treetop Challenge – a maze of high wire and ziplines slicing through the trees and providing anxiety for overprotective dads like me, and exhilaration for freshly minted daredevils.

Some of these activities the kids did on their own, or should I say with their fellow resort gang members, and some with my wife and I – hitting a bullseye at the archery range had me claiming bragging rights for the rest of our stay.

Some activities provided one-on-one bonding with our kids. Although perhaps a little clichéd, my wife and daughter spent three afternoons creating an exquisite batik bed spread, whilst my son and I sweated it out at our daily squash and table tennis tournaments – his skill at both improving dramatically to give me a real run for my money.

We couldn’t shut them up every evening over dinner – the conversation overflowing and crisscrossing in the re-telling of fresh adventures amid squeals of excitement and anticipation of the next day.

Wide-eyed, my wife and I marvelled at the growth in their self-confidence as they tentatively tackled and quickly mastered new challenges – not the least daunting of which (for our kids) was socialisation with others their age as well as the adult instructors at the resort.
Club Med provided some of the best fun our kids have ever had on holiday as well as delivering pleasantly surprising milestones in their journey to self-reliance and young adult actualisation.

That’s not to say that us fully fledged adults didn’t get what we needed also. Apart from the family fun, there was a seemingly endless offering of fine food and beverages, and indulgent opportunities for rejuvenation of body and soul in adult only retreats overlooking exceptional panoramic views of un-spoilt beaches and tropical jungle.

Having exhausted ourselves from relaxing during the day, our nights routinely commenced with obligatory, heavenly spa treatments, followed by pre-dinner cocktails on the beach and a delectably maddening choice of cuisine from the four corners of the world.

Over and over I was reminded of the conversation that inspired the development of The Private Practice education and publishing program. It was with a retiring ENT Surgeon and we were examining regret and the characteristics of the truly successful doctor. This doctor’s greatest regret was that he had not had enough family holidays whilst his kids were still young and wanting to vacation with him. It’s the family holiday, he said, that most efficiently affords deep bonding experiences and lasting memories to be cherished throughout life.

This was certainly the case for our family holiday at Club Med Cherating Beach and we all look forward to our next Club Med experience...maybe Mauritius this year.

Chris Mariani is Director at Medical and General Risk Solutions.
Bespoke Solutions

Chris Mariani explains why ‘off the rack’ insurance solutions may not fit well.

Our television screens are filled with advertisements from insurers promising the ‘best value’ home and contents insurance. But the reality for those with an executive residence - is that the best insurers don’t advertise and instead distribute their products through brokers. As a result many people are unaware there is better cover out there.

Recently a surgeon client contacted our office as his insurer advised the most he could insure a single piece of artwork was $80,000 and could we look into options to cover his extensive artwork and jewellery, along with his general contents and an early 1900s period home that was difficult to establish an accurate replacement value on.

The solution – An “Executive Residence” policy. These policies are structured differently to the off-the-shelf advertised products and better suit the needs and exposures of high net worth families – providing key improvements over standard policies in a number of critical ways:

1. APPRAISAL
The insurer sends an experienced ‘appraiser’ to your residence to work out the rebuild value and secondly to risk review the premises in the aid of preventing fire, storm and water damage and theft.

2. FULL BUILDING REPLACEMENT
The building cover is set as a full ‘replacement’ policy. As the appraiser has conducted a rebuild assessment, the insurer issues the policy noting they will fully rebuild the premises. This is particularly important for period and heritage home, where the rebuild cost is extremely difficult to quantify in advance.

3. COMPETITIVE PREMIUMS
The cost of these policies is often comparable to standard policies and in some cases cheaper. While these policies provide significantly better cover, the calibre of the client usually means small claims are not lodged (often clients take an excess of $1,000 or more) and secondly the insurers have strict risk criteria and the appraisal process so that only quality homes are insured.

4. BROAD COVER FOR CONTENTS AND VALUABLES
Many standard policies impose very low limits on items such as jewellery (as low as $1,000 per item unless specified on the policy) and limit cover to the home only or within Australia. The policies often also place restrictive limits on artwork, antiques and other valuables. Executive policies by contrast have much larger automatic limits before the items are required to be specified on the policy. For example, our surgeon’s policy now covers unspecified Jewellery for $25k per item with a maximum of $50,000 per claim. His policy also only requires artwork to be specified where valued over $100,000 and his policy provides worldwide cover for all items (i.e. a lost watch or engagement ring while on holidays, or while in storage or transit).

5. PERSONAL PROTECTION AND LIABILITY COVERS
High net worth families have an increased exposure to risks such as identity fraud, cyberbullying, aggravated assault, car-jacking, home invasion, child abduction, kidnap and stalking. Some executive home policies will cover the costs associated with recovery from such events and also help prevent any reoccurrence.

6. CLAIMS SERVICE
We’ve had clients with claims and can attest to the difference in how claims are managed. For example, Chubb’s Masterpeice policy offers cash settlement options, choice of repairer and no depreciation on any item, to name but a few benefits. We’ve seen Chubb live up to their philosophy to ‘treat every claimant as we would want to be treated’. 
The following table provides policies highlights from the Chubb ‘Masterpiece’ Policy – a product we often recommend to high-net worth clients. This is a snap-shot only and full details of cover is contained within the product disclosure statement and policy wording.

<table>
<thead>
<tr>
<th>Masterpiece Policy Highlights</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Buildings</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Tsunami and flood</strong></td>
<td>Tsunami is automatically covered. Optional full comprehensive flood cover is available</td>
</tr>
<tr>
<td><strong>Extended replacement cost</strong></td>
<td>Coverage is not limited to the sum it is insured for – if it costs more to rebuild, it’s covered</td>
</tr>
<tr>
<td><strong>No alarm or lock warranties</strong></td>
<td>No penalties if an alarm is not operating</td>
</tr>
<tr>
<td><strong>Other permanent structures</strong></td>
<td>Automatically included for up to 30% of the building sum insured</td>
</tr>
<tr>
<td><strong>Landscaping</strong></td>
<td>Up to 5% of the building sum insured with a limit of $20,000 per plant</td>
</tr>
<tr>
<td><strong>Tree removal</strong></td>
<td>Up to $5,000 and also covers the removal of trees that are threatening to fall and damage your property or a neighbouring property</td>
</tr>
<tr>
<td><strong>Removal of debris</strong></td>
<td>Up to 30% of the building sum insured</td>
</tr>
</tbody>
</table>
| **Additional living expenses when you cannot live in your home following a covered loss** | • cost of reasonable extra living expenses  
• accommodation for pets up to $30,000  
• emergency clothing/essentials up to $5,000 following forced evacuation |
| **Modification costs to home following permanent disablement** | Up to $50,000 |
| **Lock replacement**         | Unlimited for house keys and up to $5,000 for car locking devices |
| **Construction works**       | Up to $200,000 or 10% of the building sum insured |
| **Contents**                 |  |
| **Replacement cost on all contents** | No depreciation is applied to any item or for any cause of loss |
| **No special limits for certain contents** | Including fine art, electronic and sporting equipment, computers and cameras |
| **Business Property**        | Up to $75,000 |
| **Food spoilage**            | Unlimited for food and $10,000 for wine |
| **No unoccupancy clause**    |  |
| **Jewellery sub limit**      | $50,000 any one occurrence and $25,000 any one item |
| **Precious metals sub limit**| $100,000 any one occurrence |
| **Relative in care**         | Up to $10,000 for the contents of a relative in care |
| **Business Property**        | Up to $75,000 |
A cautionary note on the risks of DIY (do it yourself). Insurance is not something you want to DIY. Often the risks of a DIY approach only become evident after something has gone wrong and you are left on your own in a complex insurance and legal argument with the insurer. We specialise in doctors’ business and personal insurances, including medical indemnity – and as a result we are often contacted by doctors who have had a claim declined, or an insurer impose unreasonable terms on them.

We’ve had insurers pay valid claims when their initial decision was to decline the claim. We’ve had doctors request our assistance where their medical indemnity insurer declined to renew their policy (which again we managed to overturn) and we are currently helping advise a doctor whose insurer increased his premium recently by over 100% Our knowledge of insurance legislation, insurers ‘Internal Dispute Resolution’ processes and your rights as a consumer to an independent review by the Financial Ombudsmen Service come to the forefront when there is a disputed claim or issue.

Equally, we have had doctors we have been unable to assist after the fact - as they simply purchased the wrong insurance, or didn’t buy other covers they required (such as public liability, employment practices liability, employee theft, cyber/privacy insurance etc). In these cases the common theme is the complete lack of advice they sought and they simply purchased a product on-line, or at an intern orientation event because the insurer gave out free pens.

Like patients come to you rather than Dr Google, consider outsourcing the management of your insurances to an expert insurance adviser – preferably one that specialises in the medical area.

Are some insurers better at paying claims than others? We believe so and this is certainly our personal experience over a range of insurance products and insurers. Issues reported in the media recently from Comminsure to Youi, suggest some insurers have work to do to improve their claims and sales cultures. We find it interesting that in the home insurance space, two of the most prevalent advertisers have taken out the top places in the Financial Ombudsmen Service ‘comparative tables’ for the “chance of a dispute”.

The FOS reported a median 17.4 disputes per 100,000 policies issued for the 2015/16 year. Hollard Insurance topped the table at 44.6 per 100,000 and Auto and General Insurance at 35.3
disputes per 100,000. These same insurers also topped the table for the previous year. These insurers are behind brands such as Real Insurance and Budget Direct.

You can view the tables for yourself at fos.org.au/comparativetables/2015-2016/

While the FOS tables paint a picture some insurers are more likely to be involved in a dispute (e.g. decline a claim), there could be other reasons such as these challenger brands are attracting a policy-holder base with a different risk profile. E.g. those purchasing from these new brands may be price-focused only, do not read the scope of policy coverage, may be more likely to lodge fraudulent claims or expect cover outside of the policy scope and purchase without the benefit of advice from insurance adviser, or the backing of an adviser at claims time.

Time to review your home and contents policy?
Please contact Chis Mariani on 0419 017 011 or chris@mgrs.com.au for an obligation free discussion. We will review your current policy and advise you on whether an Executive Residence policy may better suits your circumstances.

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The information provided in this article is of a general nature and does not take into account your objectives, financial situation or need. Please refer to the relevant Product Disclosure Statement before purchasing any insurance product.
HELPING YOU GROW YOUR PRACTICE

At ESV, we know how important your practice is to you. We serve as your accounting and business advisors, drawing on our experience from working with medical and dental practitioners to help you solve complex problems as your practice evolves.

EVERY STEP OF THE JOURNEY

We understand that medical practitioners face unique challenges at different states of the business journey. Whether you are starting out, growing your practice or planning your exit strategy, we can help you reach your goals at every phase of the business.

STARTING UP

Starting your own practice means you are not only a practitioner, but a small business owner as well. From choosing the right business structure to tax treatment and cash flow planning, we can help you set up your practice the right way from the very start.

BUSINESS GROWTH

Growing your business brings additional challenges – staff, property and bringing on partners. How you structure your practice, minimise tax and whether you should lease or buy equipment are just some of the questions we can help you with.

SUCCESSION PLANNING

We can help you draw up a comprehensive succession plan, including buy-sell agreements, insurance funding and advice on asset protection. We can also advise on appropriate estate planning structures and liaise with solicitors on your behalf.

“As medical practices grow, they will encounter many different and often unexpected issues. An advisor with a long-term understanding of your business can help you address challenges at each stage of the growth journey.”

Maree Macphail
ESV Partner
Jane Griffiths is Chief Executive at Day Hospitals Australia.

OUR VISION

Day Hospitals Australia is acknowledged as the peak Industry Body representing the sector and will continue to provide advocacy and support to the Day Hospital sector to ensure relevancy and sustainability. Day Hospitals Australia will position the Day Hospital sector as “First Choice” through ongoing support, promoting best practice, developing relevant partnerships and increasing professionalism of the sector.
Jane Griffiths outlines how Day Hospitals Australia plays a Major Role in Healthcare Delivery.

OUR HISTORY
Day Hospitals Australia, formerly known as the Australian Day Hospital Association (ADHA) and prior to that, as the Australian Day Surgery Association (ADSA), was first registered with the Australian Securities and Investments Commission (ASIC) on 1 July 1992. Our organisation is a membership-based public company governed by a Constitution that is required to meet the stringent legal requirements of ASIC.

Over the past 25 years, Day Hospitals Australia has grown considerably in membership and it was as a result of this growth that a Board of Directors was established comprising of industry peers nominated from the member States representing the day hospital industry as well as Independent Directors. Currently, the Board has seven members consisting of Directors (including one Independent Director) from Queensland, Victoria, New South Wales, South Australia, Western Australia and the Australian Capital Territory representing all day hospital members.

In 2014 the Board of Directors appointed the inaugural CEO (Jane Griffiths) to manage the operational activities of the organisation. It was also felt that it was time to rebrand the organisation so that it remained relevant in the private health care sector. A brand was sought that would better distinguish the organisation from competitors, more clearly communicate our purpose, have a name that reflected our role as the peak industry body and to position the Day Hospital sector for the future. The new brand ‘Day Hospitals Australia’ was successfully launched at our 2016 National Conference in front of 250 delegates on the Gold Coast in Queensland.

PEAK INDUSTRY BODY
Day Hospitals Australia comprises of multiple State/Territory Chapters located in NSW, QLD, SA, VIC, WA and in the ACT. They are local networks of members that share knowledge and information at a local and national level in working to develop and strengthen State Government and stakeholder relationships. Each Chapter has a Chairperson that engages members in quarterly meetings to discuss key topics impacting our sector and general matters of interest. Members are welcomed and encouraged to contact their local Secretariat (based in WA, SA and NSW) and/or Jane Griffiths – CEO, to seek support or advice on matters where they may require assistance.

As the peak industry body, Day Hospitals Australia provides members with support, representation, lobbying and advocacy. We are represented on various external Government and other stakeholder bodies both nationally and at State level. Currently, we are actively represented on the following committees/working groups:
- ACHS Council
- ACHS Standards Committee
- Australian Commission of Safety and Quality Private Sector Group
- Hospital Casemix Protocol Workshop and NHCDC Advisory Committee
- International Association for Ambulatory Surgery (IAAS)
- National Procedure Banding Committee
- NSQHS Standards Steering Committee
- NSW Health Private Health Facilities Advisory Committee
- Private Health Ministerial Advisory Committee (PHMAC)
- PHMAC – Improving the Value of Private Health for Rural and Remote consumers workshop
- PHMAC – Contracting and Default Benefits Working Group
- Prosthesis List Advisory Committee
- Standards Australia Committee: HT - 021 for the review of AS/NZS 3003, Electrical installations in patient areas
MEMBERSHIP BENEFITS AND SERVICES

Day Hospitals Australia delivers a range of services to members in addition to advocacy and lobbying, which includes access to resources and partnership agreements, opportunities to network through Chapters and Google groups and an annual national conference. Our aim is to work collaboratively with other stakeholders in the health care sector to improve the health care outcomes for Australian Consumers.

The range of benefits and services available to our members includes:

- Lobbying and Advocacy
- Networking
- Pharmaceutical and consumable products
- Medical Gases, Equipment and Services
- Insurance products
- Accreditation
- Qantas Club Membership
- Electricity and Gas Consultancy
- Quality Benchmarking
- Asset Finance or Lease Solutions for Capital Equipment
- Mandatory Staff Training - On-Line Competencies
- Telecommunications (voice/data/mobile)

- Annual Conference – discounted delegate rates
  Pro-rata membership rates currently apply, so it is a good time to join!

2017 NATIONAL CONFERENCE

Following on from the success of last year’s conference the Day Hospitals Australia 2017 National Conference will be held in NSW at the Sydney Showground within Sydney Olympic Park from Thursday 31st August – Saturday 2nd September, 2017.

Sydney Olympic Park is a large sporting, cultural and leisure complex in Western Sydney. Sydney Olympic Park is located 16 kilometres west of the Sydney central business district, in the local government area of City of Parramatta.

The Day Hospitals Australia National Conference will be offering delegates a combination of concurrent workshop and plenary sessions to ensure that a broad range of key topics is available to our delegates. Through the 2017 National Conference, you will be provided with the opportunity to:

- Be exposed to new and innovating ideas and ways of thinking
- Network with your peers and leaders in their fields
- Be inspired by profound and positive speakers
- Learn key skills needed for ensuring your facilities future
- View and experience the latest products and services available to the day hospital sector via our Trade Exhibition

Information regarding the 2017 National Conference can be found via our website with updates occurring regularly over the coming months - www.dayhospitalsaustralia.net.au

The Private Practice will be staging our first Day Hospitals Growth Strategies Workshop in Sydney from 1-2 April. For event and registration details CLICK HERE.

For more information regarding Day Hospitals Australia, please call: 1800 752 822, visit www.dayhospitalsaustralia.net.au or email: info@dayhospitalsaustralia.net.au
MARKETING YOUR PRACTICE PROPERLY REQUIRES A TEAM OF EXPERTS TO ENSURE THAT YOU ESTABLISH AND MAINTAIN A COMPETITIVE ADVANTAGE WHILE SEEING A STRONG RETURN ON YOUR INVESTMENT.

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Murray Howlett is the Tax Partner at Pilot Partners.
(Un)Limited Liability

Murray Howlett explains why contractors are your biggest tax risk.

Many company directors are unaware that they could be personally liable for unpaid superannuation payments for contractors and are potentially easy targets for the Australian Taxation Office (ATO). Tax specialist Murray Howlett explores why contractors can be kryptonite to business owners.

Limited liability has been an important building block of the western world’s commercial system since its introduction in the UK in 1855.

Because of limited liability, entrepreneurs have had the freedom to take risks and build successful businesses. If the risks didn’t pay off, then their liabilities were limited only to the amount unpaid on their shares (normally, nil).

For this reason the company structure has long been the ‘superhero’ of legal structures.

WHAT HAS CHANGED?

In recent times governments and regulators have grown increasingly concerned about businesses taking advantage of this protection. In particular, they are worried to inhibit so called phoenix activities, whereby business operators run their affairs with no intention of paying debts and relying upon limited liability to shortchange their creditors. The creditors usually being employees and the ATO.

Companies employing this strategy are essentially using limited liability as a ‘get out of jail free card.’

The rise of phoenix activity has forced the government and regulators to take action to protect employees and creditors. As a result, it has introduced laws that now pierce the corporate veil.

THE HIDDEN LEGAL TRAPDOORS FOR MEDICAL PRACTITIONERS

Although they have been in effect for some time, Director Penalty Notices (DPNs) are one of the most powerful weapons wielded by the ATO. A DPN will force a company to take action for any unpaid:

• Tax withholdings from employee wages (PAYGW); and
• Compulsory superannuation.

The DPN works by putting directors on notice that they will be personally liable for these debts unless they take prescribed action.

This also applies to directors of trustee companies who operate their businesses through trusts.

A common structure is for medical practitioners to receive their professional income through a company. In addition, they may separately operate a service entity that employs the staff, owns the equipment and incurs the business expenses, charging the medical practice a commercial administration fee. Typically, the service entity will be a company in its capacity as trustee.

The traditional DPN allows directors 21 days to deal with the debt. Its Achilles’ heel is that it could only be used to chase payments of known debts. If the company is not telling the ATO that it owes money, for example, by not lodging activity statements, then it can essentially fly under the radar.

Because of this, the ATO added an extra layer to these laws by introducing what are known as ‘lockdown’ DPNs.

This extra layer operates to make directors immediately personally...
liable for any PAYGW and employee superannuation that remains unpaid and where the existence of the debt is not reported within three months of its due date. The big distinction being that this extra provision ensures directors are immediately personally liable for the debts due as opposed to merely being put on notice.

With lockdown DPNs, once served, there is no opportunity to avoid the liability. Therefore, directors are no longer protected by placing a company in administration or commencing winding up after three months. Further, since the 2012 financial year, personal PAYG withholding tax credits for directors and associates are unable to be claimed on unpaid amounts.

DEFENCES

Directors are not liable for director penalties in limited circumstances:
• Due to illness or some other good reason, the director was not involved in the management of the company and it was reasonable for the director not to be involved; or
• The director had taken all reasonable steps to ensure compliance or the appointment of an administrator or commencement of winding up within the required time.

In addition, a director is not liable for a director penalty in relation to superannuation guarantee charge (SGC) where they can establish that the company took reasonable steps to comply with SGC obligations and had adopted a reasonably arguable position in respect of SGC matters.

In all cases, the onus is on the directors to prove that their actions were reasonable.

Resignation as a director is not a defence for liabilities incurred while that person was a director. However, DPNs will not apply to directors within 30 days of their appointment. This allows them time to take appropriate action as required. The three month timeframe for new directors will apply from the date of appointment, not from the date the debt arose.

WHAT CAN DIRECTORS DO TO AVOID RECEIVING A DPN?
• Ensure all ASIC records are kept up to date. Directors are still liable for the DPN even if posted to their former address. The ATO may also serve DPNs upon directors at their tax agent’s address;
• Ensure that the company is complying with its PAYG and superannuation reporting obligations; and
• Ensure that any outstanding Activity Statements are lodged as accurately as possible to avoid understatement and paid by the due date or as soon as possible.

WHAT CAN DIRECTORS DO TO AVOID BECOMING LIABLE WITHIN 21 DAYS OF THE ATO ISSUING A DPN?
• Pay the debt;
• Enter into personal insolvency; or
• Enter into an agreement with the ATO to pay the liability. However, they will immediately become personally liable upon a default of the company on one of these payments.

If the DPN remains outstanding after its expiration, the directors are then held personally liable and the ATO may commence proceedings to recover the outstanding tax debt or SGC from the directors of the company.

WHY CONTRACTORS ARE KRYPTONITE FOR MEDICAL PRACTITIONERS

Under current Australian law if you hire an individual as a contractor who is to be paid wholly or principally for their labour, they
are considered your employee for the purposes of superannuation. This is the case even if they’ve quoted an Australian Business Number or if you’ve agreed that their payment is to “include super”.

If superannuation is not paid in these instances and if the ATO is not notified within three months of the due date, the director then becomes personally responsible.

Any liabilities for unpaid super payments can easily go back many years not just the generally expected three or four year period.

This means that directors are unable to hide behind complex company structures or family trusts from backdated claims.

For example, if a contractor is paid $30,000 per annum, the employer has a $2,850 annual superannuation obligation. If that has been overlooked for a period of 10 years, the employer will find themselves personally owing $43,558 (the total amount includes interest and penalties).

ARE YOUR CONTRACTORS ELIGIBLE FOR SUPERANNUATION?

The ATO will generally accept that contractors engaged through a proprietary limited company are not due superannuation. Ensuring that all contractors your business engages use companies is then the best defence.

Alternatively, your contractors will only be liable to receive super if they are principally paid for their labour. The ATO states that super contributions must be made for individuals when paid:

• under a verbal or written contract that is wholly or principally for their labour – that is, more than half the dollar value of the contract is for their labour;
• for their personal labour and skills – which may include physical labour, mental effort or artistic effort – and not to achieve a result; or
• to perform the contract work personally – that is, they must not delegate.

In assessing this, the factors taken into account include:

• The level of independence - who, when, where and how the work is performed;
• Rates of pay and how they are negotiated;
• Who bears the responsibility and liability for losses;
• Their appearance to the world at large - does it look like they represent the company?

If your business deals with contractors then it is worth taking a look at their superannuation eligibility. The ATO has made it no secret that they are looking for revenue and it will be the first place they look.
Superannuation has had more air time in recent times than the US Presidency. Ok, maybe that’s a stretch. But coverage has been extensive. Sprinkled with delightful terms like non-concessional contributions, balance transfer caps, bring-forward rules.

Reaching for a Panadol?

Take a deep breath. Superannuation is still a highly tax-effective way for you to save for your retirement. Should it form a central pillar of most doctor’s retirement income strategies? In our view, absolutely.

But there is a deadline you should be aware of. The legislative changes that take effect on 1 July 2017 may reduce the amount you can contribute to superannuation. So if you’re in a position to boost your superannuation balance, the clock is ticking.

We’ll take a look at some of the changes in this article. But first, let’s bust some jargon...

Phillip Hines explains that time is running out before major super contribution restrictions kick in.

Phillip Hines is a Specialist Medical Senior Adviser at Perpetual.
NON-CONCESSIONAL CONTRIBUTIONS
Additional contributions you can make to your superannuation from your after-tax income. Asking yourself why you should bother putting this money into super, given you’ve already paid tax on it? It comes down to the potential earnings on these contributions – they will be taxed at a maximum of 15%, potentially giving you a better after-tax return than the same investment outside super.

BRING-FORWARD RULE
Currently, you can bring-forward two years’ worth of non-concessional contributions into your super, provided you are under the age of 65 as at 1 July 2016 and have not already triggered the bring-forward rule in the last two years.

And now, the superannuation legislation changes you need to consider carefully...

CUT TO NON-CONCESSIONAL CONTRIBUTIONS
This is particularly important if you are close to retirement and have the funds to boost your superannuation balance, as new legislation will significantly reduce the level of the non-concessional contributions you can make.

Currently, a non-concessional contributions cap of $180,000 per year applies or $540,000 over a three-year period when you trigger the bring-forward rule. From 1 July 2017, this falls to $100,000 per year and a maximum of $300,000 over three years, provided your total super balance is less than the $1.6 million, at which point you are no longer eligible to make non concessional contributions - thus reducing the amount you can contribute to super.

The advantage of triggering the bring-forward rule in the current financial year is that you contribute under the existing cap, which is more generous.

HOW DO YOU TRIGGER THE BRING-FORWARD RULE?
Under current legislation, if you’re under age 65 on 1 July you trigger the bring-forward rule by making a non-concessional contribution of more than $180,000 in a financial year. From 1 July 2017, you will trigger the bring-forward rule with a contribution exceeding $100,000 in a financial year, provided your total super balance is less than $1.6 million.

HEARD ABOUT THE TRANSFER BALANCE CAP VALUED AT 1.6 MILLION?
You can’t wear the cap – but you’ll have to wear the consequences.

From 1 July 2017, the Government will limit the amount you can transfer from the accumulation phase of your super (where you put money before you retire) to the retirement (pension) phase (where you draw an income stream as a retiree).

You will be able to transfer a maximum of $1.6 million from the accumulation phase to the retirement phase where fund earnings are tax-free. The good news is that should your super balance exceed $1.6 million, the residual balance can still remain in your accumulation phase (unlimited), where fund earnings are taxed at a maximum of 15%, which is likely to be lower than the tax rate on investments held outside of super.

It’s another reason why you should consider getting as much into super before the legislative changes come into effect on 1 July 2017.

PUT AWAY THE PANADOL – TALK TO A SPECIALIST ADVISER
The legislative changes to superannuation are complex, and we’ve only touched on a few in this article.

If you are fortunate enough to have a substantial super balance, or are in a position to bolster your superannuation with the bring-forward rule, timing is of the essence.

The rules of the game change significantly from 1 July 2017.

For an introduction to an endorsed specialist adviser that can guide you through the changes to make sure you have the right strategy in place, please contact Steven Macarounas at editor@theprivatepractice.com.au

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CAVEAT EMPTOR

Nihal D’Cruz is Underwriting and Risk Education Manager at MIGA.
Nihal D’Cruz explains the seven things to consider before you take the leap to buy into a medical practice.

Buying into a medical practice could be one of the most exciting and rewarding things you ever do. But it isn’t without risk and it is important that you approach a potential purchase with your eyes wide open!

In this article we outline seven key considerations when buying into a medical practice – they are by no means exhaustive and you will need additional advice, but having these in mind will set you on the right path.

1. PRICE

The final price to purchase a share of a practice will depend on several factors including the financial strength and the goodwill in the business.

The price should reflect the income earning capacity of the practice and the projected capital gain on the eventual sale of the practice or your interest in it. Your accountant can review the financial statements of the medical practice, to advise if the ‘price to earnings’ ratio is suitable based on the purchase price and to examine the profit distribution policy.

The financial statements of the practice can provide an insight into how the practice operates, the volume and cycle of ‘patient consults’ during a period, its profitability, and importantly, its expense structure.

In considering price, it is important to also assess the expenses of the medical practice ‘as a whole’ and how expenses are paid to third parties, together with each practitioner’s liability to contribute to expenses.

A sign of ‘ill managed’ expenses may reflect broader issues within the practice including the management of the business and it may impact on the ability to draw profits from the business.

2. CORPORATE STRUCTURE AND LIABILITIES

Practice structures can differ substantially and may operate as associateships, partnerships, companies or in some other form.

The legal risks associated with the practice will vary according to the corporate structure of the medical practice. For example, in a practice which operates as a partnership, all the partners may be liable for the liabilities of the partnership ‘as a whole’. Therefore, it is important to identify and quarantine any legacy liabilities and to confirm that the practice is up to date with the payment of its debts and employee commitments.

Check also whether financing arrangements are in place with external financiers and whether these liabilities are quarantined within the practice structure and whether additional guarantees are required.

Similar considerations also apply to other practice structures and it is important to negotiate relevant limitations, warranties and indemnities in relation to all past liabilities and debts.
3. CONTROL

It is important to understand how a practice is managed and the degree of your participation in decision making and how decisions are made in relation to:
- Capital expenditure;
- Employee appointments and termination;
- The disposal of valuable assets and renewals of leases;
- Budget approval and amendment;
- Borrowing; and
- Material changes to the operation of the practice.

If a practice is operating as a company under the control of its directors then you should examine the parameters of the directors' authority to make decisions which affect the practice.

If, as part of the purchase, you assume a role as a director, there are statutory director obligations and liabilities which will apply. Additional considerations apply in relation to shareholder participation, decision making and management if you become a shareholder of a practice.

Expansion of equity and the admission of new entrants into the practice are also a critical concern. The practice agreement should be reviewed to assess any procedure for admitting a new practitioner and its potential impact on the dilution of existing equity interests in the future. This may include identifying if there are any preemptive rights which may give a current owner an option to purchase an interest in priority to a potential new purchaser.

4. PARTNERSHIPS

What is a partnership?
At MIGA, members often contact us querying whether they are covered for liability they may incur where they are working in a partnership. In responding to this question it is important to consider the following:

A partnership usually arises where two or more persons carry on business together for the purpose of generating profits. A partnership is not in itself a legal entity and does not have a separate legal identity. The effect of this is that the liability of the respective partners for the financial obligations of the business are joint and several and potentially unlimited.

Are you actually working in partnership?
This is not always obvious.

In some cases doctors may be unknowingly working in situations where the practice arrangements might be deemed a partnership in law in circumstances where they did not believe a partnership existed.

Doctors may not operate in partnership but in an associateship or some other operational structure. However, on close scrutiny the characteristics of the arrangement may give the impression of partnership and this may have unexpected legal implications.

If a partnership exists or is deemed to exist, the potential effect may be:
- Any partner has the power to bind all the partners for the legal and financial obligations of the business
- Each partner is jointly and severally liable for the debts and obligations of the business while a partner. An estate may also be severally liable for the debts and obligations following the death of a partner
- Legal proceedings by a claimant may name all the partners but where such action is against a single partner, the fellow partners may be joined or subrogated against.

Practices in partnership should be fully conversant with the above and clearly understand the pros and cons of practising in partnership.

If you are in any doubt as to the status of a practice’s arrangements, we recommend obtaining legal advice on whether there are any risks the practice could be deemed a partnership.
Joint and several liability
In a partnership (other than a limited liability partnership) each partner is responsible for the obligations and debts of the business (joint and several liability) and a claimant may sue each and every partner. This is notwithstanding that the actual liability may arise from the acts of one partner. In this circumstance, the successful claimant may obtain judgment or have the matter settled for the full amount of the claim from any one of the partners (several liability). The ‘danger’ in practising in partnership, particularly where large financial losses are concerned, is obvious.

How does this affect you?
We recommend doctors practising with other practitioners in partnership or in arrangements that could be deemed partnerships carefully consider their responsibilities in terms of:
• Their joint and several liability, and
• Their vicarious liability for the acts of employees.

As partners may be jointly and severally liable to claimants, a partner may also be liable where a claim arises from an act, error or omission of an employee (vicarious liability) even though staff may not be working under their direct supervision and control. This may highlight the need for the practice to have in place its own practice insurance separate to the medical indemnity insurance arranged by each of the partners.

In essence, a partner can incur a financial liability in circumstances where they have no direct relationship with the claimant.

Are you covered?
Medical indemnity insurance with MIGA automatically covers the insured doctor where a claim arises from health care treatment, advice or service by another person or entity:
• With whom the doctor is jointly and severally liable by reason of partnership with the other party
• That is within the category or a lower risk category for which the doctor is insured
• In the conduct of the partnership.

Cover in these situations is limited to the doctor’s total liability divided by the number of partners in the partnership.

It is important that doctors ensure they obtain written evidence annually that their partners have current medical indemnity insurance in place. It is important to note that medical indemnity insurance provided by other insurers may not provide this benefit of cover, so you may need to check the cover your partners have in place.

We recognise partnership can create issues of concern and we can provide group insurance arrangements to minimise the potential for financial exposure in the event of a claim where partnerships are concerned.

5. PRACTICE MANAGEMENT AND BILLINGS
The policies, operations, management, technology and data infrastructure underpinning a practice may vary substantially. For example, older practices may have poor computer systems, billing and scheduling software which may inhibit efficient patient care or require extensive capital investment in the future, which may impact a new practitioner’s income earning capacity when faced with external debt.

Fundamental procedures concerning patient allocation and the billing policy of the practice are important, particularly for a new practitioner building up a practice.

The billings policy of the practice is a critical factor in any decision to enter into a business, in particular does the practice support bulk billing to ensure access to healthcare or the degree it relies on fee paying patients.

6. MEDICAL INDEMNITY INSURANCE ARRANGEMENTS IN THE PRACTICE
It is a requirement for registered doctors to hold a valid medical indemnity insurance policy. However, it is still optional for healthcare practices to obtain such a policy to cover staff. A common misunderstanding is that staff are covered under the doctors’ policies. Unfortunately, in most situations this is not the case. The value of a medical indemnity insurance policy for the practice cannot be understated.

Individual cover
Doctors are required to have a valid medical indemnity insurance policy as part of their registration requirements. This policy covers doctors for legal liability for claims arising out of any act, error or omission relating to healthcare treatment, advice or service connected with their Category of insurance – for example General Practice, Orthopaedics etc.
At MIGA, an individual doctor policy will only cover a practice entity that is owned and solely controlled by the doctor and which provides services solely for the purpose of practice by the doctor. This essentially means that if the practice entity is owned by more than one person or provides services to more than one doctor, the entity and all staff under that entity aren’t insured under the individual doctor policy.

There are five medical indemnity insurers in Australia that offer individual doctor policies. However, each insurer offers variations in their cover. Hence, it is important to review an individual doctor policy annually to ensure that it actually covers the doctor for the type of work that they perform.

It is also beneficial for practices to keep on file a copy of each doctor’s current Certificate of Insurance.

**Practice Insurance**

This insurance is similar to the individual medical indemnity insurance policy for doctors. It covers the practice and staff for legal liability for claims arising out of any act, error or omission relating to healthcare treatment, advice or service in the course of Business.

A number of medical indemnity insurers and commercial insurers offer practice insurance. While commercial insurers may offer slightly cheaper premiums, access to legal advice and claims services are limited. Therefore, it is essential to review the policy benefits and determine services that you would require in the event of an adverse incident at the practice.

MIGA offers medical indemnity insurance for healthcare companies. As part of the policy benefits, we offer insured practices 24/7 access to emergency medico-legal advice and personalised claims management services.

**7. CAREER FLEXIBILITY AND RETIREMENT OR OTHER EXIT CONSIDERATIONS**

On considering a purchase it is also important to consider if the practice is flexible enough to accommodate lifestyle changes and any ultimate retirement strategy.

There may be a range of matters to consider in this regard including:
- Preservation of the value of goodwill in the practice upon a subsequent sale or exit;
- The process, timing and notice of retirement;
- Access to and ownership of patient and practice records; and
- Any agreed methodology for the valuation of an interest in the practice.

The decision to enter into a practice or partnership requires proper analysis and we recommend you seek appropriate advice to determine if a practice is right for you. The seven considerations outlined in this article provide a good starting point.

It is essential to get the right team on your side when making such important decisions. At MIGA, our staff are trained and qualified to provide advice in relation to your medical indemnity insurance requirements. We can review your personal situation and provide you with the right advice in relation to medical indemnity insurance for your work as well as the practice.

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This is general information only and not a substitute for legal, accounting and tax advice. Please consult with professional advisers before making any decision in relation to the purchase of a medical practice.
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Confidence Rising

Paul Freeman explains their is Optimism High for Aussie Health Practitioners.

Australians are choosing to spend more on their health, and Australian health practices are reporting positive business conditions in the past six months, according to two reports on Australia’s health services sector released by Medfin and NAB Health.

Based on transactions made through NAB’s health claims and payment processing system, HICAPS, the NAB Health Consumption Indicator (NHCI) grew nationally by 3.4%, year-on-year in the September quarter 2016.

According to NAB’s Chief Economist Alan Oster, the data provides a unique insight into Australian household spending for patient care services such as speech pathologists, optometrists and physiotherapists.

“Health spending has historically outpaced growth in the broader economy and is generally in-line with wider measures of health spend,” Mr Oster said.

“Given around a third of all health spending comes from non-government private consumption, the scale of this data is exciting and tells us which types of health services are outperforming in terms of consumer spend, and even which regions are experiencing stronger growth than others”.

“This Indicator will help provide insights for both customers and practitioners alike,” Mr Oster said.

The positive outlook for the healthcare sector is supported by Medfin’s Practitioner Survey which reveals positive business conditions (+38) in the past six months, led by strong sales, profits and staffing levels.

Capturing data from GPs, dental and other practitioners, business confidence has been very strong among healthcare practitioners (+54) and is significantly higher than other sectors when compared to the broader economy (+1).

Commenting on the results, Cameron Fuller, NAB Executive General Manager Specialised Banking, said: “the services sector is critical to Australia’s future economic prosperity and it’s uplifting to see healthcare practitioners are feeling confident towards the future of their practices. “Strong demand in the past six months has helped to build industry confidence, and we expect to see these areas continue to grow amongst health practices in the year ahead,” Mr Fuller said.

Patient recommendations were identified by health practitioners as the most significant driver for growth, followed by an increased demand driven by the growing local population, and opportunities presented from online marketing.

Overall, respondents believed there were no ‘significant’ impediments to growing their futures; however, some practitioners are more worried than others. While all other practitioners rated government policy as a ‘minor’ constraint, GPs viewed this as ‘significant’.

“Increasing business costs will continue to be a challenge for health practitioners as they navigate the market and the burden of changing regulations. We’re expecting to see higher service charges which indicate that profit margins may erode,” Mr Fuller said.

“Our specialist NAB Health bankers understand these industry issues and opportunities and we are focused on partnering with our clients to help them grow their businesses or safeguard their businesses against challenges,” said Mr Fuller.
About the NAB Health Consumption Indicator (NHCI)

The NAB Health Consumption Indicator (NHCI) is a new measure of consumer spend on health services based on private household expenditure of practitioners that have a direct patient care role (such as speech pathologists, optometrists, physiotherapist and dentists). It excludes GPs, hospitals and pharmacies and does not include in-patient care or associated professionals such as nursing. NAB Health practitioners spend estimate is based on spend at HICAPS terminals.

About the Medfin Health Practitioner Survey

The NAB/Medfin Health Practitioner Survey is based on the responses of over 72 health practitioners across a broad range of services to discuss the changing business landscape in healthcare – including GPs, dental and other practitioners (e.g. hospitals, specialist medical, optometry and physiotherapy). The research aims to provide insights into the business landscape for healthcare practitioners, as well as their attitudes and business outlook for the next six months.

About NAB Health

NAB Health is a group of specialised brands (Nab Health, Medfin and HICAPS), financial solutions and dedicated health bankers who partner with healthcare providers to manage challenges and opportunities in the healthcare sector. The NAB Health Digital Hub offers advice and service to practitioners, from buying a practice, running a business, investing, insurance, super and tax requirements to selling a business: www.nab.com.au/health
The ever-growing size and complexity of healthcare construction projects requires the transition from “master builders” to specialized design professionals and construction managers. Service providers need to become reliable advisers rather than designers and builders only.

An integrated process where all aspects are covered from the business case, feasibility and planning stages throughout completion is the only way to deliver complex healthcare projects in Australia. Multiple factors can jeopardise the outcome of your new practice starting, from the feasibility and site selection to variations in time and budget due to the lack of coordination between different parties. The new trend in the international healthcare arena, and now finally being implemented by leading Australian companies, is Early Contractor Involvement (ECI).

Early Contractor Involvement applies effectively to our Australian complex healthcare environment.
HOW DOES IT WORK?

The model is developed by a multidisciplinary team that is able to collaborate to deliver your project with significant time and cost reductions, whilst minimising the risks. ECI is based on the partnership created by the client and a company that can leverage the process by adding value at every stage of the project. That company needs to have the capability and qualified staff to coordinate the various parties involved, but also the necessary knowledge of guidelines and regulations in the Australian healthcare industry. They also need to have a proven track record of similar projects delivered. The supporting network of consultants, specialised trades and equipment suppliers is also a key aspect to select your new partner in the design and fitout of your practice.

1. The first step is to determine the feasibility of the business idea. This used to be done by your accountant or financial adviser, often with no healthcare experience, but these days getting a specialised healthcare consultant with an overall knowledge of the process is key. You need to be able to determine if the business idea is financially viable, and if the market opportunities are achievable within your expected timeframe. Most importantly, you need to understand whether the relevant authorities will allow the business idea to be developed, and whether the market has space to allow your new business to successfully fit in. Once the project has been proven to be feasible you need to develop your business plan.

2. The business plan needs to cover your financial planning, operational management, budgeting, programming and market point of difference. The business case should be a comprehensive document that will enable you to find funding for the business or provide a detailed scenario for the investors. At this stage, you should have a clear view of the minimal space requirements, proposed location and your point of difference in the market that will position the new venture in the short and long term. The financial viability will also determine the capital needed upfront to finance the set-up, but also to keep the business operational until the patients’ database is sufficient to get the business started on its own. The main reason to use ECI at this stage is the different aspects that need to be covered under your business case: aspects such as property requirements meeting compliance, accessibility, location, size, etc., not to mention the fact that marketing positioning and workflow efficiencies require a multidisciplinary team to provide a fully comprehensive approach.

3. At this stage, you’re ready to get your team to test the market on your behalf. The brief is clearly established to inspect some properties that fit your business plan. The team will shortlist and prequalify some properties for you and start working on test fits that will determine the best use of space for the new practice. A detailed site feasibility should be carried through so you can have the best value for money on the new property.

4. Once you’ve decided on your property you are ready to go with your design and fitout project. I highly encourage our clients to get the same team from beginning to completion even if they tender the work on your behalf to your preferred contractors. They will make sure that the design is done as per the proposed budget and you won’t be hit with variations in timing or costing at the end of the project. You should have one point of contact that takes responsibility for delivering the project smoothly, with contact reporting.

THE BENEFITS

Benefits from Early Contractor Involvement to owners include but are not limited to improved schedule, cost, safety, and quality performance. The biggest benefit for practice owners and healthcare developers is the reassurance of minimising the risk of the project being held up due to unexpected factors.

An additional benefit for owners is the reduced involvement they need to have during the project development, allowing them to focus on their current business instead of the new venture. By having one point of contact from the beginning that can work on your behalf, interacting and...
representing your interests with all involved parties, will provide you the best utilisation of your time and funding in both the short and long-term.

As a lead provider of healthcare environments in Australia, we often get clients approaching us after they have signed the lease or acquired a property. At this stage, whilst we can still assist to deliver the fitout, the property is often unsuitable for a healthcare practice. There are many considerations regarding site feasibility so it is very important to get advice from the very early stages. An early engagement will guarantee that successful feasibility assessment is done on the property, to determine the suitability of accessibility, zoning, council permits, parking, base building works and any other related issues that will be required to meet compliance, and get the permits to start trading at your practice. This is only one example where ECI will add immeasurable value to your development by saving funds and time on the right property selection.

CONCLUSION

ECI is a new model that will alleviate the risks associated with your planning, design and fitout process. By having a multidisciplinary team engaged from day one, you can have one point of contact that will take full responsibility for the successful delivery of your business and practice.

The key is to engage a company that has a proven record of delivering similar projects successfully, and has the contractors and consultants’ network to provide the required input and add value at all stages of the project.

Costing is important during the development of your project, and needs to be planned and measured at all stages. However, when engaging your trusted company, take the decision based on capability, experience and the team’s skills rather than going for the cheaper option. The right team will be able to find more valuable savings during the process and minimise your time and involvement through a confident services’ delivery.

The main failures that we see on delivery of complex healthcare projects is the under capitalization of the project, as well as the lack of visibility and poor management of unknown factors during the delivery process. By spending more time during the business case and planning stage, the likelihood of having unknown variables during or after your practice’s development is reduced dramatically.

A capable team that can interface effectively with consultants, equipment providers, landlords, authorities and all other stakeholders is key to your success.

A collaborative approach which encourages teamwork, transparency and open communication is recommended, and an equal relationship based on trust, protected IP and shared know-how should be fostered. ECI is only just taking off in Australia, but has been implemented in numerous other countries for many years now. Successful projects are currently being delivered here under this model, including Day Surgeries, Private Hospitals and specialised care centres where the complexity of the requirements and infrastructure demands the constant management of a highly skilled team.
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Andrew Sinclair explores your lawyer’s role in creating practice value.

As your medical practice grows, you should maintain a focus on establishing maximum value at retirement. The Capital Gains Tax ("CGT") rules provide considerable concessions for small business proprietors, which includes medical practitioners and specialists. A retirement income stream generated by the sale proceeds from your business is an opportunity worth exploring.

A solicitor may be able to assist in this process. The following are some of the areas in which a lawyer’s assistance may provide additional value:

**EMPLOYMENT CONTRACTS WITH STAFF**

Good staff ensure the smooth operation of any business. Appropriate employment contracts should be provided to all staff. Employment contracts do not need to be lengthy documents. A lawyer can assist in providing a succinct but clear employment arrangement, which may well include restraints over employee’s leaving and potentially attracting key patients or customers.

The employment contracts should clearly set out the length of the employment contract, which may be ongoing subject to a specified minimum notice period for termination. The restraint could cover not only approaching patients (which may be more relevant for other medical practitioners leaving) but also that key employees are not to approach certain suppliers for a specified period.

**PREMISES**

The medical premises may be owned by the medical practitioner, leased from an unrelated third party or leased from a related entity.

Ultimately, the terms of the security of tenure need to be clearly spelt out to ensure that there is ongoing certainty that the medical practice may be conducted from the particular premises.
A solicitor’s assistance in this regard is important for a number of reasons. One of those is reviewing the amount of the lease payments (i.e. rent). An aspect that is often overlooked in relation to leases is any make good obligation. That is the obligation on a tenant to return the premises to a particular state at the end of the tenancy.

A make good obligation can trigger considerable financial cost at the end of a lease. It is important for any commercial tenant to review the terms of a lease prior to signing that lease to ensure there is full understanding of what the costs may be at the end of the term of that lease.

Options to renew a lease create certainty that if the premises prove to be appropriate, then the tenant may continue to occupy those premises by exercising an option to renew. If a business is of more value at a particular site, then ensuring the business can remain at that location is obviously very important to ensuring a maximum value is attained on sale. Therefore, factors relating to occupancy of the premises need to be considered and legal input is appropriate.

**BRAND/LOGO**

Many businesses are now establishing considerable value through their brand name or particular logo. That is the means by which the public immediately recognise the relevant business.

Trademarks can be an important mechanism to protect a particular brand. Such a trademark may well provide an asset for a business. The medical practitioner may arrange for registration of a trademark which provides a protection mechanism that prevents other users from using exactly the same image. This registered trademark can then provide an asset that over the course of time can grow in value and be sold to a potential purchaser of a medical clinic. It provides additional protection and additional value for the medical practice.

**TAX COMPLIANCE / DOCUMENTATION**

Most medical practices of considerable size will, throughout operation, have undergone considerable structuring to ensure the most tax effective outcomes are achieved for the various practitioners and their family members.

Such tax structuring is generally subject to potential Australian Taxation Office (“ATO”) scrutiny. Therefore it is prudent for all persons in business to review the tax arrangements to obtain confidence that, if there were any ATO review, the arrangements would stand up to such examination.

A common structure involving general practitioners involves a service agreement. That service agreement will involve a mark-up arrangement, in turn realising profits that may be distributed to family members of the relevant medical practitioners. Again, any mark-up arrangements will potentially attract ATO audit activity. Therefore, a lawyer’s assistance in ensuring that ATO guidelines have been satisfied is a prudent measure.

Any ATO audit can involve significant cost and resources of management. Any internal review done in preparation is frequently time well spent to ensure that the ATO examination can be promptly dealt with and the ATO then move on to their next tax review.

**RELATIONSHIP BETWEEN PRACTITIONERS**

The lawyer’s assistance is also appropriate in determining what precisely is the legal arrangement or relationship between the various medical practitioners. That relationship may be entirely independent of each other, the practitioners could be “partners” in a partnership or any number of alternative arrangements.

Perhaps most importantly amongst medical practitioners is the terms under which they enter and exit from the practice. In particular, what if any notice must be given if one medical practitioner wants to exit from the practice. Further, what conditions are there around that exiting medical practitioner leaving with patients or other valuable assets of the medical clinic? These issues ought to be addressed between the medical practitioners and it is appropriate that they be raised with a lawyer to ensure that they can be properly documented.

**CONCLUSION**

Your relationship with your lawyer should be one where you feel the lawyer is a valued contributor to your business. Ensure you have such a lawyer.