STOP & SMELL THE ROSES
The quest for work/life balance

DEVICE TECHNOLOGIES
Commitment to education

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EDITOR’S MESSAGE

STOP & SMELL THE ROSES

Work/life balance – the concept of finding a happy medium between working hard and enjoying our lives – has become a slogan of our times.

Many, particularly those in healthcare professions, dismiss the idea as unachievable, unrealistic and perhaps even undesirable.

The most common attitude to work and life I’ve observed among private practitioners is ‘work hard, work long, master your craft, establish your reputation, bring in the bucks, provide for the family, build assets, buy the big house and just keep going until you are past your use-by date and then collapse in a heap’.

Is it any wonder that 44% of doctors have chronic health problems (Davidson et al; Med J Aust 2003), or that divorce rates among doctors are estimated at 20% higher than those in the general population (Sotile WM, Sotile MO. The medical marriage: sustaining healthy relationships for physicians and their families. Revised ed. Chicago, Ill: American Medical Association, 2000).

I agree that the level of sacrifice, dedication and commitment to one’s profession should be compensated for financially, and that the obvious response, particularly from healthcare professionals who (due to prolonged study) have been late entrants to the workforce, is to work like mad and take good advantage of the disparity between demand for and supply of your services.

The problem is that working hard and not smart very rarely leads to achieving our desired lifestyle in a timeframe that allows us to truly enjoy it with the ones we love.

In our Autumn 2013 edition of The Private Practice e-Zine, we focus on this notion of work/life balance. We implore you to literally stop and smell the roses, and offer some practical tips on how to avoid burnout and make the best of the limited down time you allow yourself.

Of course, the most effective way of having a successful work and private life is to run your practice as a business. As simple as this seems, the great majority of practice principals just don’t get it.

Everything we do at The Private Practice is aimed at encouraging you to go to work on your practice, rather than going to work in your practice. By focussing on exponential growth and producing a successful business that can operate with or without you, you can be liberated from working yourself to death.

We hope you enjoy the latest offering from our network of education partners and invite you to participate in our 2013 course and workshop program.

Happy reading!

Steven Macarounas, Editor
editor@theprivatepractice.com.au
The Power of ‘NO’

Creating true work/life balance means knowing when to say one little word and learning how to say it with grace, writes Dike Drummond.
1. **Say ‘Yes’**

It’s crucial to say ‘Yes’ to the most important things in your life outside of your career before you do anything else. Generating true work/life balance means putting your life first. You can’t just give it lip service here – your actions have to match your words.

When you are a doctor, your career is like living with an 800-pound gorilla – he doesn’t care what you say; he wants to know what you are going to do to keep him under control. He needs firm boundaries or he will just muscle the rest of your life to the side and take whatever he wants. When that happens, any pretense of work/life balance goes out the window.

The most effective ways to show the gorilla you mean business are to:

- Reflect on what you want in your life outside of medicine – relationships, experiences, hobbies, etc. The gorilla will get his needs met automatically so you must be clear on what you want if you are to have any work/life balance at all.
- Make a list of the outside-of-work activities that are most important to you.
- Keep your list in full view to remind yourself that you have a life outside of work that needs your attention.

2. **Mark your calendar**

Your job here is simply to incorporate your non-work activities into your schedule several months in advance and imagine that they are set in stone. By saying a decisive ‘Yes’ to your personal work/life balance you are showing the gorilla your resolve. If your personal schedule is empty, that gorilla will make the assumption that you have nothing better to do and will run all over you.

It’s important to remind yourself that your partner, your children and your health don’t like that gorilla any more than you do – when they aren’t allocated a spot on your calendar they start to feel unimportant and uncared for.

When you schedule important non-work activities onto your calendar, you can really begin to focus on building up your work/life balance. So, if your family and your own health and wellbeing are in need of some attention, grab your calendar and take action now.

3. **Say ‘NO’ with conviction**

Now you have said a resounding ‘Yes’ to your larger life, you have a solid reason to say ‘No’ to the gorilla. When you already have a higher priority booked into your schedule, it’s time to start using the word ‘No’.

When the gorilla wants to knock your work/life balance out of whack by asking you to take that extra call or do some more charts at a time when you’ve already got something special booked – dinner with your children, date night with your significant other, a yoga class, a trip to Machu Picchu – you can respond by putting a smile on your face and saying: "I’m so sorry but I have another very important activity already scheduled at that exact time".

It’s amazing how quickly you can start training your gorilla and getting that balance back when you follow these three steps.

To learn a simple way to help keep your own personal 800-pound gorilla in check, please take a look at the ‘Life Schedule HACK Training’ on my website – [http://tinyurl.com/mdlifehack](http://tinyurl.com/mdlifehack). With just 10 minutes a week and your mobile phone, you can always be in a position to say ‘Yes’ to your life by saying a respectful ‘No’ to the excess demands of your career.
Gain an in-depth understanding of all aspects of establishing and managing successful medical practices, together with training on the actions, processes and habits required to establish and maintain your desired lifestyle.

2013 RANZCOG Private Practice Symposium – For Established Fellows & Practice Managers
SYDNEY Saturday 15th June 2013
This Symposium is exclusively convened on behalf of the Royal Australian & New Zealand College of Obstetricians & Gynaecologists. The course is presented for established Fellows and Practice Managers and even ‘soon-to-be-retiring’ practitioners and will address issues and concerns such as Business Planning, Financial Modelling, Succession Planning, Superannuation and Retirement Strategy.

2013 RANZCOG Private Practice ‘Comprehensive’ – For Senior Trainees & Recent Fellows
MELBOURNE Friday 24th - Sunday 26th May 2013
This ‘Comprehensive’ course is exclusively convened on behalf of the Royal Australian & New Zealand College of Obstetricians & Gynaecologists. The course is designed to assist senior Trainees and recent Fellows with the transition to private practice by introducing and providing training on business and financial principals that will underpin successful establishment and management of their business and personal lives.

Transition to Private Practice - The Private Practice ‘Comprehensive’ For Senior Trainees & Recent Fellows
MELBOURNE Friday 24th - Sunday 26th May 2013, SYDNEY Friday 26th - 28th July 2013
This ‘Comprehensive’ course is designed to assist senior Trainees and recent Fellows with the transition to private practice by introducing and providing training on business and financial principals that will underpin successful establishment and management of their business and personal lives.

2013 Business & Financial ‘Comprehensive’ for Dermatology Trainees and Fellows
SYDNEY Friday 26th - Sunday 28th July 2013
This course presents the very latest tips, ideas and strategy around Practice, Financial & Lifestyle Management for Trainees and Fellows. The 3 day Symposium offers a curriculum designed to encourage interaction between recent Fellows exploring employment and practice development/acquisition options and established practitioners seeking additions to their team and succession solutions.

Private Practice Symposium - For Established Fellows & Practice Managers
SYDNEY Saturday 15th June 2013, SYDNEY Saturday 27th July 2013
This Symposium is presented for established Fellows and Practice Managers and even ‘soon-to-be-retiring’ practitioners and will address issues and concerns such as Business Planning, Financial Modelling, Succession Planning, Superannuation and Retirement Strategy.

2013 Private Practice Dermatology Symposium – For Established Fellows & Practice Managers
SYDNEY Saturday 27th July 2013
The course is presented for established Fellows and Practice Managers and even ‘soon-to-be-retiring’ practitioners and will address issues and concerns such as Business Planning, Financial Modelling, Succession Planning, Superannuation and Retirement Strategy.

2013 Medical Practice Business Planning Workshop
SYDNEY 2nd August 2013
This one day ‘intensive’ workshop will provide a detailed analysis of the elements of a business plan, the theory and strategies behind effective business planning, together with a hands-on, interactive planning session utilising the MedPlan Medical Practice Business Planning software.
EVENTS

Private Practice Marketing Workshop, Sydney
15 March 2013
BUSINESS PLANNING

If you want to advance your business, Adam Basheer recommends getting to grips with the term ‘agile planning’ and being prepared for change.

There are always words that spread throughout the business world that we all are encouraged to understand and implement. One of the more recent is the term ‘agile’, used to describe the way in which one must operate to keep up with the world. In essence, it means the preparedness to change the current path we are on.

As an example, if you are developing a piece of software, you may have scoped it out very specifically and then realised it will take you 18 months to develop. But the market moves quickly and by the time your software is ready for launch the market requires something different to what you first scoped. Becoming agile is, therefore, the ability to change the scope mid-project to suit what the market requires.

This ability should be applied to every business. What we plan for now and what we will need in the future will change in the middle of the planning cycle. So, what we are really saying is that we need ‘agile planning’. You can scope out what will be required in the future to whatever level of detail you want to, but you must also understand the market will change, people will change, customers will change and the world will change within any reasonable timeframe.

Therefore, the ability to change that plan, and keep it current for the business, becomes paramount.

MAINTAINING AGILITY

What is a reasonable planning timeframe and how do you stay agile?

I have always prescribed that there must be a long-term direction. Call this a vision or mission if you like, but it really has to do with where you want to end up. This might be a seven to 10-year goal for the business, but that is not a plan.

After a long-term goal you need to shorten the timeframe of planning to two to three years, at most. This is where some strategic planning comes into play – creating direction versus the competition noticing changes in the market, and putting in longer-term plans to move with the market.

You don’t have to get everything down to the last detail but you should have a clearer picture of the larger steps you need to take to reach the long-term goals.

From this point forward, the smaller the planning timeframe, the better. Some will say 18 months and others 12 months. For most small business, and those in relatively fast-moving markets, the planning timeframe becomes just 90 days.

What are the key issues that need to be addressed, how are we going to address them, who is going to do what and when is it all going to happen?

During the 90-day period it’s heads down and focusing on getting the work done. After 90 days you can look forward again to see what has been achieved and what hasn’t before planning the next 90 days.

Of course, this doesn’t mean the plan will not change within the 90-day timeframe – it will. It’s just that 90 days is long enough for you to achieve something but not so long that everything will change around you. And that is agile planning in action!
“ACTION IS THE FOUNDATIONAL KEY TO ALL SUCCESS.” Pablo Picasso

FOCUS YOUR PRACTICE, CREATE ACTION, ENSURE YOUR PLANS CREATE SUCCESS

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VISIT NOW FOR 1 MONTH’S FREE TRIAL
Established back in 1992, Device Technologies started out as a specialist orthopaedic joint-replacement company. Twenty-one years on, this innovative entity has expanded to become the largest independent distributor of leading-edge medical equipment and consumables to healthcare professionals across Australia and New Zealand. STERIS, Intuitive Surgical, Arthrex, Silimed, Topcon and Pentax are just some of the brands that fall within its extensive portfolio of 30 product categories.

“Our mission is to enable superior health outcomes for patients by providing them with access to the best medical systems available worldwide,” explains Marketing Director Brent van den Berg, who oversees the company’s branding, along with media relations, clinical education and ensuring the brands distributed by Device are represented in the best light.

“Peter Ord and Kevin Ryan, two of the company’s original founders, are still very much involved in the business. Their objective is to make sure Device doesn’t just pay lip service – we are genuinely out there searching for the best technology that we can give patients access to,” he adds. “We are constantly travelling the world looking for groundbreaking technology.”
Device Technologies has three target markets – healthcare professionals, public hospitals and private hospitals. “We work very closely with each of our customers and the entire business revolves around relationships. That means ensuring we are well trained and educated regarding the brands and clinical expectations before educating our customers on how to use new technology,” says Brent. “As soon as a healthcare professional, or hospital, invests in one of our products, there is instant interaction with the relevant Device team.”

Besides strong customer relations, what sets Device Technologies apart from other medical-equipment distribution companies?

“It’s a case of us making sure we have the clinical background in order to take our customers on a complete journey, including full training and ongoing support,” says Brent. “We offer advanced products and services, and we take education and training very seriously – we’re not just selling a product, but a whole package.”

Brent cites a program called the Executive Connection as a good example of Device making sure customer service is always taken to the next level.

“Our Executive Connection program is where CEOs and department heads interact,” he elaborates. “We take customer feedback on board to ultimately deliver positive results for patients.

We discuss what our customers want and the groundbreaking technologies available, and then we explore the opportunities that will allow us to meet these demands.”

In addition, the company is directly involved with product research and clinical trials. “In order to help our customers provide superior patient outcomes it is important for us to be involved with clinical trials, which are done in collaboration with our overseas partners,” says Brent. “We aim to exceed expectations at every step and we really appreciate doctors coming back to us with wonderful stories about how the products we represent have helped people to enjoy their lives.”

Looking forward, Brent says the future is bright for Device Technologies and its collaborators. Having recently acquired Advanced Skincare Technology – a leading provider of clinical skincare products and treatments within the Australian medical cosmetic market – Device Technologies has further bolstered its presence in medical aesthetics and is now an integral part of the high-end skincare industry.

“We haven’t just purchased the company but are now investing in more skincare research and technology in both Australia and New Zealand. We’ve also recently launched the company in the US and we’re looking at the UK market,” he concludes. “It’s an exciting time for everyone involved.”
What do you use da Vinci robotic technology for?

I use the robot for all my major surgery and I have a practice that subspecialises in robotic urological surgery. I perform robotic prostatectomy, robotic radical cystectomy and robotic kidney surgery, such as partial nephrectomy, nephrectomy, nephroureterectomy and pyeloplasty. I also sporadically perform less-common procedures such as robotic bladder diverticulectomy and robotic ureteric re-implantation.

Please describe the technology and how it works.

The da Vinci robotic platform is truly the most advanced surgical platform available to surgeons. It allows us to perform technically demanding operations by minimally invasive keyhole surgery in a very precise manner. The da Vinci is a master/slave robot with no autonomous features – i.e. the da Vinci (slave) copies the surgeon’s (master) movements.

The robotic cart has four arms that reach over the patient. One arm holds a 3D high-definition camera and the other three arms hold various surgical instruments. These arms can all be introduced into the patient through small keyhole incisions. The surgeon sits in a surgical console, which has a 3D high-definition viewfinder, two master controls (like advanced joysticks) and foot pedals. The surgeon looks into the viewfinder and uses the masters and pedals to drive the ‘slave’ robotic instruments.

What are the main advantages of this platform?

- **The magnified x 10, 3D high-definition vision:** This is a big advantage for the surgeon – you operate very close to the tissue with a magnified high-resolution view. It allows for what I describe as ‘intimate’ operating.

- **The miniaturised wristed instruments:** The tiny keyhole instruments have wrists that provide movement with seven degrees of freedom, making them more dexterous than the human wrist.

- **The scaled motion and tremor filtration:** With the scaled motion you can adjust how much the robotic instruments move relative to the surgeon’s hand movements, from 1:1 to 1:3 to 1:10. The tremor filtration means that hand tremor, which is present in everyone, is completely removed.
• The console system: The console displays its 3D image above the hands of the surgeon, which gives the surgeon the illusion that the tips of the instruments are an extension of the control grips and the impression of actually being at the surgical site.

How has the da Vinci system changed the way you operate?

It lets me perform surgery in a precise and intimate manner, and once you become truly proficient at it you don’t want to operate any other way. I now perform all my major surgery with the da Vinci platform. Many procedures are technically demanding and are otherwise not possible to perform as a minimally invasive procedure.

This provides obvious benefits to the patient, with quicker recovery, less pain and less scarring both inside and out.

Describe your relationship with the team at Device Technologies and how you work in partnership to achieve the best patient outcomes.

If you want to do robotic surgery at your hospital, you will deal with Device, which is the sole distributor of the technology in Australia and New Zealand. Device has played an active role in helping surgeons and hospitals to establish robotic surgery in this part of the world.

When I returned to Australia from the US, commencing a robotic surgery program at the Wesley hospital was a big task. Starting a program requires a focused team working together to ensure that each patient receives the best outcome. Device Technologies was invaluable in ensuring that our robotic surgical team – from nurses through to anaesthetists – received the appropriate education, resources and technical support, and they put a strong focus on patient outcomes and patient safety.

This collaboration has been ongoing and is coordinated via our local Device Technologies specialist, Lisa Kirsch. It has been a positive collaboration all round. ☺️
**ACCOUNTANCY**

# Well Structured

Will incorporating your medical practice bring benefits, or is setting up as a sole trader the way to go? **Julie Smith** offers some expert advice.

As tax advisors, one of the most common questions we hear at William Buck from our medical clients is: “Should I carry on my practice through a company?”

In the past, many medical professionals incorporated their practices for a number of reasons, including the perceived benefits of limited liability and the belief that the company can retain profits and that companies have access to better deductions for superannuation contributions.

Are these still good reasons to incorporate in today’s business and taxation environment? And what are the benefits of incorporating versus operating through an unincorporated structure (sole trader)?

## PROS & CONS

Listed below are some of the benefits and disadvantages of operating a medical practice through a company and as a sole trader:

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<th>Sole trader</th>
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<td><strong>Benefits</strong></td>
<td><strong>Benefits</strong></td>
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<tr>
<td>• Some level of limited liability may be available, but would depend on the nature of the claim.</td>
<td>• Inexpensive to establish.</td>
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<tr>
<td>• Ability to pay tax on income monthly, which can ease the strain on cashflow.</td>
<td>• Sole trader profits are not subject to payroll tax.</td>
</tr>
<tr>
<td><strong>Disadvantages</strong></td>
<td><strong>Disadvantages</strong></td>
</tr>
<tr>
<td>• All profits must be paid to the doctor by way of wages or superannuation.</td>
<td>• No access to corporate limited liability – your personal assets may be accessed by creditors to pay business debts.</td>
</tr>
<tr>
<td>• Exposure to payroll tax in relation to salaries and superannuation paid to staff (including those paid to the doctor).</td>
<td>• Your tax bills are less regular, so you need discipline in saving for your tax as you earn your money.</td>
</tr>
<tr>
<td>• Cost of establishment and annual compliance and regulatory costs apply.</td>
<td>• We understand that corporate limited liability usually does not apply where there is a failing on a professional level.</td>
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As you can see, there is no great tax benefit in structuring through a company. On this basis, it is often our advice to structure your practice through a sole trader – it’s the simplest and most cost-effective structure. This will not apply to everyone however, and you should discuss your own particular circumstances with a tax advisor before deciding how best to structure your practice.
Do you hear the whisper?

Just when you thought the best was out of your reach, now you can have it!

COMING SOON...

Register your interest: info@seeforth.com.au
It’s hard enough for any of us to consider taking a vacation in the current economic climate, let alone those of us responsible for the health of others. If you’re anything like the doctors I spoke with, you might actually be afraid to take a vacation.

So, how do you do it, especially if you work alone?

It comes down to facing up to the realities of the profession, doing some planning, and a certain amount of letting go. I spoke with several health professionals to understand what their struggles and solutions have been when planning time away from work.

1. Walk Before You Run
When you’re going solo, it can take a few years before you’re able to plan a big trip, but that doesn’t mean you can’t take a vacation. Instead of aiming for two weeks off, start small and perhaps give yourself a Friday off every other week.

Dr Debra Jaliman, a New York City-based dermatologist and author of Skin Rules: Trade Secrets From a Top New York Dermatologist, didn’t take a vacation for the first two years after she set up her practice 27 years ago.

“If you’re afraid to take a whole week off because you’ll lose patients, you could take long weekends,” Dr Jaliman says. “That’s a way you don’t really lose patients, I find, because they can get you during the week.”

2. Call in Reinforcements
You might be concerned that if you call in a covering physician, some patients will leave your care for theirs. There’s of course a chance of that, but don’t let that stop you. It will be better for all of your patients – not to mention your own well being – if you take time off and don’t get burned out.

As Dr Jaliman explains, solo-practitioners need to “take their vacation, because you’re of no use to anybody if you overwork. I think you need to come back refreshed; it’s good to take time off.”

Dr Jaliman leaves her full staff of 10 in the
office when she’s vacationing, staying on call to back them up, with a registered covering physician as a last resort.

Dr Travis Dierenfeldt is a GI doctor who lives in a small community in Kansas where he has solo-practiced for 12 years. He was able to vacation in his first year – but found himself fielding phone calls in airports.

His patients know when he goes on vacation – the office sends out a letter informing them ahead of time – and he has developed a kind of “informal cross-coverage” with the other GI specialist in town. (He concedes that this approach might not work as well in a larger community, however.) He also has a physician’s assistant, and the State of Kansas requires a registered covering doctor to be on record for his patients when he leaves.

Dr Joshua Charles, a solo-practice chiropractor based in Toronto, is three years out of school and into his practice, and has only taken one vacation during that time. He hopes to hire a physician’s assistant as his practice grows, but in the meantime has two full-time receptionists in his office to field calls and schedule appointments while he’s away.

Choose the option that works best for your particular practice, your patients, and your personality.

3. Establish Boundaries with Patients

You’re either going to have to work to set boundaries with your patients or end up never being able to feel like you’re fully away from work. Implementing this rule will vary, depending on what branch of medicine you’re in and on your personality.

Dr Jaliman admits that she has probably made herself too available to her patients:

“A lot of people have my cell phone number and they text me, they email me; people have access to me. I never really have a full vacation where I can say, ‘I’m totally away from it all.’

Even when I was having my daughter, people were calling me in labor. From the time I became a dermatologist, I’ve always had some interaction with my office or my practice or my patients.”

Dr Dierenfeldt, in addition to informing his patients ahead of time about his vacations, chooses vacations that tend to render him unavailable – such as on cruise ships, which don’t get great wireless reception.

However as technology advances, there’s soon to be no place that you’re completely out of contact with the world. So with medicine as your calling you’ve got to decide: are you willing to be unavailable for someone’s inevitable emergency?

4. Plan for the Financial Impact

Dr Charles took his first vacation this year: a 20-day trip to South America. But it did sting a little. As he explains:

“Because I’m in private practice I only get paid when I treat a patient, so I found that not only did I lose 20 days of potential earning income where I literally made $0, but I found that it was also slow one week before I left, and when I came back things were slow for about 5-10 days. So, really, my income was essentially decreased for about 30 days.

When planning to take a trip, you need to factor in the cost of the trip, the loss in income while you’re away, the cost of paying your staff and ongoing practice expenses in your absence, and the chance of things being slow to pick up again once you return.

Until he hires assistants, Dr Charles has a new strategy for future trips: long weekends. He plans to “take three days off, maybe add another two days and go somewhere not too far, versus taking 20 days off – that was really tough.”

5. Unplug Yourself

If you really want to get away from it all and relax, you’re going to have to be at least partially disconnected from technology when on vacation.

Dr Dierenfeldt relates the story of a colleague who was “on his honeymoon on the beach in Australia answering his cell phone.” With his physician assistant and covering physician, Dr Dierenfeldt feels more comfortable leaving for vacation with the family now than when he first started.

“I think it depends on your personality, on how much you’re able to let go. But for me, now that I’ve got a little bit of a backup when I’m gone, it’s made it easier,” Dr Dierenfeldt says.

Create policies for yourself on how often and under what circumstances you’ll stay connected. For instance, you might commit to checking email and voicemail only in the mornings. Tell your staff or patients to text you and voicemail only in the mornings.

You’ll stay connected. For instance, you might commit to checking email and voicemail only in the mornings. Tell your staff or patients to text you and voicemail only in the mornings.

And go have a drink on the beach. ☺
Structurally Sound

Having a well-planned and soundly executed IT system in place will minimise the risk of things going horribly wrong down the track, says Rafic Habib.

As with any other business, the cost of setting up a new medical practice is an exercise the owners will bear and struggle with for some time, especially where the cost exceeds the amount budgeted for.

Having been involved with a number of projects over the years, I have seen the whole range of possibilities when it comes to things going wrong – from delayed building works to wrong data cabling to under-scoped IT systems. For the purpose of this article, however, I will focus on the IT component.

Putting it simply, the cost of IT set-up, at face value, outweighs the benefits, which are invisible at this point. The benefits of a properly structured system are not limited to the system doing what you need it to do immediately – a car is a car, not a truck or a lawnmower, yet any one of those vehicles will get you from point A to point B.

There are a number of things to consider when making IT choices, including your safety or the safety of your data, the reliability of the systems and recoverability in case of problems.

The structure of your IT system must be planned and then executed to plan, taking into account redundancy for the system and data protection. As a clinician there are two irreplaceable components to your practice – you and your data.

At ISN Solutions, we have heard of cases where practice data has been lost on a mass scale, practices systems have been hijacked for a ransom and staff have left abruptly and taken the practice data. We’ve also encountered businesses that have had to purchase new equipment just a few months after starting out, as their original equipment was no longer up to the job.

These scenarios demonstrate a lack of forward planning and cutting corners. That’s not to say systems don’t fail and things don’t go wrong, even when you plan ahead, but if a plan is followed and a proper process is adopted, then the risk is lowered.

FUTURE PROOFING

It’s important to remember that the initial setup process is only the first step and, in my view, the more crucial aspect is the long-term upkeep of the system, especially as a practice or hospital increases its business and patient intake. When a system breaks down – and, like everything, they can and do – you need to be able to rely on an organisation with the expertise to deal with the situation and a willingness to be accountable.

Even with a properly planned, designed and executed system there is the risk of over-planning and over-capitalising. However, it is easier and cheaper to maintain a properly structured system than a less-structured system, especially when you take into account loss of productivity.

So, how do you achieve a properly structured system? The answer usually lies within a properly structured IT company. A reputable company will provide you with a well-structured system, a well-structured budget and properly documented processes, backed by good support.

With regards to which IT firm you choose, keep in mind that geographical boundaries are less relevant in today’s world – over 80% of support calls are now dealt with remotely.

Having said that, I do encourage you to visit the firm in question, see how their office is structured, observe how their people behave with calls and towards guests, and note how their offices are laid out and how they capture all the documentation and issues related to your site.

In the famous words of Winston Churchill, “He who fails to plan is planning to fail.”

Rafic Habib is Managing Director at ISN Solutions.
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The share market fell in March, for just the second month since last June. The ASX200 declined by 2.7% but remains up 6.8% for the year to date. Including dividends, share investors are 8.1% ahead so far this year. It’s made a lot of difference what sector investors have been in.

So far this year, consumer discretionary stocks have risen by 16.4% and the banks by 15.5%, while the resources sector has declined by 7.5% and materials stocks by 9.3%. The US share market had a far better month, with the S&P500 index rising by 3.6%, to be up by 10% so far this year. Remarkably, the S&P rose in 11 of the 13 weeks of the March quarter. This index finished the month at an all-time record high.

Once again, a European country was the cause of the Australian market’s blues. In this case, for the first time ever, the market was depressed by the tiny Mediterranean island of Cyprus.

Cyprus is the third smallest nation in the eurozone. Its banking system is in a lot of trouble, in part because it has made a lot of loans in Greece. It thus asked for aid from the Troika (the European Central bank, the International Monetary fund and the European Commission) to bail out its banking system. It thus followed Greece, Ireland, Portugal and Spain, each of which has previously been ’bailed out’.

As a condition of supplying aid, the Troika asked that the Cypriot banks make a significant contribution themselves, and a plan (plan A) was hatched to impose a tax on all Cypriot bank deposits, including those of less than 100,000 euros.
The issue with this is that deposits of less than 100,000 euros are guaranteed throughout the eurozone, and any tax on such deposits violates this system-wide guarantee. If this can be done for Cyprus then, many would argue, it may be tried again at a later date in a more significant country. If it were thought that this could be applied as a remedy elsewhere, then the merest hint of trouble in the future could lead to a bank run, and that’s what has to be avoided at all cost if the eurozone is to survive.

Within a week, Plan A was replaced by Plan B, which dealt only with the two largest banks in Cyprus, and taxed only those deposits above 100,000 euros. The size of the ‘haircut’ will be at least 40%, and may be as high as 60%.

Plan B is a long way from perfect. Many of those deposits are owned by foreigners, particularly Russians, for whom Cyprus is a tax haven. Such a tax is not likely to encourage growth in the ‘tax haven’ industry! Russians are estimated to hold about one-third of all bank deposits (by value) in Cyprus.

To prevent money from leaving other Cypriot banks, capital controls have been imposed. This means a euro inside Cyprus is no longer equivalent to one elsewhere, which violates a fundamental tenet of the currency union.

SURVIVAL MODE
There is no happy ending in this for Cyprus. By the time it has worked through its problems, its economy is likely to have shrunk by about 20%. Apart from its status as a tax haven, Cyprus, which joined the eurozone as recently as 2008, relies on tourism and some offshore energy to survive. It is used to shrinkage; the Cyprus economy is estimated to have contracted by close to a third when Turkey annexed a large part of the island in the mid-1970s. But whatever happens to Cyprus really doesn’t matter in a direct sense.

The economy of Cyprus is smaller than that of the Scranton area in Pennsylvania. Most readers will never have heard of Scranton, and there’s a good reason for that. It’s very unlikely that anything that happens there would have a great direct effect in Australia.

Scranton is the sixth-largest city in Pennsylvania. For those who want to know more, it’s the hometown of Joseph Biden, and a sister city to Ballina, but the one in County Mayo rather than the one in New South Wales. Perhaps most importantly, it is the home of the famous Dunder Mifflin paper supplies company. The point of this digression is to highlight just how small Cyprus is; its GDP is about 0.03% of global GDP!

In my view, Cyprus will be a one-month wonder, but what this episode has done is raise the tail risk of a catastrophic ending to the entire European debt issue. This risk is still very small, however.

Other international issues remained in the background. In the United States, mandatory government spending cuts began in early March, but the US economy seems to have been little affected to date. Congress even passed a further continuing budget resolution, thus avoiding a Federal Government shutdown. Early forecasts suggest the US economy will record GDP growth of close to 3% (annual rate) in Q1, and the housing recovery is clearly continuing.

ECONOMICS & MARKETS

The uncertainty continues in Italy, with very little likelihood now of a second election before September or October. An earlier election, say in June, would have required that the current president resign before the end of his term on 15 May. He can’t dissolve parliament and thus bring on a new election in the last six months of his term, and he has shown no inclination to resign early so that his successor could do so, with the obligatory 45 days notice, before the country effectively shuts down for the summer.

It is thus possible that the current Monti government will remain in place for some time yet, or that it will be succeeded by an institutional government – a committee of ‘wise men’ (some sexism there!) agreeable to the major political parties. If the latter were to occur, this would obviate the need for a second election.

THE AUSTRALIAN ECONOMY

In the month, we learned that the economy grew at only a moderate rate in the second half of 2012. The news about the labour market was decidedly mixed, with the employment growth reported for February clearly too good to be true and the vacancy data for the same month unbelievably bad. Slow credit growth suggested that Australian businesses are still very cautious, but the January retail trade report was much better than those of recent months.

The Reserve Bank opted not to cut rates in early March, and also stood pat on 2 April. It still has at least a soft bias to ease, being cognisant of the need to cushion the economy when the mining capital spending boom peaks, as it surely will. ☞
A practice manager recently mentioned to me that practice principals spend much of their time in their consulting rooms and only brief amounts of time in the reception area. Yet they are ultimately responsible for the actions of the practice staff.

While it’s not feasible for any doctor to monitor every aspect of the practice at all times, developing and implementing systems, policies and procedures allows the principal to set out the practice’s standards and ensure consistency.

Marketing a medical practice is about more than a clever logo, colourful business cards and good signage. Well-designed and implemented systems, policies and procedures are important tools that add value and marketability to any practice.

In most cases, practices are marketing themselves to one or more of three target audiences: potential partners as part of succession or transition planning, potential referrers and patients.

Each of these target audiences will value the fact that your practice has a consistent approach to the key areas of practice management – human resource, financial, patient and risk management.

Having clear systems, policies and procedures in place will deliver a multitude of invaluable benefits to your practice, writes Anna-Maria Gibb.

### ATTRACTING NEW PARTNERS & PRACTITIONERS

When trying to attract new practitioners to your practice, you are competing with both other practices and the opportunity doctors have to set up a new practice. The challenge is being able to demonstrate the benefits of joining an established practice over starting a new practice. While the costs will be significant for both options, being able to demonstrate that the established practice has systems in place will provide potential partners and new practitioners with peace of mind and won’t require them to reinvent the wheel.

### Legislation, Standards & Codes of Practice

A practice’s systems, policies and procedures should cross-reference with the relevant Standards, Codes of Practice and legislation. Depending on your practice, the Royal Australian College of General Practitioners’ Standards for General Practice or the recently released National Safety and Quality Health Service Guidelines will be important considerations for the practice.

These standards focus on:

- **Practice Services:** Access to care and continuity of care.
• **Rights and needs of patients**: Culturally appropriate care, patient engagement in their own care, provision of health information to patients relating to their treatment, medication and risks and benefits.

• **Safety, quality improvement and education**: Clinical governance, education and training of clinical and administrative staff, and quality improvement activities.

• **Information systems**: Privacy and confidentiality.

• **Practice facilities and access**: Practice equipment, physical access, safe and quality use of medicines, and infection prevention and control.

• **Risk-management systems**: Processes for monitoring and reviewing the safety and quality of patient care, patient identification and procedure matching.

**Human Resource Management**

A prospective partner will be reassured if they can see that the practice has systems, policies and procedures relating to human-resource management. Successful recruitment processes help the practice to recruit the best staff, while a comprehensive induction program allows those new staff to have a clear understanding of their roles, accountabilities and expectations.

There are clear performance-management processes, which include clear guidelines for the management of workplace issues. The Human Resource Management system is able to identify training needs and determine appropriate qualifications and professional development opportunities.

Critically, it ensures the practice complies with awards, the Fair Work Act and the Work Health Safety Act.

**Financial Management Systems**

Systems for financial planning and control enable regular and accurate monitoring of the practice’s financial position to ensure the ongoing viability of the practice. Well-developed internal systems support compliance and help to identify any issues before they become major problems.

Financial management includes:

• Basic financial requirements, including expenses related to patient services and practice overheads.

• Administrative and financial issues relating to the financial viability of the practice on a day-to-day basis and compliance requirements such as taxation, Medicare and health funds.

• Internal issues, including cash flow, fees and managing expenses.

**Technology Management Systems**

The increasing prevalence of technology means systems need to be developed and implemented to ensure the practice has policies and procedures to maximise the effective use of technology and minimise any associated risks.

Policies and procedures should cover:

• Computer security for hardware, software and information, especially patient health information.

• Controlling access to data and ensuring its security.

• Disaster recovery planning.

• Email, Internet and social media.

• Patient electronic communication.

• Secure communications with other healthcare providers.

The risk of not having systems in place to manage technology usage could create significant legal and administrative issues for the practice.

**ATTRACTING POTENTIAL REFERRERS**

Earlier we identified three target audiences when marketing a practice. Systems that encourage potential referrers will also appeal to prospective partners, who will appreciate
Websites That Attract Patients

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the strategic, proactive approach to monitoring and managing referral sources. Business networking groups are booming, with businesses recognising the value of qualified referrals. People like being able to refer clients, suppliers, friends and family to organisations they trust and know will provide high-quality services. If your practice’s ongoing viability and success depends on referrals, it is important to acknowledge that importance and to have systems in place to monitor and manage referral sources.

To attract potential referrers and maintain good relationships with them, practices should develop systems that:

- Monitor the number of newly referred patients.
- Monitor the source of referrals, including strategies for maintaining regular contact with referring clinicians.
- Proactively seek new sources of referrals.
- Promote the skills, qualifications and experience of the practitioners.
- Support excellent communication processes between the practitioner, patient and referrer, including recall and reminder systems, follow-up procedures and reporting.
- Apply a consistently high level of customer service standards for patients at all stages of interaction and communication with the practice.

There are an increasing number of practices being set up, with competition for patients increasing. Practices cannot assume that referrals will automatically and indefinitely meet the practice’s requirements for profitability and development.

Systems that specifically target referral sources add value to the practice and again demonstrate a commitment to proactive practice-management strategies.

ATTRACTING PATIENTS

First impressions count, and reception and front-desk staff are often referred to as 'Directors of First Impressions'. Developing your practice’s desired standards for dealing with patients and implementing those standards consistently is an important step in the success of your business.

Studies into the reasons patients choose a practitioner reveal the decision is often made based on a practice’s physical appearance, the friendliness of the doctor and staff, waiting times for appointments and at the practice, and recommendations by friends and family.

In many cases, the selection of a specialist practitioner is based on a referral provided by another practitioner. The patient will trust the recommendation of the referring practitioner, considering them to have ‘expert power’ due to their knowledge and skill.

Systems, policies and procedures to manage patients have numerous benefits for the practice, primarily through increased patient satisfaction. Systems focused on attracting patients include:

- Clear, concise and comprehensive communications via all channels, including telephone, website, electronic communications, printed materials and in the practice.
- Consistent procedures for managing patient appointments.
- Consistent follow-up procedures.
- Encouraging patient engagement and involvement in the design and delivery of care.
- Procedures encouraging patient feedback and complaints handling mechanisms.

Have you Googled your practitioner and practice name recently? Do you have a policy that defines how regularly this is done? A proactive practice should have a system for monitoring its online presence and feedback from patients.

Previously, marketing specialists discovered that a happy client would tell...
three people on average, while an unhappy client would tell 10. Nowadays happy and unhappy clients (patients) tell hundreds of people via Facebook, Twitter and doctor-rating websites.

The Internet and social media play an increasingly important role in the way consumers research and select goods and services, as well as sharing their experiences and opinions. A good marketing strategy should include social media-awareness procedures.

Social media should also be considered a marketing opportunity, as it allows the practice to raise awareness of its services and practitioners, communicate with consumers and create a reliable source of health information.

PUTTING THEORY INTO PRACTICE

The most effective way to implement the systems you develop for your practice is to document all key aspects of operation.

Don’t reinvent the wheel – there are numerous sources of reliable information available. Outsource the development of the systems, policies and procedures if you do not have the time, resources or personnel to complete the task. When outsourcing, ensure the finished product is specific and relevant to your practice, and that practitioners and staff can provide input and feedback. Commitment to following policies and procedures is greater if personnel have contributed to their development.

Develop a procedure for regularly reviewing the documentation to take into account internal and external changes affecting the practice. Have systems in place to notify practice staff of changes to existing policies and procedures or the addition of new ones. Ensure induction and training programs include the most up-to-date versions.

The increasing use of technology in private practice means all practices should investigate options that allow for practical, relevant, up-to-date policies and procedures. The days of having no documented policies and procedures, or a manual collecting dust on a shelf, should be long gone.

Electronic and online ‘Policy and Procedures Manuals’ are easily accessible, can be customised and are specific to the type of practice you run.

Well-developed systems, policies and procedures make it easy to integrate changes and provide continuity of knowledge, and they will definitely add to the value and marketability of the practice. Your patients will appreciate the high standards of patient care and your referrers will feel confident knowing your communication and follow-up procedures will support good patient outcomes.

In addition, potential partners will value the systems that minimise and manage risks in the practice, add consistency to processes and will enable them to be part of an effective and adaptive practice.
My experience of working with a range of online businesses has taught me numerous things that are transferable to the healthcare industry. With the growth of online trading and the expectation of online convenience, many service industries have had to adapt their practice to meet consumer demands for accessibility. Healthcare is no different.

Over the past decade I have worked with major leading online brands and businesses, including wotif.com, seek.com, carsales.com.au, ninemsn.com.au, graysonline.com and realestate.com.au. What these businesses all have in common is their position as major one-stop portals for online customers seeking information or services in their respective industries.

According to Klaus Bartosch, healthcare practitioners can no longer deny that the change to online appointment booking is inevitable.

The hotel and real-estate industries provide possibly the best examples of this growing trend, with wotif.com and realestate.com.au serving as both pioneers and benchmarks in their provision of exceptional customer service. It’s a successful formula that the healthcare industry should not ignore.

**CONSUMER CONVENIENCE**

An online startup, wotif.com initially began with the objective of integrating with existing hotel-management systems, which operate similarly to practice-management systems, but seized the opportunity to meet a market need – to streamline and simplify the booking process for customers.
Hotel-management systems that have ignored this trend and have chosen to develop their own online-booking systems are floundering and failing to deliver value to their clients, as customers want the convenience of being able to find and book all of their accommodation needs in one place.

Online accommodation-booking portals recognise this and add value by making the booking process easier and more convenient for consumers, who now derive benefits from using these sites, saving time, often saving money and always gaining convenience. Consequently, those hotel-management systems that chose to go it alone have lost a battle they could never have won. Freely obtainable data suggests that around 80-90% of the bookings for these hotels are not done through their own websites but via aggregate sites such as wotif.com, expedia.com and the like.

Similarly, this trend can be seen in online real-estate portals such as realestate.com.au. As recently as 10 years ago consumers visited the local real-estate window or that agent’s company website to view properties they were interested in buying or renting. In less than three years, however, realestate.com.au has changed the landscape of online property searching and is now one of the top go-to websites for property buyers and sellers alike.

Who would have thought local business websites could so quickly become redundant and irrelevant to their customers? Even major chains such as LJ Hooker and Ray White struggle to get consumers to visit their sites, despite having millions of marketing dollars at their disposal.

It’s clear that local businesses have little hope of competing and the reason is simple – as consumers, we want the convenience of being able to find all of our accommodation or real-estate needs in one place (this obviously applies to other industries as well). That is the value portal sites deliver to us all.

MEETING DEMAND
How does this apply to the healthcare industry? The first step is to accept that convenience is a consumer demand that healthcare practitioners cannot deny or ignore.

The reality is that we all appreciate the convenience online aggregator sites offer – i.e. a consistent single place where we can go to find, book, and/or buy all of the services and products we want. Why shouldn’t booking a healthcare appointment also be this easy and convenient?

By being mindful of service-industry trends, you should expect that your patients will want to find and book healthcare appointments conveniently online. But do you believe your own medical website will be able to offer – and manage – such a process in the medium to long term? If the major real-estate and hotel chains, with their access to significant resources, cannot compete with their equivalent online portals, then what hope have you got?

This change is coming, whether we like it or not and it is therefore essential that the insight gained from the experience of other industries helps healthcare practitioners to stay ahead of this trend.

By putting yourself in the position of a patient – as healthcare professionals themselves sometimes are – wouldn’t you want the convenience of being able to book your healthcare appointments online 24/7?

FULL CAPABILITY
When considering your practice’s capacity to offer online appointment booking there are some key capabilities you will want to question:

• Does the system integrate seamlessly with, and does your chosen practice-management software support it? Your front desk staff will be very unhappy with you if it doesn’t integrate or is not supported.

• Can both new and existing patients book online and through the same system? This will drive maximum value for the practice and, in particular, drive strong referral business if this is desired.

• Does the service aid in patient acquisition/marketing, and should you divert marketing investment to this more measurable approach?

• Can the patient book with their preferred practitioner? We all know this is what patients will mostly want.

• Is your full week’s appointment availability protected from viewing by competitors and patients? It can present real threats if it isn’t.

• Can the patient book via your website, a mobile app and an online portal to maximise efficiency and convenience? And can they see just your appointments or will they see your competitors’ too? As this would be your new practice front door, albeit digital and accessible 24/7, it should be taken very seriously.
A solution to this trending situation in Australia started with the arrival 12 months ago of 1stAvailable.com.au – a dedicated healthcare portal that has rapidly become Australia’s premiere healthcare appointment booking site.

There are three ways new and existing patients can book their appointments through 1stAvailable.com.au: via the 1stAvailable.com.au website; through your practice website where the 1stAvailable.com.au ‘Book Now’ button is displayed; and via 1stAvailable.com.au mobile apps for Apple and Android platforms. This makes booking your services more accessible to patients, who are already online looking for health information.

As in the other industries discussed, the tendency towards mass consumer adoption of online services means that, over a short amount of time, 1stAvailable.com.au will continue to shift the way Australians book healthcare appointments. This will be for the benefit of both patients and practitioners – and, more importantly, patient health and the healthcare industry overall.

WELL PLACED

We know it is important to allow both existing and new patients to easily access your services through online appointments. Once patients have found you online, they will want to continue to book their appointments this way, so it’s crucial to avoid putting up roadblocks that either change the convenience factor or process they are now familiar with, or make it hard for new patients to easily book with you online.

It’s now accepted that businesses adopting the shift to online early will reap the greatest rewards and, sadly, there are numerous examples of major and minor businesses that have failed to adapt quickly enough. The consideration here is where you and your practice are currently placed in this regard.

Implementing an online booking system isn’t something you should rush into, however. For a system to work successfully it must be fully integrated into your business, and your front-desk staff and practice managers must become the champions of this change. Once the system is up and running, you can be assured that your staff and patients will love you for it!

Note: If you want to know more about 1stAvailable, you can register your practice at 1stAvailable.com.au for free, which will allow you to evaluate the service. Registering will also trigger a response from a 1stAvailable team member, who will contact you to assist with any questions you may have. Once you are ready to start taking bookings, you will be required to pay a subscription fee before utilising the system.
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MEDICAL IT PROVIDER
A medical IT provider is someone who understands the needs of a medical practice. Not just another IT provider who loves MS SQL clusters because to the medical industry although SQL clusters may be relevant and important, what you really want to know is that your medical records are available and secure and that you can receive you pathology results and be able to see your patients.

SUPPORT AND MAINTENANCE
A paperless practice will provide you the efficiencies that you need to run a profitable and functional medical business, however the upkeep of your IT systems is a core function needed to ensure you have minimal interruptions. When choosing your managed services partner ensure that it is someone who can provide the proactive and reactive support for your systems and ensure they offer capped cost plans that you can subscribe to providing you with the peace of mind that your IT costs are controlled.

CLOUD SOLUTION
Having a cloud solution for a medical practice means firstly that you do not need to buy expensive servers to house in your practice, it also means you do not need to worry about backing them up and keeping them cool and the electricity they consume. Having a cloud hosted server means you have a scalable server that will securely house your medical data and be available to you anytime from anywhere as long as you are connected to the internet. Ensure your cloud provider is medical industry specialised and that they understand what is needed to house a medical application and all associated functions; such as printing, scanning and pathology.

COMMUNICATIONS PROVIDER
A Communications provider from phone lines to data lines to phone systems is critical to any business. ISN has partnered with Commander to provide the practice with a communications solution, tailored to the individual practice. Commander is one of Australia’s largest telecommunication firms, yet they have recognised the industry and have chosen to dedicate resources and services to the medical practice and provide them with the high level of service that they need to run their practice. ISN and Commander currently share a portfolio of medical clients in multiple states.

DICTATION MANAGEMENT AND VOICE RECOGNITION
Managing your dictations and letters is a function that requires effort and diligence and many doctors express dissatisfaction with the process and the burden it places on them often outside hours on their own time. MedSpeech have partnered with some of the leading medical applications on the market to integrate a solution that not only offers dictation workflow management but also integrated voice recognition. This means letters start and finish in the patient file seamlessly without relying on the manual process of attaching to patient file. This also means the voice recognition component is not dependant on the doctor to train the product, or correct the letters; the workflow takes that burden away from the doctor.

Find out more by visiting www.isnsolutions.com.au info@isnsolutions.com.au or call (02) 9280 2660
A slice of Paradise

If you haven’t yet mastered the art of balancing work and life, Steven Macarounas recommends that you book a family holiday to Bali, where it really is possible to stop and smell the roses.
I’ve discovered the secret to reinvigoration – Bali!

I’m of an age (a few weeks short of 50) where the concept of work/life balance is beginning to consume my thoughts. Following an extremely hard working year for my wife Michelle and I, the ingredients of necessity, research and luck converged at the end of 2012 to result in a family holiday that truly ticked all the boxes.

Holidays, for me, have always been about exotic adventure, immersing myself in the culture of another country, with lots of action, lots of experience, lots of stimulation and plenty of good food thrown into the mix.

While I don’t think this motivation will ever change, I have to acknowledge that almost without exception, I have returned from family holidays exhausted and needing another holiday.

To be an effective person at work and at home, I now know that I need to make time for rest and rejuvenation of body, mind and spirit – a recharge of batteries to cope with the hectic pace and demands of business and family life.

I’ve had this discussion with many healthcare professionals and all acknowledge the supreme importance of ‘regeneration’ for many reasons, not least of which is to ensure optimal patient care.

Apart from personal and professional effectiveness, a family holiday focused on slowing down to ‘smell the roses’ leads to bonding and relationship building, and adds to the library of family experience (particularly in our children’s formative years) that can define the quality of our life now, and as we get older.

Those of you who have attended our business, financial and lifestyle management courses will have heard me speak of the most-often quoted regret of retiring doctors and other healthcare professionals – “not enough family holidays”.

That is to say, not enough quality time with our families, especially during the early years, when time together results in experience and memories that sustain us and become the focal point of our interaction the more ‘senior’ we become.

There are, however, some logistical problems with meeting the demands of work, the practice, patients, family, financial responsibilities and personal physical and mental health. Foremost among these is the issue of time.

Most healthcare professionals I know are loath to take more than two weeks off at a time, lest their referrers establish new relationships. In addition, most healthcare practices are – sadly – not run as businesses, and if the practitioner/principal is not there, the money stops flowing.

Putting aside the fundamental operational flaws that lead to this thinking, the reality for most practice principals is that they have two successive weeks to devote to family holidays – aside from shorter stints throughout the year, which I contend cannot achieve effective resuscitation.

If you are doing better than this and achieving the goals mentioned above, then I commend you – you are among a very small percentage who have got it right.

So, given the time limitations, the need for family attention, personal rejuvenation and some cultural experience with a bit of adventure thrown in, I offer my recent two-week holiday experience as a prescription for success.

TAKING FLIGHT

Michelle, myself and our seven-year-old twins Manoli and Emanuella arrived at Bali’s Denpassar Airport after a relatively short (six-hour) flight full of excitement and anticipation. We had flown through the night, got a bit of rest on the plane and were now lapping up the exotic hospitality of porters, drivers and hotel reception staff.

Bali is not that far away. Unlike trips farther afield, the flight is not exhausting, and if you time your departure right, you suffer very little – if any – jetlag. This means you don’t waste any time in recovery.

To make sure you can recharge your batteries within a limited timeframe, you need great hospitality and world-class facilities at your fingertips – the hallmarks of the 5-star resorts. Bali is home to some of the best resorts in the world, so it’s worth doing your research to ensure that you fulfil all of your holiday wishes.

With 14 days up our sleeve, we wanted to experience different aspects of the island without wearing ourselves ragged. We decided on three distinct locations offering very different environments:

- Ayana Resort and Spa at Jimbaran – expansive surrounds, ocean views, close to the airport yet not remotely affected by the hectic pace of Seminyak, Leggian and Kuta.
- Alila Ubud – a rainforest experience surrounded by mountains and set in the island’s cultural heart.
- Alila Villas Soori, in the more remote Tabanan province – a beachfront-based slice of minimalist heaven bordered by black sands.

EXTRA!

TAKING FLIGHT

Those of you who have attended our business, financial and lifestyle management courses will have heard me speak of the most-often quoted regret of retiring doctors and other healthcare professionals – “not enough family holidays”.

That is to say, not enough quality time with our families, especially during the early years, when time together results in experience and memories that sustain us and become the focal point of our interaction the more ‘senior’ we become.

There are, however, some logistical problems with meeting the demands of work, the practice, patients, family, financial responsibilities and personal physical and mental health. Foremost among these is the issue of time.

Most healthcare professionals I know are loath to take more than two weeks off at a time, lest their referrers establish new relationships. In addition, most healthcare practices are – sadly – not run as businesses, and if the practitioner/principal is not there, the money stops flowing.

Putting aside the fundamental operational flaws that lead to this thinking, the reality for most practice principals is that they have two successive weeks to devote to family holidays – aside from shorter stints throughout the year, which I contend cannot achieve effective resuscitation.

If you are doing better than this and achieving the goals mentioned above, then I commend you – you are among a very small percentage who have got it right.

So, given the time limitations, the need for family attention, personal rejuvenation and some cultural experience with a bit of adventure thrown in, I offer my recent two-week holiday experience as a prescription for success.

TAKING FLIGHT

Michelle, myself and our seven-year-old twins Manoli and Emanuella arrived at Bali’s Denpassar Airport after a relatively short (six-hour) flight full of excitement and anticipation. We had flown through the night, got a bit of rest on the plane and were now lapping up the exotic hospitality of porters, drivers and hotel reception staff.

Bali is not that far away. Unlike trips farther afield, the flight is not exhausting, and if you time your departure right, you suffer very little – if any – jetlag. This means you don’t waste any time in recovery.

To make sure you can recharge your batteries within a limited timeframe, you need great hospitality and world-class facilities at your fingertips – the hallmarks of the 5-star resorts. Bali is home to some of the best resorts in the world, so it’s worth doing your research to ensure that you fulfil all of your holiday wishes.

With 14 days up our sleeve, we wanted to experience different aspects of the island without wearing ourselves ragged. We decided on three distinct locations offering very different environments:

- Ayana Resort and Spa at Jimbaran – expansive surrounds, ocean views, close to the airport yet not remotely affected by the hectic pace of Seminyak, Leggian and Kuta.
- Alila Ubud – a rainforest experience surrounded by mountains and set in the island’s cultural heart.
- Alila Villas Soori, in the more remote Tabanan province – a beachfront-based slice of minimalist heaven bordered by black sands.
AYANA RESORT AND SPA

Perched on a cliff top above glittering Jimbaran Bay and surrounded by 77 hectares of gardens, Ayana (Sanskrit for ‘a place of refuge for the gods’) is so much more than a collection of hotel rooms, restaurants and pools – it’s a multi-faceted wellness ‘haven’, with a large dose of gastronomic delight added for good measure.

The resort is as chic and sophisticated as it is family friendly and downright comfortable – a home away from home, that is if your home has its own butler, a choice from 13 sensational restaurants, bars and lounges (most with ocean views), five swimming pools (plus your own generously sized plunge pool), as well as one of the world’s most celebrated spas.

The contemporary design draws on Bali’s rich cultural heritage without a hint of tropical-island kitsch. In fact, much of the resort has a minimalist and cutting-edge style that blends in seamlessly with traditional touches to imbue an unmistakable Balinese ‘feel’ with a modern twist.

The standout features for my family and I are our spacious villa and having complete privacy to really enjoy our time together. Like a resort within a resort, our two-bedroom villa is expansive, luxurious, secluded and very self-contained – it’s essentially your own private holiday home, complete with 24-hour room service and your own butler to organise restaurant bookings, transport you via buggy around the resort, arrange sightseeing, pack your bags and coordinate transfers.

The brilliance of the villa is that you have your own private fully appointed space to enjoy with your family and accelerate bonding in a short period of time, while still having access to all the resort facilities.

The experience is altogether different to that offered by a hotel room. The manicured lawn with spectacular views across the coastline, the private pool with bale-style, gazebo-covered sunbeds, indoor-meets-outdoor design and sheer sense of space all combine to produce deep rest and relaxation while also serving as a base for more adventure-seeking members of the family.

And for those needing a little separation from their young ones, the Ayana Kids Club offers everything you could hope for in terms of supervised childcare – our kids loved it!

Another standout feature is the internationally acclaimed Rock Bar and adjacent Ocean Beach Pool and lounge. Perched 14 metres above the Indian Ocean at the base of Ayana’s towering cliffs, Rock Bar is an architectural marvel. Its chic ambience is fuelled by expertly made cocktails, stunning views and the intermingled sounds of crashing waves and DJ grooves. Coupled with the adjoining cliff-hugging Ocean Beach Pool and lounge area, the Rock Bar makes you (almost) feel like a rock star!

Also exceptional is the acclaimed Ayana Thermes Marin Spa – voted number-one spa in the world in the 2010 Condé Nast Readers’ Traveller Awards. I admit I was a spa virgin until landing at Ayana – I’d had the odd massage here and there but nothing to prepare me for such a body and soul-reviving experience. Now, of course, I’m hooked and I can personally recommend Thalassotherapy – hydrostatic pressure allows for effortless exercise through 12 hydro-massage stations via the pool’s therapeutic jet streams, micro-bubbles and geysers, with each station targeting a different part of the body to boost circulation and lymphatic drainage, and alleviate tension areas.

This two-hour session was the most efficient way of ‘unwinding’ I have ever experienced. Make sure it’s the first thing you do when you arrive.

Did I mention I have a passion for good food? I am not embarrassed to say that food plays a significant role in my life, and my wife and I tend to plan the details of our holidays around specific restaurants and meals, identified following rigorous research.

Ayana does not disappoint. Whether it’s the iconic buffet breakfast at Padi, the French-inspired degustation dinner at Dava, the truly authentic Italian fare of Sami Sami or the expertly prepared fresh seafood at the Kisik Bar & Grill, the food we enjoy every day here defies the notion that resorts and
hotels don’t produce world-class cuisine. As impressive as its facilities are, it’s the people that are the true jewel in Ayana’s hospitality crown. At every turn we are bestowed with effortless, personalised service from staff who clearly love their jobs and are only too happy to make us feel as though we are the only people in the resort.
ALILA UBUD
The second leg of our Balinese experiment in work/life balance was centred at the Alila resort, in the majestic rainforest of Ubud. More intimate in setting and scope, Alila Ubud honors the green valley of the Ayung river by blending with its surrounds and becoming one with its environment.

We arrive early afternoon, winding our way through picture-perfect rice paddies, dotted with farmers wearing traditional conical hats. All around us is lush, green, dense, jungle life. The light drizzle of rain, which arrives on the dot at 3pm every afternoon, helps to provide welcome cool and, along with the sound of monkeys making their way along the treetops, adds to the surreal experience.

The resort is perched on a clearing at the top of the valley and, like Ubud’s rice paddies, is terraced, gentling clinging to the natural slope of the land.

Our villa, one of four newly constructed additions to the property, sits on stilts and juts out over the deep valley. The external and interior design is exactly to our taste – rectangular and open plan with clean lines and white on white with oak accents. It’s a little slice of Scandinavia in the jungle.

The setting is absolutely serene – the wall of glass and huge ‘floating’ outdoor terrace ensure a seamless connection with the rich green of the valley.

We have to tear ourselves away from what already feels like home to explore the rest of the facilities.

Many world-class resorts have a ‘calling card’ – a feature that stands out and becomes a symbol that epitomises your experience. While I think this is limiting, it’s also understandable if trying to encapsulate a place in one or two sentences. For Ayana in Jimbaran, the calling card is the Rock Bar; for Alila Ubud it’s the swimming pool. Dramatically designed, the emerald-green pool is perched on a terrace yet appears suspended over the valley like a diving board, beckoning you to jump in and plumb to the depths of this deeply tranquil land.

Tranquility is the perfect word to describe the feeling generated by Alila Ubud. This feeling is a product of the unbelievably friendly staff (all locals), the design (a fusion of natural and modern elements), the cuisine (authentic Balinese interpreted through modern French techniques) and, of course, the signature setting.

We venture into Ubud town to visit the monkey forest, eat scrumptious suckling pig at Ibu Oka, delicate crispy duck at Bebek Bengil and barbecue ribs accompanied by mammoth martinis at Naughty Nooris – all institutions and must-dine destinations.

We were also keen to gain firsthand experience of the spirituality that imbues all aspects of life in Bali and, in particular, unspoilt villages such as Payangan, where Alila is located.

After donning traditional garb, we are driven to the house of the local priest and spiritual leader of the community for an authentic blessing ceremony, after which we visit a Balinese astrologer for a mystical reading of our characters and personalities.

As satisfying as this explosion of experience is, it’s the peace and comfort of our villa and infinity pool that we crave – our own slice of rainforest has effortlessly worked its way in to our hearts.

One day slowly drifts in to the other, punctuated here and there by an amazing meal from executive chef Eelke Plasmeijer (some say he’s the best in Bali), or by another luxurious massage experience at Spa Alila. By now the stress of work and hectic pace of life in Sydney is a distant memory.

As with Ayana, the most overwhelming impression made by Alila Ubud is by its people. The resort is true to its motto – ‘Hospitality, more than standards, a way of life’.

Leaving Alila Ubud is bittersweet. We want to stay longer (and vow to come back) but are keen to experience the rare grandeur, bespoke services and modern design of Alila Soori, the third and final leg of our holiday, located within the picturesque, fertile Tabanan Regency on Bali’s southwest coast.
ALILA VILLAS SOORI

Another member of the Alila stable, Soori offers something different again to our previous two ‘homes’ – sheer beachfront luxury with state-of-the-art facilities and modernist, contemporary design spawned from the competitive one-upmanship of being the latest 5-star resort on the Bali block.

Alila Soori is framed by verdant rice fields on its eastern boundary and a spectacular, jet-black volcanic-sand beach to the west, with the constantly crashing waves providing a dramatic backdrop to this luxurious and highly personalised experience.

Our connection with Soori started long before we even boarded our flight in Sydney. Upon making our reservation we are sent a link to a ‘preferences’ questionnaire, designed to ensure every aspect of our stay is tailored to our specific needs and expectations. What marketing brilliance!

We went with the anti-snore pillow for me, gluten-free pastries and bread for my son, jazz, blues and chill-out music programmed in the villa’s high-tech entertainment centre, as well as a pre-chosen selection of comedy, drama, romance and animation movies and a library of age-appropriate books for the kids and design/architecture, travel and art books for Michelle and I.

We requested a discreet level of service, pre-booked our spa treatments and chose a daily fruit bowl made up of “what’s sweet and ripe in the market today”.

Upon arrival we are met by the resort’s general manager and a team of hospitality professionals, all of whom make us feel like minor celebrities.

Our villa is enormous, modern to perfection and luxurious yet family friendly and comfortable, with attention to detail that inspires awe – from our own private infinity pool, (with inflated pool rings) to the massive ocean-facing cabana and outdoor lounge, more oversized fluffy white towels than a family of four could ever use in a day, and a ‘his and hers’ personalised toiletries range inclusive of black, volcanic ash soap and after-sun ‘Coolcumber’ body milk.

The villa’s configuration, inside and out, is designed to maximise ocean views without compromising privacy – we are tempted to relax in our own private haven and not leave until checkout four days later, but the beach beckons. We have direct access via a strip of manicured lawn, so we scramble on to the black sand for some fun. When I say black sand, I don’t mean a dirty grey – it is actually jet black, as fine as powder and squeaky underfoot.

The beach provides the opportunity to take my exercise regime out of the well-appointed resort gyms and in to the outdoors. How wonderful to have such a spectacular jogging track 30 steps from my bedroom.

The dining at Alila Soori is simply breathtaking. Breakfast is served in Cotta, a semi-covered open-air restaurant featuring ‘tasting-style’ breakfast menus that rotate daily, highlight local fare and put fun twists on classic breakfast favourites – I kid you not, the pastries and bread (including gluten-free varieties) were the best I’ve eaten outside of Paris.

For lunch we have the choice of ‘in-villa’ dining or heading back to Cotta for traditional Balinese dishes such as Udang Kesuna Cekuh (grilled prawns with a secret sauce from Chef Widdie’s grandmother) or highly creative western fare, including Blackened Red Snapper with Romaine Leaves, Creamy Potato, Vanilla and Shallots.

Also on offer is a simple yet elegant comfort-food menu featuring mini Wagyu Burgers and Grissini with Parma Ham, Olives and Cheese Fondue served in the Reading Room – a stylish indoor-outdoor beach house library which would be right at home in a Ralph Lauren catalogue.

Dinner allows you to kick it up a notch with Alila Soori’s signature dining experience, Ombak. The coupling of Executive Chef Dwayne Cheer’s superbly crafted degustation menu with the spotlight waves crashing against the volcanic-sand coast of Kelating Beach makes for a magical experience that our family will treasure forever. Our favourite dishes here are the Foie Gras with Granola, Apricot and Duck Jus, as well as the Duck Breast with Shimeji and Sweet Potato Gnochi… Outstanding!
SPA LIFE

As mentioned previously, I am now absolutely hooked on the spa experience. I recommend some kind of treatment every few days to keep you nimble of body and refreshed of mind and soul.

Alilia Soori’s Spa doesn’t disappoint. The most beautiful offering of the three we have experienced in terms of architecture and design, it’s no wonder it was named ‘Most Heavenly Hideaway’ in the prestigious 2013 Tatler Spa Awards.

Cavernous, candlelit and calm-inducing, Michelle and I floated out following our 90 minutes of nurturing and divine pampering ready to take on the red-eye flight back to Sydney the next evening.

As much as I have tried, I doubt my words have done this experience justice, though I’m sure the accompanying photos will make up for my lack of eloquence. I finish where I started, which is to implore you to consider the recuperative and relationship-building benefits of family holidays. 🌿

Note: In our next edition we will feature the Ayana Residences – a limited number of luxury apartments and villas available for purchase as investment and personal use.

WHY TRY BALI…

I highly recommend our experience of Bali for several reasons:

- It’s quick and easy to get to, with no flight-recovery time required.
- It provides luxurious, spacious, private and fully appointed accommodation.
- You can do as much or as little cultural exploration as you like.
- You can make the most of the marvelous therapeutic spas.
- There are many mouthwatering dining opportunities to enjoy.
EXCLUSIVE BALI OFFERS

We are pleased to present three special offers exclusive to our readers:

• **Ayana Resort and Spa:**
  Enjoy one complimentary Aquatonic Spa therapy treatment for two people with every four consecutive nights stay. Please email: Reservation@ayanaresort.com

• **Alila Ubud:**
  Receive one US$20 Spa Alila cheque for each room booked. Please email: jerry@alilahotels.com

• **Alila Villas Soori:**
  Receive a complimentary upgrade to the next villa category plus daily breakfast, to be enjoyed either in your villa or at Cotta Restaurant. A minimum two-nights stay is required. Please email: dhindom@alilahotels.com
NRAS – the National Rental Affordability Scheme – was designed by the Howard Government of 2006 following extensive collaboration between the Federal Government and the State and Territory governments. It was created as a stimulus package aimed at:

• Increasing the supply of affordable rental properties in Australia.
• Reducing rental levels for low to moderate-income earners.
• Encouraging large-scale investment and the delivery of affordable housing across Australia.

It was however, the Rudd Government of 2008 that actually hatched the NRAS egg on the 24 July 2008, when the first call for applications for NRAS entitlements was announced. The scheme’s master plan envisaged delivery of an additional 50,000 new dwellings for affordable rental housing in the period July 2008 to June 2012.

With regards to the current state of play, Mark Butler, Minister for Housing and Homelessness, said recently he was working with the various State and Territory Ministers to open the fifth round of NRAS, intended to complete the 50,000 dwelling target by June 2015.

According to Jonathan McKenzie, the National Rental Affordability Scheme has emerged as a new class of tax-effective bricks and mortar investment.
HOW DOES IT WORK?

Put simply, NRAS is a Government-backed incentive whereby the owners of approved NRAS properties receive a tax-free incentive of approximately $10,000 per annum per property for 10 years. The proviso is that the property is offered and leased in the open market at a rental rate that is at least 20% below the market rent for the 10-year period.

While it sounds straightforward, the qualifying requirements for supplying the product delivery, the initial applicant reporting requirements and the ongoing management of the NRAS tenants and assets is extensive, laborious and generally outside the normal scope of reporting developers are used to.

As a result, a small number of specialist facilitators now operate in the space and it is these groups holding the hand of the development sector in order to get solid traction behind NRAS, which is now seen as a major driver, boosting demand for the low to mid-priced housing sector.

NRAS TODAY

The property development sector is eagerly awaiting the announcement and call for applications for Round 5. It is expected the announcement will come out around 1 April 2013 for some 10,000 entitlements across Australia. The activity around NRAS in the development sector suggests there will a rush of applications – upwards of 150,000 – so there will be many disappointed applicants.

The media is touting the latest launch of some 10,000 Round 5 incentives as a $40 billion boost to the development sector. When you look at the NRAS offering and consider it in light of what looks like a stable and improving residential-development sector, and other standing incentives such as Stamp Duty concessions, First Home Buyers initiatives and the like, you can understandably feel confident about a robust residential development sector through to at least 2016.

The NRAS model is a sound platform, however the timing and manner of the initial introduction and launch was unfortunate. The scheme did not get the support of the ‘big-end institutional developer’, and a good percentage of the traditional-developer sector was slow to understand and take advantage of the scheme.

Various factors can be blamed for this, none more obvious then the global financial crisis, which continues to plague the property development sector. For instance, we have a sleeping major-bank sector with regards to development finance, private and other finance sources are expensive, and there is low confidence and consumer sentiment globally – all factors dampening activity in recent years.

The other factor impacting the NRAS model's acceptance and support in the private sector was the common misconception that NRAS is an asset class targeting the social-housing sector.

The development marketplace now understands NRAS is all about affordable rental housing for low to middle-income earners, blue-collar workers, service personnel, teachers, nurses, police and government-sector employees right across the service industry.

THE PATH FORWARD

In real-estate terms, 2013 seems to have begun with vigour. Optimism is way up and the general activity and competition in the site-acquisition sector generally is sending positive signs throughout the market. NRAS entitlements are seen as a valuable tool in the marketing and sale of their properties.

The Self Managed Superannuation Fund investor looking to invest in real estate would find it hard to come across an asset class that can compete with the NRAS model – it delivers enhanced cash returns, a level of rental certainty and security, and that annual incentive boost from the Federal and State governments.

Figures being reported by the NRAS regulatory bodies indicate that approximately 11,300 dwellings have been delivered and are rented or available for rent, with another 28,500 under construction or awaiting approval. Round 5 – at around 10,000 entitlements – closes out to the 50,000 targeted, however the jury is out on...
whether all the issued entitlements to date will be delivered as per the guidelines set out by the Government.

Our sources indicate that funding for the Round 5 allocation has been put in place and the push is on to get the application process pushed through. Given the looming federal election process is in full swing and a Caretaker Government steps into the seat on 31 July 2013, this NRAS Round 5 offer is a monumental task. Many doubters believe there is not enough time to complete the call, review and grant the entitlements. Time will tell.

MEETING THE NEED
From a property industry viewpoint, we need the entitlements in the market, as it is a significant stimulus for development activity. The Australian rental market needs it, as we continue to fall behind the housing starts required to claw back the growing shortage of affordable housing. And the Federal and State governments need it – anything short of a successful NRAS delivery will be either another nail in the coffin for the outgoing government or another early broken promise for any new incoming government.

NRAS is a sound housing initiative. It is good for the real-estate economy at various levels and deserves a big tick at the consumer level as well. The scheme stimulates development and building, supports the affordable rental market and provides solid and attractive investment options for investors, particularly in the superannuation and planning for retirement sector.

If September 2013 brings Australia a change of government, one can only hope that Tony Abbott will take this Howard NRAS idea and continue with it, bringing further stimulus to the property sector.

WORTH YOUR CONSIDERATION
NRAS can bring numerous benefits to your project or investment portfolio. You should consider NRAS investment properties if you are:

- Interested in residential property investment.
- Looking to expand your property investment portfolio.
- Considering residential property in your superannuation plan’s Self Managed Super Fund options.
- A developer of residential property, student housing or Independent Living Units.

FREQUENTLY ASKED QUESTIONS
Q. Can I own several NRAS Approved Properties and receive the tax incentive on all of them?
A. Yes, you can own as many as you like and take advantage of multiple incentives.

Q. Can I sell my NRAS Approved Property?
A. Yes, you can sell your property at any time and the incoming purchaser will be able to participate in the scheme if they wish.

Q. How do I invest in an NRAS Approved Property?
A. Obtain your own independent financial investment advice. At McKenzie Consulting, we recommend that you deal with pre-approved NRAS Facilitation Companies. For more information please call us directly on 0411 176 449.
In your line of work, you need to be ready to handle all scenarios, never knowing what medical challenge your next patient will present.

But how prepared are you with your own financial health? With such a demanding occupation you may have little time to carefully consider the management of your investments, superannuation or insurance.

If the unthinkable happened to you, would you be in a position to take as good a care of yourself and your family as you do your patients?

BT Wrap and BT Insurance can work together with you and your financial adviser to create, protect and manage your wealth – making sure you’re ready to face the challenges life may bring.

→ To find out how BT Wrap and BT Insurance can partner with you to achieve your objectives, speak to your Financial Adviser.
The answer was touched on by a reader in a welcome reply to my article Claiming on Consumables, which appeared in the last issue of this magazine. The reader offered an alternative solution, involving adding fees for consumables such as bandages, which was fully compliant with the law.

The reader suggested that you bill the patient for the service, say item 23, at the Medicare rebatable price, let’s say $30, and then add the consumables like bandages, say $10, on top. In that way the patient would not ultimately be out of pocket for the service but they would pay for the consumables.

At the point of service the patient would have to pay the full amount for both consultation and consumable but would get the consultation fee straight back – the patient pays $40, gets $30 back almost immediately from Medicare and the law is obeyed. It’s nice and neat and, best of all, the practice gets reimbursed for the consumable items.

The structure of this hypothetical claim is applicable to all medical practitioners in private practice and is underpinned by the legal nature of the relationship between doctors and patients under our national health scheme.

The example was both helpful and legally correct, and therefore useful to us all.
Remembering that there are only two types of claims in the outpatient context – bulk billing or patient claims – what the reader described was a patient claim. Here the scenario is simplified:

Let’s say the Medicare rebate for a particular service is $30, irrespective of whether it is 100%, 85% or 75% of the schedule fee, you (the doctor) can either:

1. Bulk-bill it, in which case the patient assigns their right to the $30 to you and Medicare then pays the $30 directly to you.
2. Ask the patient to pay you $30 upfront and then the patient can obtain the $30 rebate from Medicare.

Either way, the service is ultimately cost-neutral to the patient, and you end up with the same amount of $30 in your bank. However, there are important advantages and disadvantages for both you and your patient that are worth considering.

CLAIMING CONTRACTS

The legal nature of the transaction that takes place between a doctor and patient, in relation to the payment of fees, is governed by the law of contract.

The High Court has confirmed this in various decisions, the most recent being Wong v Commonwealth (2009). Wong involved a challenge to the constitutional validity of both the Medicare Scheme and the Professional Services Review Scheme constituted under the Health Insurance Act 1973. The court decided, by a 6:1 majority, that both were valid.

The decision again highlighted the contractual relationship between doctor and patient was governed by contract and was a private arrangement between the two individuals.

The elements of a contract at their most basic are:

a. Offer
b. Acceptance
c. Consideration

In the context of the provision of medical services, you (the doctor) offer your services, the patient accepts them and the consideration is your fee. But the interesting question here is: Where does the Medicare rebate fit into the consideration element of the transaction, and does that have any impact on the contract itself?

An earlier High Court decision, Breen v Williams (1995), extensively examined the precise nature of the contractual relationship between doctors and their patients in the claiming context. In this case the court held that, under the patient-claim options, the contractual relationship between doctor and patient is consistent with general legal principals.

On a practical level, this means the doctor issues an invoice to the patient for the service fee, the doctor obtains the payment from the patient and it is irrelevant to the doctor that either some or all of the payment will be obtained by the patient from Medicare. The doctor will therefore have the usual debt recovery options available for the recovery of any unpaid amounts. This includes a civil action against the patient for the recovery of the full amount of the fee or any unpaid balance.

But if you bulk bill, it’s a very different story.

Because the legal right to the Medicare rebate resides with the patient and not the doctor, when a claim is bulk billed what the doctor effectively acquires to satisfy the consideration element of the contract is a right to a benefit that belongs to the patient.

And because the patient’s right to that benefit has been held by the High Court to be a gratuity rather than a proprietary right – Health Insurance Commission v Peverill (1994) – the usual debt recovery avenues do not apply.

What this means, practically, is that in the unlikely event your bulk-bill claim was unpaid, you cannot sue the Commonwealth for its payment, as there is no contractual relationship between you (the doctor) and the Commonwealth. You have no right or remedy relating to the Medicare rebate – it comes out of consolidated revenue and is a gratuity for the patient, not the doctor.

ADVANTAGES & DISADVANTAGES

So, returning to the reader’s response to Claiming on Consumables, let’s now consider the advantages and disadvantages of bulk billing versus patient claims.

Advantages for the patient when bulk billing are obvious and there are no apparent disadvantages.

For you (the doctor), the advantages are quick payments made directly into your bank account, in most instances, and happy patients.

The disadvantages are that the amount you will be paid for your service is determined by the government and you have no legal right to that benefit – it is a gratuity and you therefore cannot recoup the Medicare rebate if something goes wrong (though in practice this would rarely occur, if at all).
If you chose to go with the patient claim option, the advantages for you (the doctor) are that you are free to set your fee as you see fit; you have full rights under the general law to recover the debt and you can add various other costs that you can’t add when bulk billing (such as bandages).

The disadvantages are that, unless you have excellent systems in place to ensure ALL patients pay on the day or even in advance, you will inevitably have more bad debts and will have to deal with the consequent headaches involved in chasing patients to pay their bills. And you may not have as many happy patients!

For the patient, there are no clear advantages to the patient-claim option and the disadvantage is higher fees, but, as our reader explained, you don’t have to charge higher fees. You have complete control over the amount you charge your patients when doing patient claims and therefore also the out-of-pocket amount your patients will be required to pay.

As our reader suggested, you can charge the equivalent amount that you know the patient will recover from Medicare. And even though the patient will have to pay the full amount upfront, if you are claiming online using either an Ezyclaim terminal or online claiming software, you can submit the claim to Medicare for your patient right at the point of service, and your patient will have their rebate within minutes or, at worst, overnight.

**INVOICE EXAMPLES**

Here are some sample invoices to demonstrate correct and incorrect itemisation of this scenario. Remember, this is a hypothetical claim whereby the Medicare rebate payable to the patient will be $30. I have used item 23 to keep it simple but the actual rebate for item 23 is more than $30.

This invoice has been incorrectly itemised because, under regulation 13 of the *Health Insurance regulations 1975*, the full amount of the service (item 23) must be itemised on your account. This begs the question: Is the bandage part of the service or should it be itemised separately?

The definition of a ‘professional service’ relates to clinical relevance and each item in the MBS is intended to be one complete professional service. However, it is not always simple to work out what’s in and what’s out, and there are no decisions or rulings to assist us but, in our current example, it’s pretty easy.

Medicare has made it clear that we cannot add the fee for a bandage if we are bulk billing a service because the bandage is viewed as being part of that service.
So, there it is – Medicare says the bandage is part of the service if you bulk bill so common sense tells us it is also part of the very same service if you don’t bulk bill. Therefore you would not separate the bandage and the consultation on your patient claim invoice. Instead, it would look like this:

But what about the colonoscopy prep kit?
Just to throw a spanner in the works, what if you have consulted a patient who presented with a leg ulcer and your consultation involved the examination and treatment of that ulcer (including dressing it), but then, just as you were finishing up, the patient said she was having that colonoscopy you ordered next week and wondered if you might sell ‘those prep kits’, which of course you do.

Where do you put it on your account? Is it part of the service you intend to invoice as item 23 for the ulcer consultation, which was why the patient came to see you?

Well, probably not. It would be hard to argue that the private sale of a colonoscopy prep kit related to the leg ulcer, so it should not be added to the total fee for the item 23. The colonoscopy prep kit should be itemised separately, as follows:

I know some practices will issue a separate invoice for the prep kit but there really is no need. Everything can go on the one invoice when you are doing patient claims and this will still be fully compliant with the legislation.

LAW ABIDING
The legislation is clear – any non-clinically relevant services are a private matter between the doctor and the patient, and such services should not be billed to Medicare. As long as you are not adding inappropriate extras to the MBS item numbers, all will be well. Medicare will simply ignore the items described as ‘Misc’ (or whatever other description your practice uses) when they receive the claim from the patient.

What Medicare is rightly concerned about is the MBS item numbers, as it foots much of the bill for these items on behalf of taxpayers.

Medicare is not interested in miscellaneous costs you and the patient have agreed upon under your private contractual arrangement. Conversely, however, the full amount you charge for your service must be included on the invoice and be disclosed to Medicare – that’s the law. So, if you routinely charge your patients $100 for item 23, this amount must be fully disclosed to Medicare on your invoice for that item number.

The answer to the quiz, then, is ‘c’. And there’s one last thing I want to mention: Medicare is a fee-for-service scheme, which means that, subject to the odd exception, if you provide more than one service to your patient on the same day, you can bulk bill one and not the other. But that’s another story. 😊
Professionals often think of marketing as a sales activity with little additional value, yet nothing could be further from the truth. The persuasive, and sometimes unethical, practices you see in consumer marketing don’t apply to the healthcare arena. Healthcare marketing is simply a way to communicate information about your practice to patients and the community, and generally involves information you would probably tell patients in person during a visit.

Perhaps you offer convenient practice hours to accommodate working adults or specialised clinics for common issues...
such as sports medicine, diabetes or pre-natal care. Or you may be adding new members to your team or additional services to your practice. Communicating any of this information to your patients and the community is marketing.

Healthcare marketing includes more than information about your practice – it also covers valuable health-related information for the public in general. It’s a fact that our increasingly online society looks for health information on the Internet and your marketing efforts can reduce unnecessary treatment and increase awareness among ‘at-risk’ members of the population. You have a positive impact on the lives of those in your community when you share the latest health information in a way that empowers them to lead healthier lives.

BEING ON MESSAGE
Studies show patients are increasingly looking for a healthcare advocate – someone to partner with them and advise them as they deal with health-related challenges and concerns. In fact, as healthcare shifts from a provider-driven system to one that is more consumer and patient-driven, patients are seeking out providers who are willing to partner with them.

Marketing is a powerful way for you to show your expertise and care for your patients and the community. As you establish yourself as an expert, you build an essential level of trust between your practice and the patients you serve. You demonstrate your compassion as well as your commitment to serving others.

Many businesses rely heavily on word of mouth, but it’s important to understand that referrals alone are inadequate. While patient referrals and word-of-mouth recommendations still provide a strong marketing foundation, today’s consumers are looking for more. Patient satisfaction is the primary reason patients select a doctor or healthcare provider, making it crucial for you to clearly communicate the services you offer and highlight the positive patient experience you provide.

Today’s patients, especially tech-savvy Generation Yers, demand online services from their healthcare providers. Does your practice offer email access to doctors or online appointment setting? Can your patients view their account electronically and make online payments? Making use of online technology differentiates you from other providers in your area, yet patients won’t take advantage of these functions if they don’t know about them.

A professional and informative website is also essential – it conveys a message about the standards of your practice. Prospective patients will make conclusions about the expertise and professionalism you offer while exploring your website for information. It’s important, therefore, that your site establishes you as an expert in your field and presents information in an attractive and professional way.

Online services are not the only way to leverage the power of the Internet to build your practice. Your patients are increasingly looking for medical information online. Using a marketing strategy that includes blogging and social media provides your patients with solid information. It also allows them to engage in a dialogue with your practice and other patients in the area, increasing interest in your practice.

By creating a collaborative culture through the Internet, you will provide an enhanced patient experience and set your practice apart. A strategy that includes a blog, frequently asked questions and important health information presented online will build your reputation and attract patients to your practice.

STRATEGIES FOR SUCCESS
Just like other critical business initiatives, marketing for your practice requires a specific and strategic plan. You want to have the maximum impact possible on your practice and your community while maintaining and building your professional reputation.
A comprehensive marketing plan is the best way to achieve your goals and creating a plan takes thought and careful consideration. There are several things you should be aware of when crafting your plan in order to increase its effectiveness:

- **Assess current efforts**: How is your practice currently marketing itself in the community? You may not realise that the community organisations or charitable foundations you are involved in are a form of marketing, along with press releases and news articles about your practice. Assess the ways your practice is currently marketing itself and look for opportunities to build on these efforts.

- **Assess your practice**: What mission and values guide your decisions? What segment of the population do you serve? How is your practice different and unique in your community? Make an assessment of your practice through the eyes of a prospective patient. This information will help you craft a message in keeping with your strengths and identity.

- **Establish an integrated plan**: To be effective, a marketing plan must be integrated with the business and financial goals and operations of the practice. Avoid establishing a plan that is separate from the rest of your practice.

- **Create a clear brand message**: Establish a clear brand and keep it consistent within both your practice and the community. Make sure your team understands and identifies with the brand you’ve created. This consistency will ensure patients identify your external marketing with their experience when visiting your office or clinic.

- **Rely on research**: Avoid the temptation to create a marketing plan based on your intuition or view of what you ought to be accomplishing. Instead, use market research to identify the best way to reach your target patient population. Address their needs and set marketing priorities based on those needs.

- **Demonstrate a return on investment**: Marketing is a business strategy and, just like every other aspect of your practice, it must pay its own way. Track the results of your marketing efforts and the results you realise. Make sure each portion of your marketing strategy constitutes a worthy investment of your time and money.

- **Maintain consistency**: Consistent marketing is the most effective. Make sure any messages you send out on the Internet, in the public and through social media line up with your traditional marketing efforts and the communication your patients receive in your office.

A strategic marketing plan requires a level of objectivity that can be difficult to find within your team. Often you are simply too close to the practice to assess it through the eyes of an outsider. If you are relatively new to marketing in general or find it difficult to maintain your objectivity, consider outsourcing the development and implementation of your marketing plan.

**CALLING ON THE EXPERTS**

Outsourcing marketing is an essential aspect of healthcare business strategies. If you are new to the idea of marketing, you may be unfamiliar with the benefits of looking outside of your practice for marketing expertise. Whether you are establishing your practice or are already established in your community, outsourcing marketing functions makes good business sense for a number of reasons.

For a start, outsourcing allows you to focus on your practice and the patient care you provide. Your overall operations take much of your time and energy,
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MARKETING

leaving little room for effective marketing implementation. Pushing this function on to your staff adds to their burden, often when they are already busy. Outsourcing allows healthcare practitioners to market their expertise and services without extending themselves or their support staff.

Outsourcing also allows you to draw on the education and experience of experts who specialise in healthcare and professional marketing. Just as you would hire an accounting or legal firm to assist with keeping your books or reviewing contracts and legal documents, using a marketing firm to help you develop and implement your plan allows you to gain insight into areas outside of your expertise.

When you outsource your healthcare marketing to Vividus, we work with you to establish a strategic marketing plan that supports your business goals and objectives. We review your practice and those of your competitors, and highlight the features and services that set your practice apart.

In our experience, most healthcare clients are looking for advice on marketing strategies and our aim is to provide customised medical marketing services, integrated to present a consistent message. We understand the laws and codes that regulate medical marketing in Australia, and develop marketing strategies that are compliant, professional and effective.

In short, it is our business to make your business stand out for all the right reasons.

Vividus specialises in healthcare marketing for hospitals, medical centres, GP and specialist practices and healthcare businesses. The Vividus team work to increase community awareness of your practice and help you build your patient list via local-area marketing, a professional website, online marketing, satisfaction surveys and referral-based marketing. To develop a marketing plan that will attract patients, improve patient experience and build reputation, call 07 3282 2233 or visit www.vividus.com.au.
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For the Australian medical community to achieve greater efficiency and meet patient-driven demands via IT innovation, Brett McPherson says the communication lines must be made clear for one and all.

According to a report from the Australian Institute of Health & Welfare, entitled *Australia’s Health 2012*, on an average day across the country the following takes place:

- 742,000 medicines are dispensed.
- 342,000 people visit a GP.
- 23,000 people are admitted to hospital (including 5000 for elective surgery).
- 17,000 people visit an emergency department at a large-sized public hospital.

The challenge here is for healthcare providers is to create, implement and utilise a system that promotes the efficient sharing of an individual’s health information. In 2010, the Government announced, as part of its major health-reform package for Australia, *A National Health & Hospitals Network for Australia’s Future: Delivering the Reforms*, referred to as the ‘Gold Book’. EHealth was cited as a key component of the Government’s eight reform streams.

Since the release of the policy, it appears there has been a significant push to promote the Personally Controlled Electronic Health Record (PCEHR) as the solution to medical information transfer and availability – it’s the ‘three Rs’ approach: Right information available for the right person at the right time.

To that extent, the Government established the National Electronic Health Transmission Authority (NEHTA) and provided funding of $467 million in May 2010, a further $50 million in May 2012 and an additional $2.29 million in October 2012.

What we must remember is that the PCEHR is what it is – a health summary. It does not replace the more detailed and complete individual Electronic Medical Record (EMR) held by GPs or primary care providers. Furthermore, the PCEHR is populated by data that will originate from the service provider and, where that service provider is not the GP, a copy of the data should be forwarded to the GP for inclusion in the respective EMR.

For the vast majority of individuals, this will continue to mean that their EMR will be the primary source of their medical information.

**ACCESS ALL AREAS**

While there is no doubt about the benefits of a PCEHR in the future, I believe there has been a lack of integrated development and implementation of a solution that allows for – and promotes – the seamless transfer of and access to patient data. Providers continue to operate in silos of confusion.

The key to improving the transfer of health information is a simple, secure and effective Secure Message Delivery (SMD) system. We must have a system that performs like our mobile-phone network – i.e. regardless of the types of phone and the network used when we phone someone, they are able to answer the call. It needs to be the same with health providers – GP to provider and vice versa.

Until this intra-operability is achieved, data transfer will have limited uptake due to the difficulties associated with simple universal transmission.
1. GP – EMR

Providers: hospital, ahp, specialist, pathology, etc.

PCEHR
February 2013 saw the introduction of the new ePIP (practice incentive payment), which focused on five initiatives to promote eHealth in General Practice:

1. Health identifiers
2. Secure Message Delivery
3. Data Coding
4. Electronic Transmission of Prescriptions (ETP)
5. PCEHR

This is a positive step to addressing the SMD barrier. Furthermore, the willingness of a number of major SMD providers (including Healthlink, Argus and Referralnet) to work together has seen the establishment of the SMX network, which will allow seamless delivery between users of these systems.

We have the iPod, iPhone and iPad, and the reality is we are moving to iMedicine. SMD, PCEHR, and ETP deal with the external IT-data environment. Practices must also address their internal IT initiatives in order to take advantage of the improved efficiencies and services now available.

EMBRACING INNOVATION

It’s a fact that patients are expecting higher levels of customer service, especially in line with access to the practice. They don’t necessarily have to be able to speak with someone, but being able to lodge a request or query at their convenience, to be answered by the practice in a reasonable timeframe, is expected. It’s also important to consider that if your practice is being contacted electronically, you need to be able to respond electronically.

So, what should practice managers and principals be aware of? Even as recently as two years ago, SMS appointment reminders were uncommon in general practice. These days a significant number of practices have initiated SMS and they are now accepted as a normal part of practice operations. We need to be aware of the tools and technology being developed that can be incorporated into our practice development.

Here are several IT innovations and services that may have relevance to your practice:

**Online appointment booking systems**

A number of vendors have entered the marketplace and are now integrated with the majority of prominent software vendors (e.g. HCN, Best Practice, Zedmed and Genie). There are two types of systems:

1. Those that act as a type of ‘WOTIF’, allowing patients to search for an available appointment at a specific location or clinic. This enables practices to target new patients and manage availability across doctors and resources, as the appointment is not provider-specific.

2. Those tailored to current patients, allowing patients to book with a specific doctor at their practice. Most of these systems require some form of patient registration to allow integration to the electronic appointment schedule.

When contemplating a system, ensure you consider your practice’s needs and benefits for your staff and your patients. For instance, do you need credit-card confirmation to secure the online appointment, so as to reduce any FTA and subsequent loss of income? Utilising online appointments provides your patients or potential patients with 24/7 access to your practice, without you needing to ‘employ’ a receptionist to book appointments outside of your normal practice hours.

**Voice recognition**

Software is available that allows not only for dictation of letters to text, but also speech to text for consultation notes – programs are available that directly import into Medical Software. This can provide an economical
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solution to increasing efficiency (and data quality), with the doctor’s notes being completed at the time of the consultation.

**Online services**

These are services that can be provided to your patients via your website, a smartphone app and/or Wi-Fi connection at your practice. If utilising your website, a good tip is to ensure it’s smartphone friendly – this means the information displayed will be in a format designed for smartphones. Your web developer should be able to configure this requirement. Services could include:

- **Patient registration**: The ability to have your patients complete registration and update data forms online, submit via email or practice Wi-Fi connection and uploaded to practice software offers significant efficiencies with staff utilisation and reliability of data entry.

- **Request for repeat prescriptions**: Providing patients with the ability to request repeat prescriptions via your website reduces telephone requests and gives patients time to complete the request and input details of the medication required.

- **Email query or consult service**: There will increasingly be pressure from our patients to provide an alternate to the traditional telephone-enquiry service. It may be worth considering having a practice nurse as the initial ‘filter’ for such requests. As this will be outside Medicare Benefit Schedule, practices can set their own policies, and fees around the use of such a service.

- **Create your own ‘Practice App’**: Depending on the level of electronic communication you aim to have with your patients, this may be a cost-effective marketing and practical electronic tool. This would then enable you to easily communicate with your patients in an efficient and cost-effective method. Needless to say, if your patient demographics show a high percentage in the 20-40 age group, you can be assured that they will expect electronic forms of communication to be available.

- **Video consults**: Practitioners need to ask whether every consultation requires the patient to be physically present, or if the consult could be conducted via a video link. While obviously not appropriate for every consultation, there will be a number that could be conducted using this technology. Reducing patient travel and wait times would provide a far more patient-friendly service and may well establish your practice’s competitive edge. Again, this service could be provided as a private service (non-MBS), with policies and fees established by the practice.

**IT Innovations**

- **Patient kiosks**: Much the same as we now use kiosk check-in at airports, I believe a similar type of system will become available for medical practices. Patients will be able to check in by swiping their Medicare card and this will be integrated to the practice software. At the same time, patients will be asked to update demographic data, be reminded of any eligible/overdue health checks and provided with any relevant updated practice information. Similarly, at the end of their consultation, patients will be able to swipe their debit/credit card to process payment.

- **Tablet Computers**: Many practices will be eventually be using tablet computers as a possible alternative to conventional waiting-room magazines. In this way they can be used as educational tools, as well as providing capability of e-magazines, etcetera. Stand-mounted tablet computers already exist and can be stationed within a practice and used for patient registration, patient surveys, educational material...
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and similar practice-specific purposes.

- **Cloud computing**: It’s important to consider the option of ‘housing’ software in the ‘cloud’. There may well be advantages – financial and operational – to using this technology, but if we are to utilise it then we need to make sure we have an appropriate connection that allows for rapid and secure data transmission.

- **Bring Your Own Device (BYOD)**: The increased use of tablet computers will place significant pressure on practices, hospitals and aged-care facilities to provide Wi-Fi access to practitioners using their own tablet. The challenge will be providing such access in a safe, secure and reliable environment.

- **Recruitment**: As well as improving access for patients, the adoption of such electronic services provides a strong marketing tool for practices in their recruitment of IT-savvy practitioners.

**TAKING UP THE CHALLENGE**

The challenge for principals and practice managers will be their ability to identify, implement and manage changes associated with the drive to adopt IT innovation.

Medicine is inherently conservative, and to manage a practice that will actively seek to embrace change that may challenge the ‘conventional practice-service delivery model’ will require leadership and the ability to create a team that seeks to pioneer improved health-service delivery.

Principals and their leadership team need to look beyond the PCEHR. We need to be aware of opportunities that exist to improve quality and service delivery. Identifying opportunities and being able to convert ‘idea to reality’ will provide significant benefits to the practice, patients, practitioners and staff. The benefits will include service access for patients and efficiencies – resulting in improved profitability – for practices.

IT innovation will change the delivery of healthcare in Australia. It is up to each of us as to whether we wish to be a practice on the cutting edge of innovation, shaping the future and taking advantage of the associated benefits, or a practice that waits to be forced into adopting methods framed by others.

As motivational speaker and self-help author Anthony Robbins says, “If you always do what you’ve always done, you’ll always get what you’ve always got.”

FOR MORE INFORMATION: To read more about Australia’s Health 2012 and A National Health & Hospitals Network for Australia’s Future: Delivering the Reforms, click here: http://www.aihw.gov.au/publication-detail/?id=10737422176
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As a medical practitioner, Australian law requires you to hold appropriate medical indemnity insurance as part of your registration obligations. But what about your practice entity? Is it covered under your individual policy, or is additional ‘practice’ cover required?

The reality is that having a financial interest in a medical practice exposes doctors to additional risks that are, in many cases, not covered by personal medical indemnity insurance.

There are a number of reasons why a separate practice policy may be needed:

**AVOIDING EXPOSURE**

If you don’t have the right medical indemnity insurance structure for your practice, **Penny Morgan-Payler** says you could pay a hefty price.

As a medical practitioner, Australian law requires you to hold appropriate medical indemnity insurance as part of your registration obligations. But what about your practice entity? Is it covered under your individual policy, or is additional ‘practice’ cover required?

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<table>
<thead>
<tr>
<th>Medical practitioner exposures</th>
<th>Practice owner exposures</th>
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</thead>
<tbody>
<tr>
<td>Claim against the medical practitioner, involving:</td>
<td>Claims against the practice entity, partners, directors or employees from:</td>
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<tr>
<td>1. Direct treatment of patients.</td>
<td>1. Failure of practice protocols, including systemic failures that could result in multiple claims.</td>
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<td>2. Supervising others treating patients.</td>
<td>2. Liability assumed as a partner, employer.</td>
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<tr>
<td>3. Legal representation for VMO and employment disputes etc.</td>
<td>3. Breaches of patient privacy by staff.</td>
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<tr>
<td>4. Legal representation for Medical Board inquiries and other matters impacting the doctor’s ability to practise.</td>
<td>4. Errors by unsupervised practice staff, or where the patient sees multiple doctors.</td>
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</tbody>
</table>

Penny Morgan-Payler is Head of Corporate Underwriting at Avant Mutual Group Limited.
A MATTER OF PRIVACY

There are different exposures as a doctor and practice owner – you are essentially wearing two hats.

Consider example three in the 'Practice owner exposures' box: Breaches of patient privacy by staff. Say you and a business partner set up a service company with the aim of renting out spare rooms to other doctors. As part of the room rental you provide shared administration staff (employed by the service company). Very few patients attend the rooms, however all patient files are kept on site. The receptionist is asked by the doctor renting your room to send patient notes to a hospital where the patient will be admitted. The receptionist sends the notes to the incorrect hospital, where the patient actually works as a dietician. The patient's medical history then becomes known at the hospital where she works. The patient brings a privacy complaint against the doctor, the receptionist and your service company.

In this situation:

- The error was caused by the receptionist and neither you or your business partner had treated the patient. Your personal policies won’t respond but the practice policy will cover her.
- The doctor renting your room would be covered by his or her own personal policy, as the allegation against them was that they had a duty to ensure the patient’s privacy.
- A practice policy protects the doctor-owners’ personal policies. In this example, the claim is recorded and managed within the practice policy. Both you and your business partner’s personal policies will be unaffected by the practice policy claim – as depicted in the box below.

ERRORS OF JUDGEMENT

In our example over, the value of a practice policy is further highlighted by changing the facts. Imagine if the receptionist, unknown to the doctor-owners, was intoxicated, and his or her impaired judgement caused the error.

Unlike many insurers, Avant Mutual Group’s practice policy would still cover the ‘innocent insureds’ – you, your business partner and the service company would remain covered.

Not having the correct insurance in this example is a sobering thought.

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**Practice Exposed**

- In a group practice without a practice policy, the exposure generated by your group practice as opposed to an individual practitioner is shared across each doctor’s individual policy, or simply not covered – leaving your personally exposed.

**Practice Protected**

- With a practice policy in place, your personal claims record is insulated from the actions of your partners, employees, contractors or locums – ensuring you are personally protected.

If you would like more information about Avant’s Practice Medical Indemnity Policy, please call your local office on 1800 128 268.

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**IMPORTANT: The Practice Medical Indemnity Policy is issued by Avant Insurance Limited, ABN 82 003 707 471, AFSL 238 765. This policy is available at www.avant.org.au or by calling 1800 128 268. Practices need to consider other forms of insurance, including directors’ and officers’ liability, public and products liability, property and business interruption insurance, and workers compensation. Contact your insurance broker for more information.**
TRUST WORTHY

Are your asset-protection arrangements up to date and in accordance with current law? **Donal Griffin** discusses two cases that demonstrate the importance of regularly checking your strategies with a specialist lawyer.

Medical practitioners often know of a colleague who has been sued by a person who claims they have suffered loss as a result of the professional activity of the doctor. There have been many cases and it is highly recommended that doctors should be appropriately insured.

Less well known are the risks to doctors who structure their affairs on the basis of advice from professionals who do not keep up to date with changes in the law. Here we will consider two areas where doctors may want to check that their current arrangements are in line with the latest version of the law, along with the attitude of the Commissioner of Taxation.

Case 1: Commissioner of Taxation v Janmor Nominees Pty Ltd

In this case a doctor established a family trust as well as a corporate trustee, Janmor Nominees Pty Ltd, to protect his assets. Mr Justice Murphy, in the Supreme Court of Victoria, stated: “Mr Redman believed by establishment of the trust arrangement, he could inter alia avoid the risk of personal ruin should any ‘malpractice’ suits be brought against him personally.

He is, by profession, a facial maxillary surgeon who, at the relevant time, practiced in the Frankston and Malvern areas in Victoria. He also believed that by means of the trust he could be somewhat relieved of
the fear that death duties might be reintroduced and that his family would be thus protected in the event of his death owning assets of any substance. These are reasonable and responsible fears entertained by any young business or professional man”.

Dr Redman acquired property through the trust and entered into a lease arrangement so that he could occupy it.

The Commissioner of Taxation sought to claim that the interest payments, under the mortgage that funded the purchase, were “outgoings ... are ... private or domestic nature”. The Supreme Court found that Dr Redman’s steps in acquiring this property through the trust, granting a mortgage and leasing the house to himself were all taken having regard to the interests of all the possible beneficiaries, including those who might enjoy, in the year 2058, when the trust was to vest, the corpus of the trust estate.

However, this case was decided before the enactment of Part IVA of the Income Tax Assessment Act 1936. In Taxation Ruling 2002/18, it was stated that an individual taxpayer who borrowed money to acquire units in a unit trust and who incurs the interest expense (as opposed to the trustee in the Janmor case), could not claim that the interest is deductible on the basis it is not of a private or domestic nature.

Doctors are reminded that even where structures are properly set up, they need to be administered in a way that is consistent with the appropriate structure and they must be reviewed periodically, as and when the law changes.

Case 2: Sulo & Colpetti
In this particular case, a husband was surprised that unsecured loans from his father, which he had hoped would operate so as to retain the family wealth within the family, were unenforceable.

In our experience at De Groot Lawyers, many families try to protect ‘family assets’ by supporting a child purchasing a property but by making it clear that such support is a loan rather than a gift. The notion is that if the relationship with the child becomes difficult, the parents can call in the loan. Most of these loans are on an ‘at-call basis’.

In this case the son’s wife was unsuccessful in arguing that the loans were in fact gifts, even though the loan was documented and there was a provision for some interest to be paid.

Too late, in the sense that the six-year period in the Statute of Limitations began from the date the money was advanced, the borrower attempted to acknowledge the debt in an attempt to restart another six-year period under the limitation legislation.

The court found that the loan was unenforceable and the effort to document the loans and protect them ended up making the case for the now-estranged family member, i.e. that the loans were in fact unenforceable.

Where such loans are acknowledged within the six-year period, they can be effective to protect assets. However, a ‘set and forget’ approach will not provide clients with anything other than mistaken peace of mind.

In our experience, where these debts are enforceable and are called in, the creditor is extremely pleased. The writer has acted for a medical specialist who celebrated long into the night when his daughter’s marriage broke up and he made a formal demand to be repaid within seven days. The daughter has since drawn down on the loan again to buy a property with her new partner.

MINIMISING HARM
Doctors, in particular, should remember that the law works differently to medicine. ‘Do no harm’ does not appear in our codes. Unless there is a legally enforceable agreement to share all liabilities equally, a disappointed patient or creditor may enjoy pursuing the business partners of the colleague who caused the disappointment.

If you have not protected your assets, ‘joint and several’ liability might very well harm the assets you have worked hard to build up.

Discretionary family trusts can be effective vehicles for asset protection if they are established properly.

Recent cases have found that, in the circumstances of the case, the trust is really an alter ego of the party to the litigation. Where the trust deeds have not been reviewed since those recent cases, it is highly questionable whether a court would find that they do protect the assets owned by that trust.

If you would like to review your asset-protection strategies, please contact Donal Griffin on 02 9101 7018 or dgriffin@degroots.com.au
When setting up your practice, you may have borrowed money (or entered into debt) to finance it.
If so, you should make sure you, and other key people\(^1\), have suitable insurance cover against death, total and permanent disability and critical illness.
Because if something happened to you, or another key person (such as your associate/s), the insurance payment could be used to reduce or repay debts, and protect any personal or business assets used as loan security.
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**Victoria:** Denis Durand, Durand Financial Services (03) 9909 7553.
**Queensland:** Scott Moses, Lane Moses Private Wealth (07) 3720 1299.
**South Australia:** Andy Murdock, Ora Financial Strategies (08) 8211 6611.
**Western Australia:** Wayne Leggett, Paramount Wealth Management (08) 9474 3522.

\(^1\) For the purpose of this strategy, a key person must have an interest in the debt and will usually be an owner, loan guarantor or third party who has left money to the business.
When setting up your practice, you may have borrowed money (or entered into debt) to finance it. If so, you should make sure you, and other key people, have suitable insurance cover against death, total and permanent disability and critical Illness. Because if something happened to you, or another key person (such as your associate/s), the insurance payment could be used to reduce or repay debts, and protect any personal or business assets used as loan security.

To find out about the types and amounts of protection you may need, please speak to The Private Practice endorsed Financial Adviser, details of which are below.

Are your assets worth protecting?

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1 For the purpose of this strategy, a key person must have an interest in the debt and will usually be an owner, loan guarantor or third party who has left money to the business.
The first question many investors ask about self-managed super funds (SMSFs) is why they should use one. Well, the potential benefits can be great, but it really comes down to your individual situation. While SMSFs are ideal for some people, they are unsuitable for others. Making the right decision will come down to getting professional advice that takes your particular circumstances and future goals into account.

David O’Callaghan says you shouldn’t jump in with your eyes closed.

While an increasing number of people are opting for self-managed super funds,

David O’Callaghan is a Senior Adviser with Fintuition Pty Ltd and an authorised representative of RI Advice Group Pty Ltd
THE BENEFITS

• **Cost:** Due to a number of the costs associated with running a SMSF being relatively fixed, when compared to retail super funds (which are often a percentage of your account balance), SMSFs may provide significant cost savings. These savings typically start for balances around $200,000, depending on what the fund invests in. A key point here is that cost savings should not be the sole motivator for running a SMSF.

• **Control:** Many people like the idea of having control of their assets as making your own investment decisions can provide a feeling of control and self-accountability. On the downside, no-one ever feels good about being responsible for making poor investment decisions.

• **Tax Breaks:** A range of legitimate tax benefits are available when running a SMSF. Many come from being able to control when tax liabilities arise – i.e. you choose when assets are sold. Having this ability could potentially save you many thousands of dollars in tax over the life of your fund. And did you know that waiting until your fund is in pension phase before you sell an asset could mean you potentially pay no Capital Gain Tax on the sale? The key here is careful planning.

• **Investment Choice:** Being the trustee (or a director of a corporate trustee), you get to make the investment decisions. One of the main advantages of running a SMSF over being a member of a retail super fund is that you can choose to invest in a specific property, subject to the trust deed and written investment strategy. It can be a particularly attractive option for doctors to purchase their rooms under the Business Real Property exemption.

• **Estate Planning:** Because you have control over what the trust deed will allow – subject to being within the legislative rules – you can decide how death benefits are paid such as a pension or lump sum, and to whom. It is important that you seek advice regarding the appropriate use of binding nominations, reversionary pensions and associated estate planning structures, such as testamentary trusts.

AVOIDING TRAPS

SMSF compliance is a serious matter and should not be taken lightly. A breach in the rules can result in a range of penalties, including fines, increased taxes (potentially close to half the value of the fund could be lost) and, in severe cases, even jail for the trustees/directors (of which you would be one). So make sure you are aware of the rules and have skilled advisers to guide you.

Here are two of the many ways trustees can run into trouble:

• **Trustee Responsibility:** As a trustee (or director of a corporate trustee) of your SMSF, you are ultimately responsible for the running of the fund, which includes ensuring compliance with superannuation laws. The law states that you must essentially manage the money in the fund as if it
were someone else’s. A common mistake trustees make is where they take money out of the fund for their personal use. This could be in error or they may just consider it a short term loan, which they intend to pay back. Either way this will generally result in a breach and must be reported, which could result in penalties. The key is to treat the fund as someone else’s money you are responsible for and to maintain an ‘at arm’s length’ approach.

• **Slick Schemes:** The trustees of the fund control where the money is invested and there will always be people out there who promote investment schemes that will probably contribute more to their retirement than they ever do to yours. These schemes come in a range of forms, from dubious ‘next big thing’ investments to property developments where you can only build when the tide goes out.

If you think you are too intelligent to get duped, then beware – many high-profile, knowledgeable and educated people have lost money thinking the same thing. Many of these operations run very slick programs to convince you they are legitimate and will meet their promises.

The promoters of these schemes often target the fact that many SMSF trustees don’t have the knowledge and experience of professional super-fund managers and lure them in on the promise of big returns and financial freedom. I have seen many of these schemes come and go over the years, so be warned – they are out there and only too happy to take your money.

The key message here is get professional advice and to make sure your advisors have your best interests at heart. Every time I see one of these schemes collapse I shake my head and think it was so obvious this would happen yet the reality is that people who don’t work in the finance industry – and even some that do – don’t know what to look out for.

**SEEK PROFESSIONAL ASSISTANCE**

One of the best ways to avoid the pitfalls when running a SMSF is to engage the assistance of professional advisers:

• **Accountant:** The level of assistance provided here will depend on the accountancy firm you choose. While some firms offer both taxation and administration services, many are outsourcing the administration to focus on the taxation-advice element. Having someone in your corner who has a thorough understanding of super-fund tax law can make life much easier and reduce the chance of you running foul of the tax office.

• **Financial Adviser:** A properly qualified and licensed financial adviser can be a huge help when you are looking to make strategic and investment decisions. The adviser should be your sounding board for decision making and coordinating other advisers. I have seen many doctors come unstuck when they take the ‘I know it all’ approach. My advice is, don’t be one of them. On many occasions I have met people who have had a SMSF for years and after a discussion they respond: “I wasn’t even aware I could do that”. As with your accountant, find someone who specialises in this area and has appropriate accreditation.
• **SMSF Administration Provider:**
  If you are not a meticulous record keeper, employing an administration provider to take on this role makes a lot of sense. They will often offer a range of services, from trust deed creation and deed upgrade to record keeping. Many provide a choice of levels of service, so you can choose what you would specifically like them to look after. A word of caution – some low-cost providers may find it difficult to operate when the Future of Financial Advice (FoFA) rules come in, so rather than opting for the cheapest, look for a provider that offers value for money.

• **Lawyer:** Many law firms provide a range of services, such as compiling and reviewing trust deeds and appropriate documentation of strategies such as Limited Recourse Borrowing Arrangements. If you are considering implementing a complex superannuation strategy, a lawyer who specialises in this field can be of great help.

Happy investing! 😊

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**YOUR SMSF CHECKLIST**

Is a self-managed super fund right for you? Answer the following questions before considering going down this investment path, and be sure to seek professional advice before signing on any dotted lines:

• Do you have the time and inclination required to run a fund?

• Are there particular assets, such as property (your practice rooms, for instance) that you would like to own via your super fund?

• Do you want to have control of the investment of your super assets or would a professional fund manager be more suitable?

• Do you have the funds to make running a SMSF cost effective?

• Do you have the investment experience and knowledge to run your own fund (a trusted specialist SMSF financial adviser could assist here)?

If you have answered yes to these questions, then call your adviser and ask whether a SMSF is right for you. Don’t be one of those people who looks back and says: ‘I should have done this years ago’.
Considering your competition is an important part of the strategy for selling your home. If there are 20 other houses with similar features to yours on the market in your suburb, buyers are going to have 20 options to choose from.

Supply and demand plays a significant role in determining the sale price you will achieve for your home. If there is good buyer demand in your suburb and the number of homes for sale is low, these are perfect conditions for good-quality properties to achieve a premium price.

Tight supply is one of the reasons you might see top results being achieved in a particular suburb if the overall market in your city is soft. Each city or region is made up of many markets. If the median house price in Sydney drops 2%, that doesn’t mean the median house price in your suburb will also drop by 2%. A critical factor is the local supply and demand in your particular vicinity.

**POTENTIAL & POSITION**

The first thing to do before listing your property is to check out your competition. For instance, if you own a four-bedroom home, log on to the Internet and search for four-bedroom homes in your suburb to see the other properties your potential buyers might be considering.

Is your home superior? Will buyers want to inspect your home in addition to other four-bedroom homes on the market?

Also search for sales of four-bedroom homes in your suburb over the past month or so to get an idea of the actual prices achieved. This will help you understand the market value of your home.

In consultation with your agent, the next step is to work out how to position your property so it appears different to the rest. Maybe your house is the only four-bedroom home with a north aspect, or maybe your land size is greater. The unique

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John McGrath is Chief Executive of McGrath Estate Agents.
and most desirable features of your property should be highlighted in your marketing – your photos should capture these features and your advertising copy should mention them in the first few lines to immediately attract the attention of buyers.

PRESENTATION & PRICING
When you have many competing homes for sale, presentation is critical. Decluttering and perhaps even hiring a stylist will really help to make your property stand out. Small repairs and improvements, such as a house wash, new paint and garden landscaping, will add major appeal.

Pricing is the next issue. When you have several competing homes, it’s more important than ever to price your property correctly. Your agent will provide you with expert advice in this regard – he or she will show you comparable sales, some of which you’ll already be familiar with from your Internet search, to help you understand the current market value for homes like yours. To determine the correct price guide, your agent will take market value into account, along with the additional value your home’s unique features bring.

Selling by auction is an effective way of letting market forces drive up the sale price of your home. It’s also very useful in situations where there are a lot of properties on the market, as it gives buyers a sense of urgency and a deadline to work toward.

Talk to your agent about the properties competing with yours and how they might affect your sale price. Depending on conditions, you might want to hasten or delay the start of your campaign to take advantage of the best market conditions.
PROTECTION

Are you covered?

We all know our assets are worth protecting. The key, writes Russell Hannah, is ensuring that any protection you sign up for will cover your business under all possible circumstances.

When setting up your practice, you may have borrowed money or entered into debt to finance it. If so, it’s important to make sure that you and any other key people – a co-owner, loan guarantor or third party who has left money to the business – have suitable insurance cover.

Because if something happened to you, or another key person (such as your associate/s), the insurance payment could be used to reduce or repay debts, and protect any personal or business assets used as loan security.

Most businesses use debt to start up and grow their operations. Examples can include:

- Loans sourced from a lending institution that are secured by personal assets (such as the family home) or practice assets (such as business real property).
- Proprietor loan accounts (these accounts generally arise when a shareholder or director of a company lends money to the business, or the trustee of a trust distributes income to beneficiaries on paper and retains the cash to fund operations or expand the business).
- Unsecured loans provided by a relative (e.g. a spouse or a parent) or an associated entity (such as a family trust or company).

While few businesses could exist without entering into these types of arrangements, problems can arise if you (or another key person) are lost to the business either temporarily or permanently.

Your business could have difficulty meeting its loan commitments. The lender could have concerns regarding the business’s cashflow and credit position, and may require the outstanding loan to be repaid immediately.

The lender may even have to sell the personal or business assets used as security so the debts can be cleared.

THE SOLUTION

One way to reduce these risks is to insure yourself and other key people against death, total and permanent disability, and critical illness.

If any of these events should occur, the lump sum insurance payment can be used to:

- Reduce or pay off the debts.
- Release any loan guarantee or security provided.
- Protect your personal and business assets.
- Make sure the business can continue as a viable operation.

Note: This strategy is particularly important for highly geared businesses but less important for practices with lower debt-to-equity ratios. To determine the types and amounts of cover you may need to protect your assets, speak to a financial adviser who specialises in insurance for medical practices. A financial adviser can also review your insurance needs over time to make sure you remain suitably covered.
DID YOU KNOW...

Only 25% of people in small business could maintain their lifestyle or business for more than six months if they suffered a serious illness or disablement.

Source: Small business services missing out on valuable tax breaks, 2006 – Financial Services Council.
CASE STUDY

Adam, aged 40, is married to Kylie, aged 35. They have a young family and own a home worth $1.5 million. Adam wants to expand his practice and to do this he’ll need to raise some capital. After assessing his options, he borrows $500,000 from a bank and, as part of the loan agreement, he signs a guarantee using the family home as security.

One of the conditions of the loan is that the debt must be repaid immediately if he dies or becomes totally and permanently disabled.

His financial adviser explains that should either of these events occur, the only way to repay the loan will be to sell either the business or the family home, and both these options would have significant drawbacks. Selling the practice assumes there will be a willing buyer prepared to pay a reasonable price. Selling the family home can present similar challenges, compounded by Adam’s family having to find somewhere else to live.

Adam could also face problems if he suffers a critical illness. In this scenario, he could struggle to meet the loan repayments, particularly if he takes a while to recover or is unable to return to work.

After assessing Adam’s goals and financial situation, his adviser recommends he take out $500,000 in Life, Total and Permanent Disability, and Critical Illness insurance.

If the unthinkable happens, he (or his estate) will receive the necessary cash to repay the loan and extinguish the guarantee.

Note: This case study highlights the importance of speaking to a financial adviser about protecting assets that have been used to secure business debts in case you (or another key person) die, become totally and permanently disabled or suffer a critical illness. A financial adviser can also address a range of potential issues and identify other suitable protection strategies (see Tips & Traps).

TIPS & TRAPS

• It’s important to update your insurance cover in line with the changing value of your debts, as failing to do so may lead to a funding shortfall.
• If you, or the entity through which your business is run, own an insurance policy taken out for the purpose of repaying a debt, the premiums paid by you (or the entity) will not be tax deductible.
• If you take out Life or Total and Permanent Disability insurance through a super fund, you could benefit from upfront tax concessions generally not available when insuring outside of super.
• Over the long term it may be more cost-effective if you pay level premiums, rather than stepped premiums that increase each year with age.
• Insurance can also be used to protect your business revenue if you (or another key person) die, become disabled or suffer a critical illness.
• If you are in business with other people, consider establishing a Buy/Sell agreement funded by insurance. This is a legal contract between business owners that helps to facilitate an orderly transfer of interests in the business if an owner needs to depart the business for a range of reasons.
• Make sure you have enough personal insurance to protect yourself and your family if something happens to you.

For more information about how MLC can help protect you financially, please speak to your nearest Private Practice endorsed Financial Adviser:

• **New South Wales:** Warren Skinner, Fintuition (02) 9362 5050
• **Victoria:** Denis Durand, Durand Financial Services (03) 9909 7553
• **Queensland:** Scott Moses, Lane Moses Private Wealth (07) 3720 1299
• **South Australia:** Andy Murdock, Ora Financial Services (08) 8211 6611
• **Western Australia:** Wayne Leggett, Paramount Wealth Management (08) 9474 3522