BIOTECHNOLOGY
THE NEXT GOLD RUSH?

Protecting your cash flow
Insuring your key people

Privacy legislation
Are you up to speed?
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EDITOR’S MESSAGE

Knowledge is King

The Private Practice team is now half way through our sixth year of travelling around the country, and overseas, delivering education on business, financial and lifestyle management to healthcare professionals. Without fail, at every single course, workshop or seminar, the most often asked question (usually during the relative privacy of afternoon tea) is “how do I chose the right advisers for me?”

My answer is always that first and foremost you must accept the responsibility of lifting your level of knowledge so that you can make informed decisions around business and financial matters.

Second, you must commit to an ongoing journey of education – much as you have regarding your clinical knowledge.

Now, armed with a better understanding of some basic, sound principals you can go about interviewing qualified professionals for the position of adviser on your team – better able to choose, from the solutions presented, those that best suit your circumstances and profile.

Your team should include an accountant, a financial adviser, a financier, a lawyer, a practice management consultant, an insurance broker, a marketing consultant, and an IT consultant and perhaps a billing consultant.

Of course there are many more relevant disciplines and professionals providing products and services representing subsections of the above disciplines.

Each adviser should be at the top of their game, have considerable expertise and experience in working with healthcare professionals, offer un-conflicted advice (i.e. not be owned by a product provider e.g. financial advice from a bank) and, in my opinion, not represent a conflict of interest by providing a multi-disciplined service e.g. accountants, financiers, financial advisers all under the one roof.

Whilst organisations like ours can provide referrals to endorsed practitioners in each of the disciplines important to you, the first step must always be improving your knowledge – in that way you can make a judgement call based on significantly more than just blind faith.

The Private Practice Education Program and Resources have been designed to provide non-conflicted comprehensive, healthcare-specific training and facilitation in all aspects of business, financial and lifestyle management – we invite you to view our 2014 education programme by following this link and hope you enjoy the articles penned by our education partners in this, the Winter 2014 edition of The Private Practice eZine.

Steven Macarounas, Editor
editor@theprivatepractice.com.au
EVENTS

The Private Practice Financial Planning Partners Professional Development Workshop – 27-28 March

WHAT WILL HAPPEN TO YOUR WEALTH WHEN YOU’RE NO LONGER LOOKING?

It’s a common and justifiable preoccupation for any medical professional who has worked hard to build wealth over a lifetime. Most people don’t like to entertain the possibility of life taking an unwelcome turn, but in reality it often does. Having a sound plan in place will ensure the wealth you’ve built is transferred smoothly, tax-effectively and according to your wishes.

SAFEGUARDING WEALTH FOR GENERATIONS

We provide tailored and personalised estate planning to meet your unique needs and goals. We can put the right structures in place to help protect your wealth and family through:

- strategic advice that covers personal and family assets
- preparation of legal documents, including wills, enduring powers of attorney and living wills
- establishment and administration of philanthropic structures and trusts
- intergenerational wealth transfer; and
- executorial services, estate management and administration.

To meet with a Perpetual Private Senior Adviser call Michelle Gianferrari on 0421 446 513 or email michelle.gianferrari@perpetual.com.au

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EVENTS

The Private Practice Symposium – 4 April 2014, Adelaide

The Australasian College of Cosmetic Surgery 2014 – 30 April - 3 May

Private Cancer Physicians of Australia – Medical Oncology Advanced Trainee Program – 11 May, Melbourne
Is your equipment finance as complex as a triple bypass?

It's time for a second opinion

As you well know, running a practice involves balancing a myriad of priorities. Purchasing equipment is high on the list, but it’s often devilishly complicated – it takes specialist expertise to put together a simple and cost-effective solution.

This is where Investec comes in. We specialise in providing financial solutions for medical and dental professionals, so our team thoroughly understands the pros and cons of different methods of funding your equipment. Whether it’s buying outright or leasing, you can rest assured that we’ll work out the optimal structure for you; even better, you can finance the equipment on an Investec credit card and earn Qantas Frequent Flyer miles on your eligible purchase.

Take a look at investec.com.au/medical or call one of our financial specialists on 1300 131 141 to find out how we can help.

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Take a look at investec.com.au/medical or call one of our financial specialists on 1300 131 141 to find out how we can help.
EVENTS

Healthy Practice Conference – 16-17 May, Canberra

The Private Practice ‘Comprehensive’ and Practice Succession Planning Workshop, RANZCOG College House – 23-25 May, Melbourne
I agree with some of this criticism. In my view, the young and unemployed are being treated harshly, as are those who don’t live here. Australia is not a big giver of foreign aid and this Budget cuts our already parsimonious foreign aid. If that end result is unpalatable, or considered inequitable, then it is necessary to go back and question the original diagnosis.

At time of writing, it is unclear how much of the Budget will get through the Senate. The item most at risk appears to be the $7 co-payment for visits to the doctor. This may appear to be inequitable, even picayune, but the inconvenient truths are that price signals work (witness the slowing in recent years in spending on the PBS in recent years after co-payments were increased) and that, if left unchecked, spending – both public and private – on health will rise much faster than nominal GDP, thus putting continual upward pressure on taxes.

First budgets of new governments are always the most interesting, and controversial, because they generally contain significant changes. As Paul Keating was wont to say: “when you change the government you change the country”. They are also best treated as a first step.

So what will happen in future years? My tips would include an increased or expanded GST (possibly offset by income-tax cuts), an increase in the superannuation preservation age and a very close look at the tax incentives for superannuation.

The current superannuation preservation age of 60 is incompatible with an (eventual) pension age of 70. There will be increased fear of super balances being run down in the early years knowing that the pension will be there later. Tax incentives for super cost the economy may have been slowing even earlier. Although the GDP data for Q1 released this morning were relatively good, showing 1.3% growth in the quarter and 3.5% in the past year, retail sales and dwelling approvals for April were disappointing. Given that the economy still has to feel the brunt of the decline in mining capital spending, the outlook remains soft.

The RBA decided yesterday – correctly in my view – to keep the cash rate unchanged. It is still likely that the next move is up, but it may now be a long time coming, possibly not until 2015. The exchange rate did little in May. It began at 92.9 cents and finished at 93.2 cents. Its trading range for the month was a narrow 92.3-94 cents. As with the share market, the rise in the month, albeit small, is in stark contrast with the previous four Mays, when it fell by an average of slightly more than 6 cents.

My end-of-year share market forecast is unchanged: 5700 for the ASX200. At end-April I somewhat reluctantly lifted my end-of-year exchange rate forecast from 82 cents to 82.8 cents.
WEB FOOT FORWARD

Dr Malpani explains how a state of the art website for your practice can enhance the patient’s experience.

In the past, getting on the Net meant learning how to surf the Web, and having your own email address was considered to be a status symbol. However, today, this is no longer enough – you need to have your own Website. This rapid pace of change is symbolic of how quickly things are changing in today’s world – and doctors who are not proactive are likely to get left behind!

You are a busy doctor, so why should you take the time and trouble of setting up your own website? Firstly, your website lets you provide value-added services for your existing and new patients, by providing details as to the timings of the clinic and how to get to the clinic. It also allows you to answer routine patient’s queries by email. Patients are thirsty for information about their illness, and many will use the Net to find information. However, most patients would rather get information from their own doctor, and if you provide this information on your website, your patients know they can trust it.

Your website will also save you a lot of time. Most doctors have now started seeing patients coming with Net printouts of pages and pages of unreliable and irrelevant information. If you put up your own website, you can guide your patients to reliable sources of information – thus saving your patients the frustration of wading through pages of garbage and misinformation.

By providing this information, you establish yourself as a credible expert. You can ‘refer’ patients to your website at the end of the consultation, so they can educate themselves. Patients appreciate this – and word of mouth will help you get more patients.

Your website can help you to attract new patients. Indian medical care is very cost-effective, and a website is very valuable for informing NRIs of your medical expertise.

Soon, it will become as routine for patients in India to do ‘research’ about their doctors, as it is in USA, and your website can help patients to find you!

At our website at www.drmalpani.com – we answer over 10 queries a day, as a result of which we get direct patient referrals from all over the world.

Remember that internet positive patients may be slightly different from your average patient! They are well-informed, used to getting second opinions, and can be quite demanding. Most are affluent, and know exactly what they want.

Your website is an excellent form of continuing medical education for yourself. Because you need to update your website all the time, not only do you need to source the latest medical information, you also need to keep up to date with web technology!

However, website benefits are not restricted to practise promotion only. We put up a new website at www.TheBestMedicalCare.com to publicise our book, How to Get the Best Medical Care – A Guide for the Intelligent Patient. We now get orders from all over the world – and get paid in US dollars too for this.

Our first website, www.healthlibrary.com is a purely educational site, and by putting up over 20 full-text books on ayurveda and yoga online in our reading room, we are helping to promote Indian healing systems internationally.

You need to have realistic expectations of what your website can do for you!

You need to promote your website actively. Online promotion usually means registering the site with all the relevant search engines, so people can ‘find’ you. Offline promotion is even more important, and you need to tell everybody about it! Print the website address (URL) on your business cards and your stationery – and display it in your waiting room.

Some doctors are worried that having their own website may be misconstrued as a form of advertising. However, the internet is a very valuable means of educating patients, and doctors need to be in the forefront of providing reliable information to their patients. After all, if we don’t take responsibility for educating patients, then who will?

The future of medical care is e-healthcare, with the promise of online medical records, online pharmacies, teledicine, patient education, and an ever-expanding list of exciting opportunities. The opportunity to help our patients navigate the wealth of information on the World Wide Web and better educate themselves is now in our hands. We owe it to ourselves and our patients to meet the challenge that lies before us all!

So, what are the benefits of putting up your own website? For one, it’s an effective means of marketing your practise and it’s not very expensive. Not only can you tell prospective patients all about the specialised services you offer; it also provides patients with the positive impression that your practise is modern and up-to-date! Having a website does help to keep you current as well, because you will need to update your site often.
PATIENT CARE

It also allows you to interact with patients (and other doctors) from all over the world, thus allowing you to develop a global perspective. Having your own website also ensures that you remain up-to-date with the latest internet technology, and stimulating your grey cells ensures you never get old mentally!

There will be a day when nearly everybody is hooked up in some form and if you aren’t on the Internet, you will soon be at a disadvantage. Being connected also allows colleagues and other medical organizations to see the site, which can only help to enhance your status as a doctor.

However, do remember that maintaining a website can be quite time consuming. Computers are often impatience amplifiers, and Murphy’s law ensures that if something can go wrong, it will. Also, don’t have unrealistic expectations that putting up a website will bring patients thronging to your doorstep, given the fact that only few Indians surf the Net today, it won’t.

So what can you put up on your site?

Content is the heart of a website, and because the web is a constantly evolving medium. You need to keep refreshing your site regularly – at least once a month. You can put up information about your practise; patient education information; and even images and videos of interesting cases you have seen. You are limited only by your imagination, and the space you have on the server. In order to protect yourself from potential medicolegal liability, you should include a disclaimer on your site emphasizing that you are not prescribing treatment.

Many doctors find that the major benefit of a website is that it allows them to provide information to their patients. Many patients today actually prefer an email consultation with their doctor rather than a face-to-face consultation because it offers many advantages ‘it saves them a commute; saves their time; is less stressful and scary than going to the clinic; and ensures that do not forget any of their queries.

Caring, competence, and sensitivity to the needs of patients have always been a physicians’ most prized qualities. But just as the most competent physician of today would be hard-pressed to practice without a telephone, those who choose not to communicate electronically with patients may soon find themselves at a similar disadvantage.

As a doctor, you should take full advantage of the opportunity the Net offers you to provide your patients with the health information they want, delivered by the very person from whom they would most like to obtain it – their own doctor. ©

Global perspective. Having your own website will bring patients thronging to your practice – their busy working day. Here we are in the modern age of the internet, but we require our patients to telephone our practice during business hours – their busy working day.

Are you making it easy for your patients to access your services?

Join Australia’s No. 1 Healthcare Appointment Booking Site. Patients book via the 1stAvailable.com.au website portal, your practice website or the 1stAvailable mobile app.

We are integrated with your practice management software systems making front desk staff adoption seamless, quick and easy.

Free to patients.

Enables patients to book with their preferred practitioner, 24x7.

Reduce telephone load on your front desk and improve patient customer service.

Your front desk and patients will love you for it.
The key people in your practice are the main drivers of continuing success. Katherine Ashby explains why we should identify the risks associated with temporary or permanent loss of key people and implement appropriate risk management measures.

To give your business its best chance to survive over the long term, and succeed, you need to be smart about protection. No matter how small or large your business, or how it is structured, each business will face a number of risks.

These risks could relate to the economy, competition, or changing consumer behaviour and can be hard to control. However, one type of risk you can have a degree of control over is ‘people risk’ – that is, the financial impact to your business if a key person dies or becomes sick or injured.

Moreover, protection is not just about guarding the financial health of your business, it’s also about protecting the ownership of your business – that is, helping to achieve a smooth transfer of business ownership should one of the business owners suddenly exit due to sickness, injury or death.

When devising a protection strategy for you, your financial advisers will focus on three areas:
1. Keeping the business running
2. Protecting the assets
3. A clear plan for ownership changes.

Surprisingly, the most common type of insurance in place today is around business succession. This means that if someone can never return to the business, whether because they die or become permanently disabled, the other owners will retain control of the business and the exiting owner will receive adequate compensation for their share.

While business succession is important, the most likely impact to your business is a key person suffering a temporary rather than a permanent disability. This could be from any cause, including a physical injury, cancer or a minor heart attack. Suffering a disability and being unable to return to work temporarily is far more common than suffering a permanent disability which prevents you from working again.

Did you know?
53% of small business owners have heard of ‘Key Person Cover’ but only 6% have any cover in place.
For example, a 50-year-old male has a 7% chance of suffering a disability prior to age 65 which results in a permanent inability to work; in comparison, he has a 46% chance of suffering a sickness or injury before age 65 that results in three or more months off work.

The absence of a key person due to temporary disability can place a business under the same significant stress that occurs in the event of the key person’s death or permanent disablement. In addition, there is uncertainty as to when (or if) the key person will return, which makes it difficult for the business to make decisions about whether to hire and train a replacement, how to handle certain client relationships, and general business planning.

Having an income stream to replace revenue after the loss of a key person and in the months that follow could mean the difference between survival and business failure.

Traditionally, cover for a small business has been limited to lump sum cover. Key Person Income insurance is designed to provide a monthly benefit to cover the revenue generated by one or more key people within the business should they become ill or injured.

Key Person Income insurance provides a monthly benefit for up to 12 months to help cover lost revenue of the business, in the event that the key person is unable to work due to sickness or injury. This means it covers most disability circumstances, rather than just those that are total and permanent (and covered by Total and Permanent Disability cover) or those which are listed as specified events (and covered by trauma insurance).

**WHO IS A ‘KEY PERSON’?**

A key person is someone who is critical to the financial wellbeing of your business through their continued association. Key people can play an important part in generating the revenue for the business.

Here are some typical examples of key people:
- Director, Managing Director or CEO
- Partner in a partnership
- Professional with a client base
- Employee with a particular skill or technical expertise
- Senior sales manager.

Think about the people associated with your business that you would consider to be key people. For each person, what would be the impact on your business if that person was off work for 6-12 months?

You should take some time to consider how your business will continue to pay its expenses and maintain cashflow if this happens. There are a number of potential methods that a business might consider:
- Use existing cash reserves, if any
- Draw down from existing loan facilities
- Sell some of the business assets
- Contribute more personal capital
- Weather a period of reduced profit or even loss.

However, for many businesses, these options are simply not possible or too expensive. In the meantime, your business revenue could fall significantly.

If one of your key people goes on leave due to sickness or injury, you will need to decide if you will hire and train a replacement. Making decisions on bringing in a replacement or a locum can be challenging. In many cases of disability, it is not clear how long the person will be off work for, or even if you have a clear expectation in the beginning, that timeline can then change. It makes planning for a replacement, and the decision as to whether or not to replace the person, very difficult.

**INSURANCE IN ACTION**

Phil and Scott own equal shares in a dental firm, Fancy Fangs. They have four employees including one dental hygienist and two dental nurses. The business revenue is around $1.2 million per annum and Phil and Scott are each responsible for around $480,000 p.a.

They visit their financial adviser, David, who recognises that Phil and Scott generate the majority of the business revenue. If something were to happen to either one of them, their client bases and the revenue they produce would be at risk.

What can Phil and Scott do to protect their business?

David suggests putting Key Person Income insurance in place for Phil and Scott. As they are each responsible for $480,000 per annum in revenue, they can be insured for this amount divided by 12 as a monthly benefit.

Phil $40,000 monthly benefit
Scott $40,000 monthly benefit

The policies are owned by Fancy Fangs Dentistry and the premiums are paid by the business. Each policy has a 30-day waiting period, which means that a benefit becomes payable if the key person insured under the policy is disabled for longer than 30 days.

If Phil or Scott becomes unable to work due to sickness or injury, the business can receive up to $40,000 per month for 12 months. This can help the business to continue to pay bills, loan repayments and employee salaries. It can also help the business to cover the cost of finding and training a replacement or locum if necessary.

**Outcome:** The insurance benefit can help Fancy Fangs Dentistry to survive if one of the partners is unable to work due to sickness or injury, with minimal disruption to its cash flow.

**IMPORTANT POINTS**

- Key Person Income insurance policies must be owned by the business.
- You can insure key person owners or employees.
- The policy is not available to cover sole traders, however, it could be used to cover the key employees of a sole trader.
- You can insure for a monthly benefit of up to $60,000 (protecting an annual gross profit produced by that individual of $720,000).
- The purpose of insuring the key person will affect whether the premiums are tax deductible and how the proceeds are taxed. As a general rule, where the purpose of the insurance is to protect the revenue of the business, such as by replacing lost sales, the premiums on a Key Person Income insurance policy will be tax deductible and the proceeds will be assessed as income.
- Your business must meet certain ownership and other requirements to qualify. Speak to your financial adviser for more information.

For tailored advice to suit your circumstances and needs contact the Private Practice endorsed advisor in your state by following this link.
UP TO SPEED?

Compliance with privacy laws has now become a risk management issue. Chris Mariani guides us through the new legislation and what we need to comply.

If you are running a healthcare business then you should have recently updated your privacy policy and put in place systems and processes to ensure you comply with the privacy law changes that came into effect 12 March 2014.

It’s important to note all businesses that provide a ‘health service’ are captured by the privacy laws (other private businesses are only captured when their turnover is greater than $3 million annually).

If you are not up to speed on the privacy laws a good place to start is the website of The Office of the Australian Information Commissioner (OIC) www.oaic.gov.au/privacy (formerly the Privacy Commissioner) and in particular the 13 Australian Privacy Principles (APPs):

• APP 1 – Open and transparent management of personal information
  Ensures that APP entities manage personal information in an open and transparent way. This includes having a clearly expressed and up to date APP privacy policy.

• APP 2 – Anonymity and pseudonymity
  Requires APP entities to give individuals the option of not identifying themselves, or of using a pseudonym. Limited exceptions apply.

• APP 3 – Collection of solicited personal information
  Outlines when an APP entity can collect personal information that is solicited. It applies higher standards to the collection of ‘sensitive’ information.

• APP 4 – Dealing with unsolicited personal information
  Outlines how APP entities must deal with unsolicited personal information.

• APP 5 – Notification of the collection of personal information
  Outlines when and in what circumstances an APP entity that collects personal information must notify an individual of certain matters.

• APP 6 – Use or disclosure of personal information
  Outlines the circumstances in which an APP entity may use or disclose personal information that it holds.

• APP 7 – Direct marketing
  An organisation may only use or disclose personal information for direct marketing purposes if certain conditions are met.

• APP 8 – Cross-border disclosure of personal information
  Outlines the steps an APP entity must take to protect personal information before it is disclosed overseas.

• APP 9 – Adoption, use or disclosure of government related identifiers
  Outlines the limited circumstances when an organisation may adopt a government related identifier of an individual as its own identifier, or use or disclose a government related identifier of an individual.

• APP 10 – Quality of personal information
  An APP entity must take reasonable steps to ensure the personal information it collects is accurate, up to date and complete. An entity must also take reasonable steps to ensure the personal information it uses or discloses is accurate, up to date, complete and relevant, having regard to the purpose of the use or disclosure.

• APP 11 – Security of personal information
  An APP entity must take reasonable steps to protect personal information it holds from misuse, interference and loss, and from unauthorised access, modification or disclosure. An entity has obligations to destroy or de-identify personal information in certain circumstances.

• APP 12 – Access to personal information
  Outlines an APP entity’s obligations when an individual requests to be given access to personal information held about them by the entity. This includes a requirement to provide access unless a specific exception applies.

• APP 13 – Correction of personal information
  Outlines an APP entity’s obligations in relation to correcting the personal information it holds about individuals.

The privacy changes also provide additional powers to the OIC, such as to conduct assessments of privacy performance for businesses. One of the new risks is the OIC’s ability to seek a ‘civil penalty’ for serious or repeated offenses of up to $340,000 for individuals and $1.7 million for entities. It’s important to note that ‘civil penalties’ are generally not covered by medical indemnity policies – unless there is specific cover usually referred to as ‘Statutory Fines and Penalties’. This cover is however...
If you have any questions or need advice on your insurances, please contact Chris Mariani on (02) 9905 7005 or 0419 017 011, or email chris@mgrs.com.au for an obligation-free discussion and review.

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RISK MANAGEMENT

available outside of medical indemnity policies, so please contact us if you require advice or have any queries.

NO DOOR, NO DEFENCE...

Recently I visited a specialist medical practice. They had been in business for many years and were still on paper medical records. The medical records room was off the main corridor leading to the toilets, and the room had no door. Patients and visitors had easy access to the records room as they moved freely down the corridor.

Imagine a person decided to take a few records and then post these on the web and the impacted patients bring a privacy claim against the doctors/practice. This type of claim would likely be covered by the doctors/practice policy (as it is a compensation claim). But from 12 March 2014, the OIC now has the powers to seek a civil penalty against the doctors and/or practice. A civil penalty is a penalty applied to deter bad behaviour, so the practice would be well served to take reasonable steps such as installing a lockable door and considering other reasonable steps to protect the medical records. The same applies to computer based records. Having up to date virus protection, firewalls, third party agreements and other security measures are all part of good risk management.

APP 11 states an APP entity must take reasonable steps to protect personal information it holds from misuse, interference and loss, and from unauthorised access, modification or disclosure...

What practical things can you do to ensure you comply with the privacy laws?

1. There is a wealth of information at Office of the Australian information commissioner website at: www.oaic.gov.au/privacy
2. Speak with your Medical Defence Organisation or your state AMA. Some are running sessions on this topic and have may be able to provide you with templates and other tools.
3. Speak with your IT consultants and have them review and provide advice on how to prevent or minimise the risks of data breaches.
4. Review your physical security particularly where you have paper based patient records.
5. Should you use third parties to store or destroy patient records ensure there is a written contract that requires the third party to comply with the privacy laws. Consider indemnities and seek legal advice.
6. Appoint a person in your practice to be responsible for privacy.
7. Speak to your insurance broker or adviser and ask for advice on how to protect yourself with the right insurances.

LOCATION, LOCATION, LOCATION

Looking for the perfect Gold Coast site for your practice rooms or surgery?

Casinco Pty Ltd is seeking the ideal medical tenant for its Benowa property, located on Ashmore Road – just minutes from Southport, Surfers Paradise and Broadbeach.

Tenants have an opportunity to design their own medical facility or to have it designed and tailored to their specific requirements on a fantastic site that features:

• A total land space of 1600 square metres
• Room for 650 square metres of floor space
• Off-street parking for over 30 cars
• A very convenient location in an established medical precinct
• Ample free on-street parking
• Close proximity to Pindara Private Hospital and a range of medical services
• Close proximity to a range of professional services, banks and shopping centres

Expressions of interest are invited from prospective professional tenants. To find out more, call John Wicks on 0412 244 295 or email casincopl@gmail.com
Healthy Design

First impressions count when it comes to the waiting room. Stephen Lacey looks at the effect of good design on patient expectations.

It is perhaps when our lives are at their most problematic that we are likely to be most receptive to beauty. Alain de Botton, The Architecture of Happiness

There are few things in life more disconcerting than walking into a waiting room at a dentist’s surgery, or medical centre and finding it looking like the ‘before’ in a home-makeover show. Worn chair upholstery, chipped IKEA coffee tables, peeling posters, and a colour scheme that would frighten children, is no way to present the face of your business.

Not only does a poorly designed waiting room look unprofessional, it also makes the patient feel decidedly uncomfortable and may even make them question your judgement.

The 19th century French writer Stendhal writes: “When we see a place and call it beautiful, really what we mean is that we can imagine being happy there.

But how many of us can imagine being happy in the average waiting room?”

Alain de Botton, author of The Architecture of Happiness (Penguin, 2007) goes even further: “Beauty has a huge role to play in altering our mood,” he says. “When we call a chair or a house beautiful, really what we’re saying is that we like the way of life it’s suggesting to us…we’re highly vulnerable to the coded messages that emanate from our surroundings.”

Architects have long sensed that the built environment can affect our moods. Some of the latest studies confirm their intuition. Indeed entire institutions such as the Academy of Neuroscience for Architecture in San Diego are devoted to researching how a planned environment influences the mind.

In the April 22 issue of Scientific American (2009) Emily Anthes reported on the latest findings in environmental psychology. She looked at the pioneering work from the 1950s when several research groups analysed how the design of hospitals influenced patient behaviour and outcomes.

Anthes also cited an important study by neuroscientist Moshe Bar of Harvard Medical School and Maital Neta (his research assistant at the time) that showed that people prefer objects with curved or rounded edges over those with sharp edges. The study concluded that all things being equal a waiting room with furniture that has rounded or curved edges could help visitors unwind.

Importantly for waiting rooms, Eina stacking chairs can be linked or a beam version is also available. Eina has been used extensively across Australia in pharmacies, medical and dental centres, hospitals and IVF clinics.

Similarly the Lottus range of chairs, stools and tables offers a wide scope of possibilities in different models and variants, with even a child’s chair and table available. Lottus is elegant, comfortable and functional. The chairs feature injected polypropylene shells and lacquered or chrome metal tube frames. The enormous colour range for both the shells and frames together with unlimited upholstery fabric means you can personalise your medical space how you see fit. Lottus chairs are made from resistant and durable materials, and are stackable and easy to maintain. BUPA Centres across Australia are being fitted out with all white Lottus sled base chairs and stools.

For more details about both Eina and Lottus, visit: www.kezu.com.au
A CHANGE OF SCENE

Specialists on Drummond – a purpose-built facility in the heart of Ballarat’s medical precinct – invites you to consider combining an exciting new specialist position with a lifestyle change.

Set on the Yarrowee River, approximately 115 kilometres from Melbourne, the historic city of Ballarat is a growing destination in need of more medical specialists. As Victoria’s most populated inland settlement, this central hub services the Grampians area. The population here is projected to increase to 261,679 by 2021 – a rise of 16.9% in just eight years.

Ballarat presents fantastic lifestyle opportunities – along with affordable property prices, excellent schools, easy local commutes and fast-train access to Melbourne, there are plenty of options for those who enjoy everything from sailing, fishing and sports to great wining and dining experiences.

TAILORED TO SUIT
Specialists on Drummond takes a fresh look at private practice and offers an impressive model designed for those looking to work on either a full-time, part-time or sessional basis. There is no buy-in and flexible rental packages can be tailored to meet your specific needs.

Along with sessional rates, Specialists on Drummond offers options for set-up and marketing packages, remote access to Genie clinical software, full administration support and high-speed broadband connection. Telehealth facilities, ample onsite parking, procedure rooms and practice nurses are also available.

Nearby medical facilities include the Ballarat Regional Integrated Cancer Centre and Specialists on Drummond has links to Ballarat Health Service, St John of God Ballarat Hospital and Ballarat Day Procedure Centre.

In addition, the facility can provide a full suite of coordination and management services for all aspects of your practice, ensuring a smooth experience for you and your patients.

This is an ideal opportunity for specialists wishing to establish their first practice. It’s a chance to be guided by a clinical colleague willing to offer you a wealth of experience in the business of medicine. Supported by an energetic and qualified team, you can streamline the process of establishing your practice within a vibrant community.

The first step is making a call and arranging a visit.

IT’S TIME TO APPLY
Specialists on Drummond is currently looking to recruit specialists in the following areas:

**MEDICAL**
- General internal medicine
- Emergency medicine
- Haematology
- Neurology
- Rheumatology
- Infectious diseases
- Dermatology

**SURGICAL**
- Vascular
- ENT surgery
- Urology
- Plastics & Reconstructive
- Neurosurgery/Spinal

For further information, email Ruth Bollard at ruth@specialistsondrummond.com.au or call 03 5330 5900.
Having completed several workshops on business planning in the last few months I have been puzzled a little by a question I received several times, “Why run a better business? Isn’t it just all about the money?”

My background is from blue chip companies. Straight out of business school I joined one blue chip and then several others and in all that time this question never came up. When I first started assisting small business I became a tad frustrated with the owners of the businesses. I would ask them for goals for their business and they would answer with statements like: “I want to spend as little time at work as possible” or, “I want to be able to take a skiing holiday every year” or, “I want to change the way the world does X.”

Strange how I never included any statements like these in my business plans for the blue chips, nor did I get taught anything like this during university but here they were coming out in small and medium business. At first I tried to ‘educate’ these business owners that this is not the type of thing you put in a business plan. It didn’t seem to sink in. “But that is what I want!” they would say.

After about 18 months of this I realised that I might have to take another view. Now these business owners are the leaders of their business. Whether they were trained as a therapist, a specialist, an accountant or received little to no training at all, they were all still the leaders. So what they wanted was going to be the culture. Being the leader they also set the culture, whether actively by choice or passively by just behaving in their normal way. So any culture was going to be affected by what they wanted. So when you take this view, it is absolutely necessary that any planning needed to start from what they wanted. And what they wanted didn’t seem to be all about money. It was many things. Lifestyle was one of them but many also had a vision of how their business should run and they wanted to build their businesses around that.

As a key driver in any business you need to understand why you are wanting to build a business. What is motivating you? Is this a positive or negative motivation? An example of a positive motivation might be: “The business will serve the community through providing caring medical service” or, “I want to build seven practices across the state and gain efficiencies through centralised administration.”

An example of negative motivation might be: “I want to show these bastards that I can do it better” or, “I want a recession proof business” spurned obviously from having gone through a tough time in the recession of the 90’s.

In my experience it does not really matter what is driving your motivation, as long it stays strong in the medium to long term and is strong enough to see you through potentially tougher times. Very little of the above is all about money. In fact, most businesses lose track when money is the only goal. It simply does not provide the direction needed to create a great business.
GET ON TOP & STAY THERE

With hundreds of potential patients searching the web every month, it’s important to make sure that your website is found easily and delivering exactly what internet users expect when they type in your keywords, Jason Borody says Search Engine Optimisation isn’t as complicated as many SEO experts claim.

Every month, hundreds of your potential patients are using the Internet to search for trustworthy medical professionals. Will they find your website first, or will they find your competitor’s website?

Many Search Engine Optimisation (SEO) experts claim that getting found in the search results requires a complex knowledge of search engine algorithms; algorithms which change frequently and which are nearly impossible to understand or predict.

However, while SEO is far from easy, it’s far less complex and far less brainy than many business owners believe it to be. You simply have to understand and deliver exactly what Internet users expect when they type your keywords into the search bar.

So what do Internet users really want, and how can you deliver it so that you can beat your competitors to the top of Google?

PRIORITY #1: Specific Content

The most important thing you can do to rank highly in the search results is have a clear and specific theme for your company website. When online marketing experts say that you need quality content in order to rank high, what they’re really talking about is content which focuses on a very specific topic.

According to Harris interactive, more than 70% of internet users are frustrated because the content which comes up in the search results isn’t relevant to their current interests. You’ve probably had this happen when you searched for something online. You search for an answer to a specific problem, and you find a bunch of content and articles that aren’t related to the subject.

The search engines are working hard to solve this problem, which is causing a lot of business websites to lose their ranking. For example, if the owner of a pet shop offers dog training services, but they also sell dog beds, cat toys, dog food, cat food, bird food and, they’re going to have a very hard time ranking high for any of those keywords.

If someone in their local area specialises in dog training services and creates a site which is focused only on that theme, they will rank higher than the pet store owner.

If someone else in their local area specialises in selling pet food, that business’s site will rank above the pet store owner’s website.

Rather than trying to rank high for several services, pick your most important service and build your keyword strategy around that. Otherwise, in trying to rank high for multiple keywords, you’ll end up ranking very poorly for all of them.

PRIORITY #2: Consistent Publishing

Don’t feel pressured to post a lot of content just so that you can outrank your competitors. It’s better to consistently post one blog or article a month than to try and post one a week and be inconsistent.
If you’re having trouble coming up with ideas, find a few good articles in trusted magazines or medical journals and write your own commentary about them. If you don’t have time to write at all, record yourself giving the commentary verbally. Then, hand the recording to a transcriptionist or web-based transcription service such as www.rev.com and edit the finished product before posting it on your site. Dictated content is often more reader-friendly than written content because it’s more conversational and easier to understand and digest.

PRIORITY #3: Optimise for User Experience

We need to look at what people do once they get to your site, and we need to optimise their experience, not just because Google demands a speedy site, user-friendly layout, and onsite engagement, but because both Bing and Google say the users experience, their bounce back to the SERPs (Search Engine Results Page), their consistent times of engagement and their behaviour during a site session matter.

SEO doesn’t stop at the visit, thinking beyond the click has become the norm, inspiring shares, mentions, interactions and satisfaction is what helps your site rank better and your patients returning to your website and referring others.

PRIORITY #4: Build a Brand

Whether it’s online or offline, any associations, connections, citations and engagement you have makes an impact to your practice.

An entity that inspires, creates or demonstrates an expertise in certain topics so that other trusted entities quote them, link to them, discuss them, interact with them and show trust in their topic expertise will climb the Google ladder faster than those who keep to themselves.

PRIORITY #5: Be Social

Your online brand doesn’t stop at your website. Your social footprint consists of a few important components which include, claiming your relevant social profiles, optimising your profiles for your topic expertise and location, posting interesting content or relevant information, connecting with your optimal audience, interacting with your audience and amplifying interactions. Social interaction and amplification has progressively become more important for SEO given the ability to deploy or promote sharable content to both “connected” and “potential” audiences, empowering both groups to engage and generate trust and topic association signals, links, citations and mentions that search engines can recognise, catalogue and leverage to improve both the personalisation and relevance of results.

PRIORITY #6: Patience

Earning high search engine rankings is like building a reputable practice. It takes patience, and those in a hurry will often end up going nowhere or being penalised by the search engines. If your content theme is specific and if you’re consistent in publishing content which is interesting and easy to read, you will see good and lasting results.

THE SMART WAY TO GROW YOUR PRACTICE

There are many more tips to help get your practice to the top of the Google search results that Vividus can help you with. We recommend speaking to us about how you can grow your practice by increasing traffic to your website, strengthening your profile and building value through targeted and strategic marketing strategies. If you want to attract more walk in business using the Internet or offline marketing channels, call Vividus at 07 3283 2233 or visit www.vividus.com.au

The benefit of getting a medico-specialist financial adviser?

Medicos and other healthcare professionals are not like everyone else. When it comes to financial advice, you have particular needs, issues and concerns that need to be clearly understood from the outset. Which is why we’ve gone to considerable lengths to assemble a network of medico-specialist financial advisers – with extensive and successful medico experience. Like-minded professionals who will not only provide you with solutions but also educate you – so you can make fully-informed decisions. There’s a medico-specialist financial adviser in every state and territory of Australia.

Examine our network of medico-specialist financial advisers
CRUCIAL CRITERIA

In the last issue of The Private Practice we discussed the importance of a diagnostic approach to property investing. This time Managing Director Neil Smoli unveils 11 of Aviate Group’s never before shared unique investment criteria, designed to select properties that outperform the market.

Regardless of a person’s financial situation, property is a major investment. For most people, their house is the biggest investment they will make in their lifetime. It’s difficult not to become emotional when there’s so much at stake.

However, when it comes to an investment property, it’s important to remove emotion from the decision. This is not a property you will be living in, it’s one that will help you build a secure financial future.

A scientific approach to evaluating its potential performance is necessary if you are to avoid the investment pitfalls.

At Aviate, our scientific approach is based on the strict application of our 32 point investment criteria. Our criteria have been tried and tested over the past 12 years and, in this time, the properties we’ve recommended to our investors have consistently and significantly outperformed the market. This secure approach to selecting investment properties positions investors well for the future and, while we typically don’t make our criteria public, the following is an exclusive glimpse of the depth of research we undertake.

MACROECONOMIC ANALYSIS

Investors should investigate factors such as interest rate trends, employment market statistics, demographic shifts, existing and proposed legislation, changes to taxation and global economic scenarios with the capacity to influence the domestic market, among many others. All these factors provide a big picture view of the fundamentals for residential property investment.

The resilience of the Australian economy in recent times against the backdrop of uncertainty in other markets around the world has been well documented. Australia has justifiably been the envy of many international markets with large scale investment in mineral resources often credited with the country’s out performance on a global scale.

However, this only tells part of the story. A proper analysis must be concerned as much with the “why” to determine “how” these factors influence investment property.

Even as Australia appears to be approaching a peak in resource investment, the domestic economy has been able to find solace in recovering levels of consumer spending and continued forecast GDP growth.

Investors should investigate retail sales in tandem with measures of consumer sentiment, historical and forecast GDP growth trends, as well as impacts such as those associated with fiscal consolidation. Take a close look at unemployment rates, not just at a specific point in time, but future forecasts in line with trends in output growth to form a broader view on labour market conditions.

MICROECONOMIC ANALYSIS

Just as important as macroeconomic factors are influences like housing grants, building bonuses and other incentive programs that are generally administered at a state government level. These programs change regularly and can have significant ramifications for property investors.

State budgets, infrastructure spending and other social expenditure can all affect the capacity for an investment property to attract quality tenants now and in the future, while growing in value over the long term.

There is a vast array of information and statistics that should come into an investor’s calculations. GDP, for instance, is not just a national measure. State and city based GDP figures can provide an important insight into future economic strength, and there are a host of other economic drivers at work that must be taken into account for a full picture to emerge.

Similarly, the level of historical, current and projected business investment in a particular market is a key economic driver. Sometimes markets that could be described as more mature are characterised by properties that are already overpriced and hence too risky for the investor.

MINI-MICRO ANALYSIS

Every capital city around the country has its own drivers, nuances, strengths and weaknesses.

As an example, new projects in and around Brisbane CBD have the potential to alter the prevailing tenant demographic and, to illustrate the importance of in-depth research into these mini-micro drivers, Brisbane presents as an interesting case study.

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a view of their accountability to other industry professionals. This is an important reputational indicator and can protect the investor from becoming aligned with unethical, unprofessional or rogue operators.

In terms of new developments, off-the-plan boutique apartment projects in near CBD locations typically best satisfy the necessary investment criteria and offer security for investors.

It therefore stands to reason that, in profiling the members of the team, investors are well advised to work with those with proven expertise in this niche market. It’s crucial to qualify what, if any, relationship exists between the project partners. If the relationship is not independent then this should serve as a warning to investors that all may not be as it seems. A quid pro quo relationship between developers and builders, for instance, can sometimes mask evidence of overpricing or inflated margins. It can mean issues faced by one partner are manifested in another, and projects might be jeopardised.

Remember, you as an investor should have the objective of purchasing an investment property for a fair, market appropriate price, and not a cent more.

SUBURB/AREA ANALYSIS

Before deciding on an investment property in a particular suburb, investors are advised to drill down to the heart of what makes that suburb unique – what makes it tick – via a detailed suburb and area analysis.

There are a broad range of demographic and geographic factors that can influence a suburb’s suitability for an investment property purchase.

Rental vacancy rates – historic, current and forecast – are an obvious consideration and have a direct impact on the likelihood of securing a tenant immediately upon settlement. Population growth in the area should also be researched to understand if the number of people living there is forecast to grow or decline, and why.

But the analysis should go much deeper. Consider the typical resident and ask if they own or rent their homes. Perhaps they are in the process of purchasing. Form an idea of the age distribution of residents, their countries of origin, their marital status, their occupations, their disposable incomes and the way in which they get around.

The predominant dwelling type is also important. Ask yourself if there is an oversupply of apartments in the area and what rental levels are being achieved for the various rental properties on offer.

LOCATION/SUBURB DESIRABILITY

Investors should evaluate the relative desirability of the area they’re looking to invest in. This must be considered not from a tenant’s perspective and also from the perspective of an investor planning to hold the property for the long term.

There is also the re-sale market for a property to consider. Even though the ideal investment philosophy is to “buy, hold and never sell”, knowing your investment property will show a capital upside if you do choose to sell is important for peace of mind.

As part of the analysis of a suburb’s desirability, investors should take into consideration not just the current demographics of the area and the predominant tenant profile, but also the future demographic projections for the area. Is an investment property likely to have broad appeal if placed on the market for sale in the future? Might it be suitable for downsizers looking to enjoy their retirement in a vibrant, well connected suburb?

Would the property suit a young family in which mum and dad work in the CBD, or could it be a prime candidate for first homebuyers in the future?

DISTANCE FROM CBD

The distance of an investment property from the CBD is a clear cut point that investors need to take into account. Generally speaking, areas close to major employment nodes make for better investment property markets.

An ideal tenant will be employed in some form of professional orientation, meaning they will most likely work in the CBD. This type of tenant will be less susceptible to employment market volatility and investors are therefore well advised to choose an investment property that will meet a professional’s needs.

However calculating what a reasonable radius is, in terms of kilometres from the CBD, will differ from city to city, so savvy investors will always seek the advice or services of someone with expertise in that market before proceeding with an investment property purchase.

There are “exclusion zones” that are unique to particular cities to consider. These zones, while they may be close to the CBD, are unsuitable as investment property locations for reasons that are equally unique.

In Melbourne, a prominent example is Docklands. Lying adjacent to Melbourne CBD, many investors figured an investment property in Docklands was a logical purchase.

What they didn’t count on was the concentration risk that is heightened in areas of intense development, where the propensity for oversupply exposes investors to vacancy risk and capital loss as the market cycle matures and like properties in the area become available for sale. This means they effectively compete with each other, placing downward pressure on values.

GEOMETRIC CONSTRAINTS/ SUBURB ACCESSIBILITY

Investors must also consider the natural geographic constraints of some locations. For instance, suburbs such as those on a peninsula, near a port or harbour or near national parks or mountain ranges can experience a natural issue with accessibility, despite their potential for being picturesque and peaceful.

These suburbs can often have greater owner-occupier appeal, and with good reason. From an investor’s perspective, however, the capacity of properties in areas experiencing natural geographic constraints to attract and retain the right calibre of tenant is questionable.

If there’s only one road in and out, which is not serviced by public transport, tenants may dismiss the area on the grounds of inconvenience.

When investors are looking for an investment property to protect their security.

Sometimes the natural geography of an area is a positive for investors. Tenants may be drawn to the lifestyle on offer, concentration risk from new developments may be limited, underpinning values, and the re-sale market for properties in the area might be strong.

In discussing the geography of an area, it’s important to remember that geographic constraints go beyond the work of mother nature. Man-made constraints are just as influential and can impact factors such as accessibility and future development potential in the area.

The maturity of a particular market, and city, and determining how ”built out” the location might be, should all come into the investor’s calculations.

In a city such as Sydney, where the affluent happily choose apartment living, the scope and potential for new development in some locations is minimal. The ability for developers to actually deliver new apartment product is constrained.

This checklist is by no means a comprehensive look at the many and varied factors that can influence the success of a property investment. However, it does illustrate the breadth and depth of research investors should take prior to purchasing an investment property to protect their security.

This article features excerpts from the brand new eBook Property Investing: The Crucial Criteria Series 1, currently available on Amazon. For further information visit www.avistegroup.com.au/ebook/criteria.html

GENERAL ADVICE DISCLOSURE

The information provided in this document is general information only and does not constitute personal advice. It has been prepared without taking into account any of your individual objectives, financial solutions or needs. Before acting on this information you should consider its appropriateness, having regard to your own objectives, financial situation and needs.

You should read the relevant Product Disclosure Statements and seek personal advice from a qualified financial adviser. Financial Services Partners Pty Ltd – ABN 15 089 512 587 and AFSL 237 397.
What makes Knowledge such an important part of Practice Value?
Your buyer will want to know they can repeatedly and consistently get the same (or better) results when they take over your practice. They will want to know how to:
• generate and grow patient billings
• continue to receive and close new referrals
• leverage existing relationships
• build new relationships that complement the existing ones
• reduce or control support staff workload as the practice grows.

What kind of knowledge is important?
You’re used to keeping patient records that capture medical and personal history and ensure continuity of care. But have you also considered documenting processes for:
• setting up new patients and managing existing ones,
• communicating with patients in specific situations, such as a call back after receiving test results, and even
• getting patient feedback and suggestions?
You might also not have considered similar systems to document other aspects of your practice, such as:
• who and where the current referrers and suppliers are
• historically how each relationship has worked, and how it is managed now to sustain referrals or good supplier terms
• the quality of each referrer (numbers and types of referrals)
• the services provided by each supplier
• feedback on suppliers and referrers, either from your staff or from patients
• any pre-procedural information (e.g. information leaflets or sheets) for patients
• how the health of the referrer or supplier relationship is tracked and managed.
Every business also needs to capture operational knowledge, which is not only important to the value of the business but also ensures things run smoothly in the absence of key people. This knowledge might include:
• Team Knowledge (skills and performance of doctors and other staff)
• Employment contracts and cost-sharing/splitting patient billings agreements
• Business and marketing plans
• Details and results from marketing campaigns, with procedures for maintaining current marketing (e.g., reminders and press-ready ads for the papers, contact details for ad desks)
• Admin processes, including instructions for patient management software
• Management processes and decision making protocols
• Information on practice performance
• Governance processes and records
• Quality and safety management and records for premises, equipment and procedures

How can this knowledge be captured?
There are three ways to capture the knowledge that makes all that happen:
• Get the same people to keep doing it, relying on their skills and experience
• Have folders of operational processes that record who does what, why, when and how, plus folders of referrer and supplier information containing contact details, transaction history, correspondence
• Use electronic systems, such as customer relationship management (CRM) software, an online booking system or just sensible computer file naming conventions to capture and document operational information.

Do you know what makes your practice valuable to a prospective buyer? Linda Miller focuses here on the intangible assets of health care practice and the importance of the knowledge locked in the minds of the principals and staff.

Linda Miller is a Practice Succession Specialist at Corporateyes Pty Ltd.

Knowledge is Key

...all too often those intangible assets are not linked to the practice at all – they’re stored as knowledge in your brains or in the brains of your administrative staff.
Only two of these ensure that the knowledge in your practice doesn’t walk out of the door when you or another key person leaves – and that’s obviously going to affect the way a potential buyer views your practice.

Capturing knowledge can also give you efficiency gains now!

Don’t just think about capturing the knowledge in your practice when you’re thinking about selling up – going through the process now can give you real efficiency benefits which save your practice time and money and allow you to grow your revenue.

How? Imagine (or, depending on how long you’ve been in business, remember) how much more time and resource-consuming an entirely paper-based patient record and management system would be.

Would investing in setting up a similar system to manage the administrative side of the practice, including supplier and referrer relationships and all the routine activities that go on daily, monthly and annually to keep the practice running, free up time and resources? Of course!

We’re not talking about automating what you do clinically, or even what your reception staff do to build relationships with patients. We’re talking about what goes on behind the scenes, about having systems that run quite so smoothly in her absence and there’s a pile of unresolved issues on the desk awaiting her return.

Setting up systems that capture all this administrative and procedural knowledge means that your practice is no longer reliant on a particular person being physically present, and that also means that you can automate some of the repetitive tasks that can easily be done by a piece of software – which frees up your human beings to do what human beings do best, which is interact with people and make decisions.

Having all this in place well before you sell will also show a potential buyer that you systems are tried and tested, which will increase the value of your practice and make it a highly attractive investment.

CASE STUDY

Phil and Minglu are partners in a busy small town practice. The practice is managed by Phil’s wife, Magda, who is assisted by receptionist Maria who has worked with them for 15 years.

Between them, Magda and Maria run a tight ship. They know where to find everything on the computer system, the contents of which haven’t been tidied in years and have been shipped from system to system as they’ve upgraded. Maria’s use of file names makes perfect sense to her, but she never really got the hang of folders. Maria spends much of her afternoons calling the following day’s patients to remind them of their appointments. Magda has great personal relationships with all the suppliers and referrers, and keeps paper files of invoices, order copies, delivery notes, and other historical information. A lot of the suppliers have gone online, so the practice links with the practice calendar system, and she sets up recurring reminders for regular events, and prompts for regular tasks that need to be completed like checking stock levels. She also documents how to do each task she does.

She also invests in documenting all of Maria’s tasks and automating those tasks wherever possible – like signing up with a virtual service that reminds patients of their appointments automatically.

When Phil and Magda decide they want to retire, they’re faced with a big problem – they‘ve identified a new practice manager, but Maria announces that she’d also like to retire sooner rather than later. Minglu wants to expand the practice by bringing in allied health practitioners, but with all the knowledge about the existing relationships and operational processes about to walk out the door with Magda and Maria, she’s not sure whether to stay or set up her own practice from scratch. Phil wants to sell his half of the practice and is relying on getting a good price to fund the retirement travelling, but the buyer he likes wants to haggle him down to not much more than Phil’s share of the tangible assets.

Things look very different if Phil and Magda plan ahead. Two or three years before their retirement, they invest in practice management and marketing software, and Magda enters in the details of all the existing suppliers and referrers, including notes about the history of the relationship and special instructions. The software links with the practice calendar system, and she sets up recurring reminders for regular events, and prompts for regular tasks that need to be completed like checking stock levels. She also documents how to do each task she does.

She also invests in documenting all of Maria’s tasks and automating those tasks wherever possible – like signing up with a virtual service that reminds patients of their appointments automatically.

By the time Phil and Magda retire, the knowledge in the practice is so well documented that the new practice manager is able to hit the ground running, and can recruit for Maria’s replacement with an emphasis on the right personal fit with the role and the practice rather than on years of experience.

Minglu decides to stay – the practice runs smoothly so she can focus on building up the new partner can also see clearly the potential in the business, and they can begin building a new practice.

Phil and Magda captured the true value of the knowledge in their practice by making it visible and transferrable – that is, they captured all that tacit knowledge and embedded it in the practice. That way, their patients, staff, referrers and suppliers can continue the relationships they had enjoyed with Phil, Magda and Maria long after their departure – because the knowledge of how all that works was held in the practice itself and was easily transferred to the new GP, practice manager and receptionist.

In short, the knowledge held by the key people in your practice has intrinsic value – it’s those intangible assets that are the success formula for the future owners of the practice.
DESIGN

Everything’s looking great – You found the perfect location, the perfect building, a great deal on the rental and the best price for the fit out.

WHAT CAN GO WRONG NOW?

It’s not the end of the story if you can simply accommodate enough consulting and treatment rooms. For an efficient practice the Work Flow has to be right. This is a very important piece of the jigsaw.

The optimal Work Flow will:
• Save the Doctors time and improve services provision
• Enhance the patients experience
• Generate more income by increasing patient turnaround time
• Increase staff satisfaction and retention

We all come across the obvious failings such as someone discussing the details of a bill at the reception counter while you’re waiting to register your arrival or as a patient in a dental surgery watching used equipment being carried in front of you to sterilisation.

Let’s look at two examples of how the Work Flow should be optimised in two popular practices, an ophthalmologist and a GP clinic.

OPHTHALMOLOGIST

It makes sense to have the testing rooms as close as possible to reception. After testing, consultation rooms for the Ophthalmologists and finally the treatment room. A recovery area if required and then a separate payments counter should complete the circuit at the front of house. Ideally there will be an exit path that does not expose the patient to those waiting in the reception area.

This ‘Racecourse’ layout is the most efficient with the patients experience time line being reflected in the layout of the treatment rooms. It is a circular flow and addresses a few important points:
• Patients have a clear direction and are not wandering looking for the correct room.
DESIGN

- Ophthalmologists travel time is saved so more patients can be treated
- Patients having undergone treatment are not exposed to those waiting for testing
- The separate payments counter reduces waiting time in reception.
- Back of house has privacy

GP CLINIC

Proximity to reception should be paramount for Doctors as they greet each patient and retrieve their file from reception area. This travel time eats into the day. If GP spends 15 minutes per consult and travel time is 3-4 minutes that’s a very high percentage wasted.

In the larger practice now it is common to have two waiting areas to reduce the doctors travel time and increase patient throughput.

Treatment rooms should also be close to reception to allow for admission of emergency stretcher bound patients.

These days a pathology sub tenant is an important part of a doctors business and there would ideally be a separate entry or at least travel path for the sample collections or at least proximity to the front of house.

Increasingly excess space is sublet to allied health practitioners and consideration needs to be given to their booking facilities, waiting areas and access.

Patients can be encouraged on the right path by use of different floorings or lights which make it easier to stay on path rather than stray off.

The Practice Manager is the link that holds the practitioners and the patients together. The positioning of their office should reflect this and not neglect either party.

In all cases imagine the time line of your patients experience and then try to reflect this in the layout of your practice. This will influence the position of the practitioner’s offices for the most efficient layout. The reception will be the start and finish of the patient’s journey.

How to get this right for your practice?

Simple. Consult a professional.

Someone who has designed many similar practices would be aware of the optimal layout and experienced the hurdles to get there. They will be familiar with coordinating the best Work Flow with the current regulations. Much cheaper than trial and error! 😊
Do patients really care if you use your EHR in the exam room? 

**Melissa McCormack** uncovers patients’ views on electronic notetaking.

Many physicians worry that using an electronic health record (EHR) system in the exam room may damage the patient experience. We covered this issue a while back, offering physicians advice on how to maintain patient interaction even while using an electronic charting device during exams.

Yet many physicians still hesitate to embrace EHRs in the exam room. Even in practices where EHR software has been implemented, many doctors continue to use paper during exams, documenting notes in the EHR only after a patient visit has concluded. The idea behind this method is to preserve the patient experience, but recording the same notes twice is extremely inefficient for physicians, wasting precious time that is already quite limited.

But what do patients think? Do they really care if their doctors use electronic devices to take notes during exams? We surveyed a random sample of 4,500 U.S. patients, collecting a minimum of 500 responses to each question, to find out how patients feel about doctors using EHRs at the point of care and what truly impacts the patient experience. Here’s what we learned.

Many patients don’t mind electronic note-taking during exams

We asked patients three separate questions: whether it would bother them for their doctor to type on a desktop computer, on a laptop computer and on a tablet during an exam. The overwhelming response to all three questions was, “No.” (Figure 1)

In each case, more than 80 percent of respondents indicated they would not be bothered. On a sliding scale, patients indicated the least concern for doctors using tablets during the exam.

Patients showed more concern over scribes typing notes

Next, we asked patients about the extent to which they’d be bothered by doctors using scribes, meaning third-party assistants who transcribe patient visit notes into an electronic chart while the doctor conducts the exam. (Figure 2)

Some two-thirds of patients still indicated they wouldn’t be bothered by this practice. However, patients were almost twice as likely to express concern over the use of scribes than over the doctor typing directly into a computer.

Patients are most concerned about audio recordings

About 60 percent of patients indicated that they wouldn’t be bothered by the prospect of doctors using tape recorders to record medical notes during an exam. However, of all the methods we asked about in our survey, patients expressed the most concern over audio recording. (Figure 3)

Ultimately, over one-third of patients said they’d be bothered by doctors using tape recorders to assist in charting medical notes. Specifically, patients at the furthest end of the spectrum – those who chose “would bother me a lot” – were more prevalent when it came to tape recordings than with any other method of charting during an exam.

Patients prefer EHRs over paper during exams

Our first few questions established that patients aren’t concerned by doctors using EHRs during exams. But that doesn’t necessarily mean they prefer EHRs to paper – so next, we explicitly asked them for their preferences regarding paper versus digital charting during visits. (Figure 4)

Here we see that nearly half of patients surveyed had no preference between doctors using EHRs or using pen and paper at the point of care. However, if we filter down only to patients with a preference (i.e. if we eliminate “absolutely no preference”), the support for EHRs is significant. (Figure 5)

It’s important to note that we specifically asked patients about what method they prefer doctors to use during an exam, at the point of care. This means, for example, that doctors who use paper in the exam room and then add notes to their EHR afterward would be acting against patient preference, according to our data.

Additionally, I was interested to find that these preferences are similar for both genders and all age groups. The percentage of patients with no preference grows as age increases (in other words, older patients are less likely to have any preference one way or the other). But in all cases, preference for EHRs dominates preference for paper charting during exams.
Non-EHR factors more strongly impact satisfaction

If EHRs don’t create negative patient experiences, as some doctors have feared, then what does? We asked patients which factors most impact their satisfaction with a visit to the doctor. Specifically, we asked whether a negative experience with each of several factors would decrease patients’ satisfaction with their doctors. (Figure 6)

Patients indicated that long wait times at the doctor’s office, unfriendly staff and short duration of visits with the doctor would most drive dissatisfaction. The prospect of their doctor typing on a computer during the exam had the smallest negative impact, with only 5 percent of respondents indicating this would drive dissatisfaction.

Here again, I found these preferences to be similar for both genders and all age groups. Wait times, staff friendliness and duration of visits rotate in and out of first place for different age groups. But “doctor typing on a computer during the exam” is the smallest percentage for every age group, as well as for both males and females.

CONCLUSIONS

Despite publicized concerns about the negative impact of EHR use during exams on patient satisfaction, our study demonstrates that patients by and large care very little about their doctors using EHRs at the point of care. In fact, to the extent they have preferences, patients distinctly prefer that doctors use EHRs over using paper to take notes during visits.

Patients ranked tablets the most preferable method of electronic charting, followed closely by laptops and desktop computers. Patients were slightly more concerned by the use of scribes, and even more so by the use of tape recorders, perhaps due to privacy issues (such as those raised by both doctors and patients regarding the prospect of introducing an additional entity to the exam). Still, more than half of the patients surveyed said they wouldn’t be bothered by scribes or audio recordings, either.

Our advice to doctors would be to embrace EHR technology – and, for those already using it, not to shy away from using electronic charting at the point of care. For doctors who want to minimize patient dissatisfaction, energy is better focused on the factors that most impact the patient’s perception of the visit: wait times, staff friendliness and visit duration.
Looking to upgrade your equipment? Andre Karney provides some insight into the finance options available to medical professionals.

“The scope of equipment financing varies greatly depending on the area of expertise or specialisation – an orthopaedic surgeon, for example, will have very different needs to that of a dentist. Some disciplines won’t require many assets at all as nature of their work means they can arrive at the hospital and it’s all there, whereas areas such as dentistry, ophthalmology, cardiology and radiology are equipment heavy and will require testing-based assets and fit-outs,” he said.

TECH CHANGES DRIVING PRACTICE UPGRADES

Additionally, he said there will be technological changes which have to be factored into any financing arrangements – not only will there be the physical asset (such as a chair and stand) to account for, but also upgrades to any software that operates the equipment. Karney believes it’s important for practitioners to distinguish between a long-term asset and one that will change often with software or technological advances.

“These improvements can really drive quality and clinical outcomes and therefore the practice needs to be kept up to date so the funding of that is critically important,” he said.

A PROFESSIONAL PARTNERSHIP

Investec Australia is a long-time partner and supporter of the dental fraternity, and while there have been changes to the profession over time, some aspects have remained constant. Part of Investec’s initial attraction to medical disciplines was the stability and professionalism of its members and this continues.

Karney believes the stability of the profession has assisted Investec with being able to specialise in a unique financing environment.

“What underpins our ability to be specialists in the medical field is the dedication of its people and the certainty that brings – practitioners who decide to be a dentist will typically be a dentist for the rest of their life. As a lending institution, we fully support the profession and the qualifications that underpin it. We also back the profession as a whole and we don’t cherry pick disciplines within medicine – the role of the dentist is to look after their patients and we see our role as looking after the dentists from a financing point of view,” he said.

As specialists, Investec is better positioned to process financing applications in a more streamlined, efficient manner than generalist lending institutions, removing any red tape that could impede the timeliness of securing financing approval. The ability to recognise the specific asset that’s being financed allows Investec to put in place an appropriate structure which gives the practitioner immediate flexibility and efficient cost.

The most common types of financing options when purchasing medical equipment are cash, chattel mortgage or asset purchase agreement, and financial lease, whereby the finance company is the legal owner of the asset throughout the duration of the lease.

Mr Karney said there is no one type of financing more popular than the other, as it depends on the asset being financed, current circumstances and the financial position of the individual. “First and foremost, it’s the position of the dentist that needs to be taken into account and we assess applications based on the individual practitioner and their practice.”

To understand financing options and to enable practitioners to make an informed decision, they should speak to a professional in the industry with experience in financing for healthcare professionals. Investec Specialist Bank has over 20 years experience working with medical professionals and understands their specific needs. For further information on funding fit-out and equipment, contact one of our financial specialists today on 1300 131 141 or visit our website at www.investec.com.au/medical

NOTE: The information contained in this article (“Information”) is general in nature and has been provided in good faith, without taking into account your personal circumstances. While all reasonable care has been taken to ensure that the Information is accurate and opinions fair and reasonable, no warranties in this regard are provided. We recommend that you obtain independent financial and tax advice before making any decisions.
Death duties are alive and well in Australia. Chris Balalovski explains that tax on death is levied in stealth and that planning can help avoid adverse outcomes for your loved ones.

There is a myth in Australia that there is no tax on death. In fact, if you have not made the correct provisions, taxes of up to 34 percent can apply to superannuation benefits you leave to your loved ones.

For a high net worth individual with superannuation savings of $1 million, this means that their beneficiaries could face taxes of as much as $340,000 on their inheritance.

Acting now can avoid that outcome, and that’s why it is important to have your superannuation included in your estate planning, as it can make an enormous difference to your beneficiaries later on.

In order to avoid these hidden taxes, a Superannuation Proceeds Trust can be established. This type of trust can also act to protect the wealth you pass on to your loved ones from third-party attack.

Superannuation is not automatically covered in a will, meaning that it is not necessarily distributed by its terms. This can be achieved by making a nomination directing that your superannuation is paid to your estate. Specifying that your superannuation is paid into a Testamentary Trust created by your will can manage and protect your money for the benefit of your beneficiaries. For example if your surviving spouse is also engaged in a high risk occupation, such as running a private practice, distributing your estate assets into a Testamentary Trust for their benefit protects those assets from being available to your spouse’s business creditors. It can sometimes also act to protect your child’s share of their inheritance, where they experience personal relationship problems.

A Testamentary Trust is most suitable for individuals that have beneficiaries who are minors, or who are otherwise vulnerable. Due to its long-term nature and inherent flexibility, a Testamentary Trust can also be a useful vehicle in which to generally grow wealth.

Sometimes we need to protect our loved ones from themselves. Often we find that many people are concerned that a loved one might go on a spending spree with their inheritance. In those instances, paying your superannuation to them as a Reversionary Pension can be a good option. Eventually that can be reversed and a lump sum taken if the trustees are happy the money is going towards something sensible, such as a mortgage or education rather than a jet ski.

Estate planning is never a comfortable topic and is one that many busy medical professionals put off – often until it is too late. And even those who have put measures in place may not have updated their wills, beneficiaries or executors, given changing circumstances. Doing so can make an enormous difference to your loved ones and your estate.
A CASE STUDY

John is an Anaesthetist who has two children aged 9 and 12. John recently inherited a cash amount of $700,000 directly from his father’s estate. He has invested the inherited sum into a diversified portfolio of assets, generating income of approximately 5% per annum (ie. $35,000).

As John is within the highest marginal tax rate, he will pay tax of $17,150 on that investment income (ie. $35,000 x 49%).

Had his father’s will contained an option for the inheritance to be paid into a Testamentary Trust for the benefit of John and his children, the investment income of $35,000 could have been distributed equally between his two children at $17,500 each. If they had no other income, the children would pay no tax, because the amount is under the tax-free threshold, resulting in a tax saving of $17,150 just in the first year, with the potential for similar tax savings in the future.

Of course, making sure that your will is up to date is the first step to ensuring everything goes to plan upon your death. Determining who inherits what amounts of your superannuation, and how they receive it, by making a binding nomination is a very sensible strategy which also ensures that the trustee of your superannuation fund has no doubt as to your wishes. You need to consider the potential outcomes when you prepare your superannuation nominations. However, where your personal circumstances have entirely changed with births, deaths and marriages, making non-binding nominations can be a better option, giving the trustees of your superannuation fund some discretion to take into account circumstances which were unforeseen when the nominations were originally made.

Do you have the right protective measures in place?
This checklist will help you determine whether you need to take action or seek professional guidance:
- Do you have a current and valid will?
- Have you chosen a suitable executor who you can trust to carry out your wishes?
- Does your executor have the time and impartiality needed to administer your estate?
- Have you appointed an enduring power of attorney?
- Have you made a death benefit nomination in your superannuation – either to your family or to your estate?
- If you’re a practice owner or have an arrangement with other practitioners (such as a partnership), do you have a succession plan in place?
- Have you considered setting up a trust to protect your family’s inheritance, a dependent with a disability or a charitable trust?
- Do you have income protection and life insurance appropriate for your specialisation?

Getting sound advice can make a difference to your financial position now and in the years to come. For more information on advice on estate planning, contact Michelle Gianferrari on 0421 446 513 or visit www.perpetual.com.au/medicalspecialists
A financial health check often uncovers gaps in planning and the need for specialist advice.

The second in our series about the value of financial advice, here Luke Smith of Dragonfly Financial Services, (Private Practice endorsed advisers), looks at some gaps that often exist in the finances of medical practitioners and other health care professionals.

While these may have occurred due to them being so busy caring for their patients and building their practice, it’s important that these gaps are closed as soon as possible.

This is where a medico-specialist financial adviser can really help.

GAP 1: INSUFFICIENT BUSINESS INSURANCE

Most medical practices we see usually have either some business insurance or professional indemnity insurance in place. However, we often find that these policies are quite ‘standard’ and just provide protection against fairly generic business risks.

While these policies may seem appropriate for medical professionals on the surface, you don’t have to dig too deep to find what these policies don’t cover.

With the risk of legal action against medical professionals having increased significantly in recent years, the most important thing is to look at the quality of the cover that you have.

This involves making sure the right policy wording and definitions are included to ensure the risks associated with your specific role are covered.

Once this is done, the next step is to ensure the level of cover is appropriate for your financial situation.

These two really go hand-in-hand, as we also see examples of a specific medical-related risk being covered correctly but then not having a sufficient level of cover underpinning it.

A medico-specialist financial adviser understands those areas that are not covered by standard policies – areas like patient injury, misconduct claims, needle stick injuries, unknown claims that arise before you’re insured and claims made after you’ve retired or stopped practising.

As part of closing the gaps, a medico-specialist financial adviser can also show you the benefits of forward underwriting.

This involves using your current health and financial status to increase your cover over time without the need for medical examinations.

So once your insurance is in place and your practice starts to really do well, it means making any changes as your needs evolve so much easier.

GAP 2: LACK OF PERSONAL INSURANCE

Just like business insurance, many medical professionals we see for the first time often have some life insurance or income protection in place but, as these were taken out some time ago, they simply haven’t kept pace with their career.

A medico-specialist financial adviser understands the career path of medical professionals and knows that, after many years of training on a relatively low income, their earnings increase substantially once they’re qualified or go into private practice.

Having a portfolio of personal insurance in place, one that specifically addresses the risks faced by medical professionals, will ensure you don’t put yourself and your family at financial risk.

This ensures your short-term and long-term risks are covered through having a mix of:

- Income protection (also called salary continuance) that generally provides an income benefit of up to 75% of your salary, but can be more, should you be temporarily unable to work due to sickness or injury
- Trauma insurance that pays out a lump sum should you be diagnosed with a defined critical illness such as cancer, heart attack or a stroke
- Total and permanent disablement (TPD) insurance that usually provides a lump sum should you be unable to work due to permanent illness or injury
- Life insurance that pays a lump sum benefit to your estate or nominated beneficiary if you die.

A medico-specialist financial adviser will be able to tailor a cost-effective package that takes into account the specific risks you face, giving you peace of mind that your loved ones will be protected should you become ill, be injured or pass away.

GAP 3: NOT GETTING THE MOST OUT OF SUPERANNUATION

Superannuation continues to be one of the best ways to save for retirement, however we find many medical professionals aren’t taking full advantage of the benefits it offers to build wealth over the long term.

A common scenario is that many have the bulk of their super in a medical-related industry fund that was established when they first started working.

While industry super funds can be a reasonable option for some, we often find that the investment mix in these funds isn’t appropriate for most medical professionals, given their investment needs, time horizon, and the high level of contributions they’ll make before they retire.

Engaging a medico-specialist financial adviser will allow you to see a range of strategies that can help medical professionals take advantage of their earnings potential to build their retirement savings, while minimising some tax along the way.

One strategy could involve using a self-managed super fund to borrow to buy your rooms, and then being able to repay this debt much faster using super than other forms of finance.
FINANCIAL PLANNING

ADVICE FOR SPECIALISTS, FROM SPECIALISTS

An experienced medico-specialist financial adviser can review your financial situation and close the gaps in your finances, helping you to protect and grow your wealth and achieve your long-term financial goals.

To find out more, contact The Private Practice-endorsed adviser in your state.

We hope you are enjoying our series of articles about the value of financial advice. Part 3 will outline real case studies and delve deeply into specific advice considerations relevant to the unique work and financial circumstances of medical practitioners and other healthcare professionals.

“Advice for specialists, from specialists”

Do you need to close the gap?

- Is your business insurance tailored to your role as a medical professional?
- Has it been more than three years since you’ve updated your life insurance?
- What would happen financially if you were unable to work for three months?
- Are you getting the most out of your superannuation?

For advice from an endorsed practice in your state follow this link to contact details.

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As a health care professional you understand the tidal wave of medical advancement approaching. The IQ Group explain the investment pitfalls and opportunities.

With a global population now well in excess of 7 Billion, increasing competition amongst nation states and the devastating effects of climate change creating extreme global weather phenomena – including flooding and drought never before witnessed – there are many serious challenges that need to be tackled in the short term to ensure nothing less than the survival of our species. These challenges require a global, comprehensive and multi-disciplinary response. Vital to success is scientific advancement of which biotechnology is a key element.

Biotechnology is now also playing an ever-increasing and central role in medicine. Disease management is changing, new biotechnology drugs are being developed which are now treating underlying disease mechanisms as opposed to merely treating the symptoms. Biotechnology now occupies a vital role in modern medicine and an increasingly dominant part in the global therapeutics market.

A STORY OF RISK AND REWARDS

The global market for therapeutics is substantial, set to reach over USD $1.2 trillion by 2016 making it one of the world’s largest industries. The growth of therapeutics varies between 3% and 15% depending on where in the world you live; a faster pace of growth exists in the emerging markets as populations become wealthier and capable of paying for medicines once reserved for the developed world. Research and development investment within therapeutics is significant. On a compounded average growth rate of over 1.5% the investment in R&D is set to reach USD $144 billion in 2016 potentially USD $2 trillion over the next 10-15 years. Global therapeutics investment is significantly more by chance than design, were initially so much in the pursuit of new specialisation that leads to a new medicine of potential blockbusters coming out of the field of drug development it can be applied literally. In the first quarter of 2014, Gilead’s Sovaldi exceeded all expectations and generated revenue of USD $2.27 billion. That equates to an average of approximately USD $25 million revenue per day. There is a major need to ensure that developers of high potential compounds are protected with all the support required to establish the momentum to become a successful drug. At the IQ group, we see ourselves as the go-to organisation to exploit this gap in the biotech market, propelling small scale innovators into a new stratosphere of business and contemporaneously providing the world with a wealth of medical developments to improve health, as we know it.

The second major reason that these risks are taken is for the potential rewards that await a commercially successful drug. Drugs that reach the market and are effective in treating disease yield very high returns indeed. A good example of this is Humira, a drug initially approved by the FDA for rheumatoid arthritis in 2002. In 2003 it was launched for psoriatic arthritis and that same year sold over USD $1 billion becoming a blockbuster drug in the process (a blockbuster drug is one that sells over $1 billion per year). Launched for Crohn’s disease in 2007 when it was also submitted for its fifth indication, it reached $3 billion in annual sales. With $9.6 billion in sales in 2012, an analyst recently projected sales of USD $13 billion by 2016.

This projected revenue would match the current record holder for best-selling drug of all time, Lipitor. Humira, with its many indications and exponential revenue growth is a perfect example of something that can really change the world for the better improving the lives of the sufferers of these terrible diseases and their families.

The third reason why so many companies are prepared to invest so much in the pursuit of new therapeutic agents is the fact that demand is increasing in many ways. An ageing population together with increasing wealth in the emerging markets and increased lifestyle-related disease in the developed world means an increase in demand, is assured.

TRIALS AND TRIBULATIONS

While this presents great opportunity to large pharma companies, they are also experiencing great challenges. One of the principal problems for the world’s major pharmaceutical companies is that many of their once blockbuster drugs have reached, or are reaching, their patent cliff. The patent cliff is when a drug comes off patent and loses protection from often aggressive and very well prepared competitors. In simple terms the patent cliff means that a company selling a drug for $100 could, once their drug comes off patent, have three new generic competitors selling essentially the same thing for $20. Recent information from Bloomberg projects that approximately USD $50 billion in overall revenue reduction will be experienced by the largest 13 pharma companies between 2013 and 2018. While all of this is happening, the costly infrastructure of what has historically been a very big business still remains. This is driving the need for cost reductions via outsourcing essential organisational units including sales, marketing and clinical research.

Another big issue for pharma is that their pipelines are drying up. Because of a vast reduction in R&D productivity, failures in drug development and what some see as complacency and lack of focus on R&D by CEOs, they do not have the number of potential blockbusters coming out of the development pipeline required to replace those coming off patent to protect their profits and shareholder dividends.

In fact these is these two related phenomena combined – cost cutting and acquiring drug pipelines – is driving much of the merger and acquisition activity we continue to see globally. Apart from acquiring pipeline for big pharma peers, early stage biotech is often seen as a source of pipeline either via partnership arrangements, or again, through acquisition. Early stage biotech companies, however, have their own set of problems. Rather than being flush with cash like the large pharma and large biotech companies, smaller biotechs are starved of cash but often, comparatively very rich from an intellectual property perspective. As mentioned already, it takes an average of USD $1.3 billion to take a new drug to market. All the while the patent clock is ticking. From the time they register the intellectual property they get 20 years of patent protection. The regulators sometimes grant an additional shorter period of exclusivity but their intellectual property is swiftly approaching the time of encroachment from copycat competitors. The term ‘time is money’ is used glibly these days but in the field of drug development it can be applied literally.
BIOTECHNOLOGY

AUSTRALIA’S ROLE
Australia is truly a global hub for life sciences. There is an innovative scientific culture with some well-established household names in healthcare such as Resmed, CSL and Cochlear. There are numerous internationally respected research institutions in Australia and a strong culture of scientific innovation.

There are over 90 listed and over 1000 unlisted life sciences companies in Australia and a wealth of yet to be developed registered intellectual property sitting with the universities and their associates. At the time of writing the government is attempting to pass a budget that includes a AUD $20 billion medical research fund that could go a long way ensuring Australia’s place as a world leader in therapeutics innovation for some time to come. Now is the ideal time to optimise the government’s interest in therapeutics and maximise Australia’s impact on the global market by leveraging our massive intellectual and innovative talents to push forward.

The main challenge for Australian innovators is that typically, once the intellectual property is registered, the grants and finance dry up. The small private companies that have been set up to continue the development now find themselves severely lacking the required funding to undertake their noble, but equally arduous, journey ahead.

GLOBAL CHALLENGES, LOCAL OPPORTUNITIES
Considering the multitudinous wealth of biotech intellectual property in Australia, there is a comparative lack of finance available to early stage companies. When we compare the United States and Australia, figures show that there is approximately 2% of the venture capital (VC) available to Australian biotech’s in comparison to their US counterparts. Even when considered on an absolute basis, the amount of money invested by VC into Australian life sciences has dwindled since 2009 from approx. $81 million per year to approx. $41 million in 2012. Acknowledging that these were post Global Financial Crisis years, it is still remarkable when you compare the potential asset wealth of Australian biotech and the limited early stage investment required to help realise it. In short, there is a lot of great prospective intellectual property but little to no venture capital to help fund this to the next stage. It is within this context for biotech globally that we at iQ3 group see massive opportunity.

One of the reasons for this is that Australian investors are typically (and understandably, considering the fortunes that have been made) focused on resources and property and often don’t see where in the big global picture biotech fits. European and U.S. investors are however typically much more biotech savvy. They have a better understanding of the potential upside and consequently have a much greater appetite for biotech investment.

A recent example that illustrates the divide in valuations provided to early-stage Australian biotech by overseas investors is Fibrotech. In May the Irish company Shire PLC bought Australian company Fibrotech. Fibrotech’s lead products are promising but is still only in phase I clinical trials. Up to the point of the transaction, Fibrotech had received only AUD $7 million dollars in investment. Shire paid AUD $81 million in cash with further additional payments contingent on milestones. This equates to over a 1000% return.

In simple terms a compound with the potential to cure Alzheimer’s (or any other unmet therapeutic requirement) needs to be identified as quickly as possible. It calls for early stage financing and expertise to give it the best chance of ever beginning the journey towards commercialisation.

Finally, all other considerations aside, it needs to get to the market as soon as possible to ensure patients get treatment as quickly as possible and help fund further innovation.

THE IQ GROUP – A FRESH APPROACH
This is the area on which the iQ group is focused. Using our combined financial and scientific due diligence capabilities, we ‘find’ high potential early stage Australian life sciences intellectual property assets. We fund their initial journey, providing venture capital to take them a year or two further along the journey to a point where their capital needs can be provided via capital markets. We do this by listing them on the stock exchange and cross listing them to gain access to the more biotech savvy US and European investors.

There are three core components of the group that work together. IQnovate is a life sciences organisation that can provide scientific advisory, conduct scientific due diligence and manage medical affairs and R&D. IQX is our investment arm that provides the initial venture capital. iQ3 is our corporate advisor that provides services around listing, capital raising and advisory.

iQX invests early in the drug development journey, when costs and risks are comparatively much less. We also exit early and realise our returns before the costs and risks increase. We want all of our investments to be successful but we know that based on the odds, the majority of even the most high potential compounds will not make it to the market.

This is why we invest and exit in a timeframe of 12-24 months rather than 10-15 years. Our investors have the opportunity to invest and realise returns with us or stay on for more of the drug development journey.

While iQX exits the asset with our investors, IQnovate and iQ3 can stay on as scientific affairs and corporate advisor respectively. We will support our client companies throughout the drug development journey; iQ3 will help raise the required financing along the way, much of which goes to R&D and medical and regulatory affairs, where IQnovate can help.

We also see great opportunities presented by the structural shifts of modern day therapeutics companies. As companies continue to consolidate and cut costs to overcome the patent cliff and deal with a reduction in top-line revenue, there has been a sustained increase in the outsourcing of key and previously always in-house business functions. This currently includes R&D and sales and marketing.

In line with this development we have established two subsidiaries; Clinical Research Corporation (Contract Research Organisation) and FarmaForce (Contract Sales Organisation), respectively.

We envisage a time in the not too distant future when large pharma and large biotech companies comprise little more than a management team, board and a raft of intellectual property; a time when R&D, manufacturing, medical affairs, sales and marketing and all other functions are outsourced to the most capable partner. We, together with our investors, are positioning ourselves to fulfil these ever developing needs and help move Australian biotech to the next level.
Co-payment — a billing consultant’s view

Is the proposed co-payment a false economy? Margaret Faux provides her expert opinion.

The moral hazard theory posits that if, for example, you were to drive your brand new car out of the dealer uninsured, you would drive very carefully because you are exposed to risk. Whereas if the car was insured and you were insulated from that risk, you would drive less carefully. It basically means that if a person is insulated from risk by having insurance, they will be more likely to engage in behaviour that will disadvantage the insurer.

The problem with using the moral hazard theory in health, such as is the case with the current Medicare co-payment debate, is that the health market doesn’t respond in the same way as other markets. Those that apply the moral hazard argument to health are usually of the view that people use too many health services because they are insured and the medical services they receive are free. In the Australian context, the federal government is suggesting that moral hazard has lead to abuse of the system by patients and has become a major contributor to rising health care costs. If we therefore remove the moral hazard by imposing a barrier to accessing health services (such as a co-payment) people will think twice before they race off to the doctor.

For the doctors reading this I don’t want to burst your bubbles but here’s the thing: no-one likes going to the doctor. Well adjusted people don’t want to see you (at least not in your professional capacity) – sorry.

Think about it, if colonoscopies were free would we be racing out to have them done while there was a run out sale? If the government announced a free program for the prophylactic removal of unnecessary organs, would we be lining up to have our tonsils and appendixes whipped out? And girls, would we have that extra pap smear or a blood transfusion just because there was a 2 for 1 deal?

Seriously, the moral hazard argument when applied to health is problematic.

Often distinctions are made between trivial or unnecessary services and needed services, though the definitions of trivial and unnecessary when applied to health remain elusive. The basic idea is that by removing the moral hazard and exposing people to the costs of health care, utilisation of medical services for trivial complaints will reduce because patients will seek help elsewhere or not at all.

Consider a patient with common symptoms of say a, transient ischaemic attack (TIA). The patient might experience feeling light headed and dizzy, or have some arm weakness that only lasts for a few minutes and then passes. The National Stroke Foundation website says that these symptoms are often ignored because they go away so quickly, but that “about one in five people who have a TIA will have a major stroke within the next three months and a large part of the risk occurs in the first few days.” (strokefoundation.com.au)

These are the very types of patients who are at risk from the introduction of co-payments. The National Stroke Foundation has already established that patients too often view TIA symptoms as trivial and ignore them. Adding a $7 access barrier to visiting the GP will only compound this problem and if the patient, having elected not to see the GP subsequently has a disabling stroke, the NEMESIS study, Cost of Stroke in Australia from a Societal Perspective, tells us that the cost of care in the first 12 months post stroke is $18,956 and $44,428 over a lifetime. The $7 saving seems somewhat of a false economy!

The submission to the Australian Commission of Audit that lead to the current co-payment debate, was informed by only one empirical piece of research, the now forty year old RAND study. The RAND Health Insurance Study was a large randomised experiment conducted in the US for 5 years starting in 1974. In essence the study found that when people were exposed to health care costs they did consume less health services and overall it did not negatively impact their health.

However, a very important and often ignored additional finding of the study was that poor, high risk people did not access health services that they needed and experienced significant health deterioration and increased mortality.

It was hardly surprising that already healthy people suffered no adverse health effects from having the moral hazard removed because receiving less care when you are healthy in the first place is unlikely to have a negative impact. But for the study participants who were unhealthy, poor and high risk, imposing a co-payment lead to terrible consequences and an increased death rate.

Additionally, one of the key inclusion criteria in the RAND study was that all participants had to be under the age of 65. This fact alone represents a major flaw in applying this study to the modern Australian context. The Australian primary care BEACH study, which has been collecting GP data since 1998, makes clear that use of GP services is continuing to rise but is attributable to an ageing population and increasing rates of chronic disease. So if the highest consumers of health care in Australia are people over 65, reforming the nation’s health care system based on a forty year old study that specifically excluded this group is astonishing.

And then there’s the second moral hazard that operates in the health sector, also sometimes called supplied induced demand, which is seen in the provision of fee-for-service medicine. One of the known benefits of fee-for-service is that it incentivises doctors to provide needed services, but what is sometimes referred to as ‘provider moral hazard’ can occur when doctors over supply services to maximise their incomes, knowing that the insurer will pay. This theory clearly diminishes the medical profession and suggests that doctors are motivated solely by personal gain rather than the best interests of patients and the Hippocratic Oath. However, the current co-payment proposal will place GPs in an invidious position and some practices may have no option other than to increase service delivery and push more patients through to remain viable. If the co-payments were in operation today, the impact on GPs would mean their incomes would reduce from between 12.5% and 31%.
Here is the co-payment plan in operation for currently bulk billed patients:

<table>
<thead>
<tr>
<th>Bulk billing a level B GP consultation less than 20 minutes (Newly indexed rates payable from 1 July 2014 applied)</th>
<th>Current Arrangements – GP bulk bills</th>
<th>Co-payments collected by GP – Abbott plan</th>
<th>Co-payments – GP chooses not to collect $7 and continues to bulk bill</th>
</tr>
</thead>
<tbody>
<tr>
<td>Non concession card holder</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MBS item 23 paid by Government</td>
<td>$37.05</td>
<td>$32.05</td>
<td>$32.05</td>
</tr>
<tr>
<td>Amount paid by patient</td>
<td>nil</td>
<td>$7.00</td>
<td>nil</td>
</tr>
<tr>
<td>Amount paid to GP</td>
<td>$37.05</td>
<td>$39.05</td>
<td>$32.05</td>
</tr>
<tr>
<td>Change in GP earnings</td>
<td>nil</td>
<td>Increase of $2.00</td>
<td>Loss of $5 or 13.5%</td>
</tr>
<tr>
<td>Concession card holder or person under 16 (CITY LOCATION)</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>MBS item 23 paid by Government</td>
<td>$37.05</td>
<td>$32.05</td>
<td>$32.05</td>
</tr>
<tr>
<td>MBS item 10990 paid by Government (known as the bulk bill incentive currently, but will change to being an incentive to charge $7)</td>
<td>$6.15</td>
<td>$6.15</td>
<td>nil (not claimable if GP does not charge $7)</td>
</tr>
<tr>
<td>Amount paid by patient</td>
<td>nil</td>
<td>$7.00</td>
<td>nil</td>
</tr>
<tr>
<td>Amount paid to GP</td>
<td>$43.20</td>
<td>$45.20</td>
<td>$32.05</td>
</tr>
<tr>
<td>Change in GP earnings</td>
<td>nil</td>
<td>Increase of $2.00</td>
<td>Loss of $11.15 or 26%</td>
</tr>
<tr>
<td>Concession card holder or person under 16 (REGIONAL, RURAL OR REMOTE LOCATION)</td>
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<td></td>
<td></td>
</tr>
<tr>
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<td>$37.05</td>
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<td>$32.05</td>
</tr>
<tr>
<td>MBS item 10991 paid by Government (known as the bulk bill incentive currently, but will change to being an incentive to charge $7)</td>
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<tr>
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<td>nil</td>
</tr>
<tr>
<td>Amount paid to GP</td>
<td>$48.30</td>
<td>$48.30</td>
<td>$32.05</td>
</tr>
<tr>
<td>Change in GP earnings</td>
<td>nil</td>
<td>Increase of $2.00</td>
<td>Loss of $14.25 or 31%</td>
</tr>
</tbody>
</table>

There’s not many of us who could tolerate such a dramatic cut to our earnings, imposed unilaterally, without having to make it up somewhere else. Politicians would certainly not accept a pay cut, the same can be said of those in other professions such as the legal profession and one can only imagine the union backlash if nursing salaries were cut by 31%. So the GP has become a cashier if nothing else to remind the patient that co-payments were the governments’ idea. Even worse, by default the GP has been incentivised financially to prioritise collection of funds from pensioners and the young over the employed.

Moral hazard has very positive effects in the health market because it encourages people to access the care that they need and it is in all of our interests to ensure that sick people have easy access to medical services. And whilst we do need to look at ways to contain rising health care expenditure, imposing barriers at the entry point to the health care system may lead to a false economy and put the health of the nation at risk.

Our health care system is one of the best in the industrialised world and the envy of many. If there was a health insurance World Cup we would have gone straight through to the round of 16. In the football World Cup one is judged by performance on the pitch. As a nation we will be judged by how we care for our most vulnerable. It would be tantamount to kicking an own goal, should the sick, poor, elderly and disabled be obstructed from free access to health.

Yellow card Tony Abbott!
In the Autumn 2013 Edition of The Private Practice eZine, we implored you to ‘stop and smell the roses’, to heed the words of advice of retiring practitioners who most commonly quoted ‘not enough family holidays’ as their greatest regret.

In that edition we focussed on work/life balance and provided a checklist of holiday destination characteristics that, in our opinion, made for the ideal combination of rejuvenation, concentrated quality family time, and an exotic back-drop.

We also acknowledged the reluctance by most practice principals to take more than two consecutive weeks off work – a limitation imposed, in our opinion, by less than optimal business models.

One solution to this challenge was, and still is, at our door step – Bali!

In April of this year, my twin eight year olds, wife and I, returned to Paradise for another bout of deep relaxation and bonding.

It's important from the onset to address the ‘bad rap’ that Bali continues to receive in Australia from certain sections of the media and that clouds the judgement of many holiday goers. Every destination has its seedy, raucous neighbourhoods, Bali is no exception and has become notorious for attracting young revellers who often find themselves in trouble.

The discerning traveller can easily avoid these hot-spots and certainly our itinerary ticked all the boxes for this family of seasoned holiday makers.

The first tick for us, is that Bali is close – no jet lag! This is important when you have limited time and can’t afford to waste it adjusting to time zones.

The second, third and fourth ‘must-haves’ are here in spades; peerless hospitality and service, world class, 5 star facilities (focused on physical and mental rejuvenation) and, exotic surroundings, culture and cuisine.

This time around we immersed ourselves in the expert care of The Four Seasons Resort Sayan at Ubuds doorstep – cutting edge design amongst paddy fields, herb and vegetable gardens along the site’s Ayung River Valley slope.

To be an effective professional, business person, spouse, father or mother, you need to recharge your batteries from time to time. Steven Macarounas offers his formula for your consideration.

The Four Seasons at Jimbaran Bay – award winning 5 star property with an exciting new all-day beach club/restaurant/lifestyle destination, Sundara.

Karma Kandara – cliff top and beach front luxury at Bali Southern most tip known as the Bukit, and Rimba – the new sister resort to the acclaimed Ayana perched atop glittering Jimbaran Bay.

FOUR SEASONS RESORT AT SAYAN
Bali’s best resorts are bold architectural statements, the Four Seasons at Sayan is no exception. Seemingly suspended by vines and treetops above a tributary to the Ayung river, the modernist, elliptical main support building and trailing, teak and steel footbridge, look like the star ship Enterprise crash-landed in a lush, palm jungle planet.

As one of the world’s very best resorts on the Condé Nast Traveler’s Gold List 2013, it’s not surprising that apart from glorious natural environment and architectural splendour, it’s the awe-inspiring hospitality and service that leaves its greatest mark.

This starts at the top with the resorts General Manager, Uday Rao. A Four Seasons veteran of many an international posting, Uday is one cool dude. He is welcoming, relaxed, casual and ‘at one’ with his environment – setting the scene for a remarkably quick shedding of the stresses and
pressure of our hectic lives back in the big city. Every creature comfort is here in abundance, from our superbly designed and equipped villa, replete with its own pool and outdoor terrace lounge, to the expansive, well equipped health club and spa, and the simply amazing menu – our four course, candlelit dinner at the lotus pond upon the rooftop terrace was a real highlight; the standout dish was a quick seared foie grass with edamame bean salad, dates and orange sauce... amazing!

The Four Seasons lives in harmony with the local villagers and is deeply respectful of the values that run through this agricultural society – this is evident on the ‘must-do’ Day in the Life of a Balinese Farmer guided walking tour.

The ‘tour’ begins with a morning trek through the Ayung river valley. With the help of an experienced guide, we traversed picturesque terraced rice fields and jungle paths leading to the banks of the fast flowing river. Along the way we meet local farmers and learn about the complex irrigation system used in the paddy fields, called a Subak. After working up an appetite on the trek, breakfast is served in a private bale, surrounded by the vivid green rice plantings and the mirror-like watery surfaces of the terraces.

After breakfast and a demonstration, we roll up our pants and bare-footed, squelch through the mud of a rice paddy to plant our own seeds – this is great fun for young and old alike.

Following a ‘drinks’ break of young coconuts, it’s time to relax the sore muscles and scrub away the dirt of a hard day’s labour in the fields with a river stone bathing ritual, called batukali. Bathing in the river is both an age-old ritual and a social event for the Balinese. The treatment includes an application of fresh herbal blends on the hair and scalp, an invigorating river stone scrub to revive the skin, and a soothing Balinese massage complete with fragrant coconut oil and freshly grated ginger paste to warm and relax the body.

The day’s adventures end with a traditional lunch of Nasi Campur – an Indonesian dish of red rice topped with vegetables, meat or fish, and other accompaniments. We dine in a private bale along the river – the feeling is both exhilarating and deeply relaxing.

Speaking of relaxation, one of the main draw cards of Bali are its international award winning Spas. With its inland jungle setting providing a serene, nurturing environment, the Four Seasons offering doesn’t disappoint. Whilst on holiday, I follow a strict regime of one massage every three days – the cumulative effect is a re-invigoration of both body and mind, leaving me refreshed and ready to take on the pressures of work and home with renewed physical and mental vigour.

The Four Seasons Sayan is one of, if not the most impressive of resorts I have ever stayed at – for all the reasons mentioned above but also because of some sound business fundamentals.

It understands its market and delivers on its promise – not only to the weary travellers seeking to unwind and find succour in its recuperative powers but also to the surrounding community that it also serves in terms of providing employment and nurturing a traditional agricultural and social continuum.

The Four Seasons Sayan is also a lesson in leadership. The corporate ideals of profit and growth don’t naturally fit in a bucolic rural environment unless leadership is sensitive to a transcendent purpose and able to communicate this purpose in an empowering way to all staff and stakeholders – there are great lessons to be learnt here for medical practice principals.

Thank you Uday and staff – the experience was unforgettable and one we look forward to repeating soon.

Leaving the islands central highlands, we make our way to our next port of call and the second offering of the Four Seasons group in Bali, this time at Jimbaran Bay.
FOUR SEASONS JIMBARAN BAY

A recipient of countless awards, the Four Seasons resort at Jimbaran Bay opened its doors in 1993 and has become an institution in the Bali Resort landscape.

Located on the southern tip of Bali, on the northeast slopes of the Bukit Peninsula, its luxuriously appointed private villas are built into a gently terraced hillside named Bukit Permai, literally meaning “beautiful hill”. The location affords spectacular vistas of Jimbaran Bay and Bali’s sacred Mount Agung. Thirty-five acres of superbly landscaped tropical gardens gracefully descend onto a wide expanse of white sandy beach.

With the recent addition of Sundara, an iconic beachfront restaurant and bar, the Four Seasons have created an all-day lifestyle destination on the island’s most exclusive stretch of sand. The name is the Sanskrit word for “beautiful,” an apt description of the lush flora, sparkling surf and glowing sun that adorn this Indian Ocean hotspot.

Sundara is a must-visit destination in Bali,” says Michael Branham, General Manager of Four Seasons Resort Bali at Jimbaran Bay. “We’ve created a very social place, one that attracts a stylish crowd from well beyond our resort. Sundara is one of the unique ways Four Seasons continues to evolve and deliver an exciting experience for our guests.”

The other highlight of our stay at the Four Seasons was the Balinese Cooking Class.

This was an awesome day, starting with a tour of the local market to buy ingredients, many of which we picked directly from the resorts own garden, followed by expert guidance from one of the resorts executive chefs in an industrial kitchen.

A very intricate, ingredient rich cuisine, Balinese cooking is not for the lazy chef. It’s allot of hard work chopping, grinding, stirring, wrapping... but very rewarding, resulting in arguably the best Indonesian food I’ve ever eaten even if I do say so myself.

Another resort, another deeply relaxing, stress relieving massage and spa treatment. Michelle and I opt for the Love and Connectivity package.

Reading from the brochure this treatment claims to be “Ideal for strengthening a couple’s connection, this experience works with the heart chakra. Located in the chest, this chakra is the centre of unconditional love, governing compassion and forgiveness, generosity and well-being. Balancing this chakra is important for the circulatory system, heart and thymus, and also helps fend off disease while nurturing spiritual love and devotion. Healing the heart chakra can help free us from limits and fears. This tender, side-by-side treatment – combining a foot wash, scrub, massage and heart chakra work – uses rose oil and warmed rose quartz to reconnect the body and mind to inner peace and stillness. After you share a romantic rose oil bath, equilibrium is restored, leaving you feeling at one with each other.”

Now, which couple doesn’t need some of that?! We are now ready for the third leg of our Holiday but totally unprepared for the unique blend of Mediterranean Beach Club and South East Asian Wellness Resort that is Karma Kandara.
KARMA KANDARA
Opening its doors in 2008, Karma Kandara sits on a spectacular cliff top high above the Indian Ocean at the farthest extremes of an elevated limestone peninsula at Bali’s southernmost tip. Inspired by the legendary Nammos restaurant and beach bar in Mykonos and styled after a whimsical folly on some Greek island in the Aegean, Karma Beach Bali presides over a pristine sweep of white sand and a tranquil turquoise lagoon whose only access is via Karma Kandara’s private inclinator, which carries guests effortlessly up and down 100 meters of sheer limestone cliff.

The fusion of Greek and Balinese aesthetic works surprisingly well – white washed stone walls with azure blue furnishings, mixed with thatched grass roofs and bamboo platforms, all surrounded by crystal clear beachfront. This ‘marriage’ is extended to the cuisine; imagine fresh, uncomplicated seafood cooked to perfection, lightly grilled Haloumi atop a crisp Rocket salad, alongside the famous, mouth-watering Balinese Babi Guling – roasted suckling pig.

The cliff-hanging Spa provides a regenerating infrared detox sauna, a Himalayan crystal salt pool and Sea Spa Tent as well as refreshing Oxygen Infusion Facials, Balinese Reiki and a long list of massage therapies. There is an exclusive, bespoke, private club feel to our experience at Karma Kandara – it’s not surprising to learn it is a very popular venue for intimate weddings and high-end celebrations.

RIMBA
Our two weeks of intense, deeply concentrated relaxation, and re-charging of batteries comes to a close with a two night stay at Bali’s new resort on the block Rimba. The newest branch of the Ayana family tree, Rimba is located in the expansive 77 hectare Ayana estate at Jimbaran. A forest setting, achieving perfect harmony between a leafy, tropical, concentrated nature sanctuary and sleek, modern resort facilities inclusive of multi-tiered water bodies, designer restaurants and bars and heart melting, romantic sunrise and sunset views.

Rimba is very much a family resort, focusing on pool activities with it’s very sophisticated, cutting edge designed private cabanas and daybeds surrounding the 7 swimming pools, waterlides and lagoon winding through the resort. The stand-out features for me are the exquisite Cantonese cuisine of Ah Yat Abalone Seafood restaurant, reading my book reclined on a semi-submersed deck chair in one of the glittering pools, and awe-inspiring sunsets over Rockstar cocktails at the Unique Rooftop Bar and Grill. Also worth a mention is the state-of-the-art, futuristic gymnasium – very much needed to keep my waist line in check following my holiday eating spree.

Above all, Rimba impresses with its amazingly professional, hospitable, service – focused staff – not surprising given its Ayana heritage. So, a little over a year since we last visited Bali, this recent experience has not diminished our love of this wellness destination. Paradise is still there where we left it and we look forward to visiting again.
CREATE YOUR OWN SPACE

It’s not every day that medical professionals are given the opportunity to design their ideal practice space, but that’s exactly what a new building project on the Gold Coast is offering.

“We have a fantastic site on Ashmore Road in Benowa, which is a major access road and is just a short drive to Southport, Surfers Paradise and Broadbeach,” explains John Wicks, Director of Casinco Pty Ltd.

“The site is also just two minutes from Pindara Private Hospital, along with a number of other medical and professional services and shopping centres.”

With over 650 square metres of floor space available, the site covers a total of 1600 square metres and is large enough to house a day surgery, or could accommodate a number of separate tenancies. In addition, Casinco is inviting potential tenants to literally create a practice that perfectly suits their specific needs.

“The build of this project can be tailored to suit the right tenant,” John adds. “At this stage it’s an open book – we have a well-placed site on a major road with ample parking, and we’re ready to proceed with the design. What we want is a tenant who has a strong vision for their future business and is prepared to commit for the long term.”

With regards to timing, it is expected that the build would be completed within a 12-month period from the client-negotiation phase.

“Once we have an agreement signed and plans drawn up, the next step would be to obtain council approval,” John adds. “Then the build would take around six to nine months, depending on the scope of work involved.”

Casinco envisages a modern building that meets all construction rules and regulations, blends in with the local environment, is fitted out with consultation from an expert in designing medical premises, features all modern conveniences, focuses on patient comfort and encourages maximum staff efficiency.

“Benowa is already well established as a medical precinct, and we are offering the chance for medical professionals to enjoy the benefits of having a long lease on brand new purpose-built premises in a prestigious address,” John concludes. “It’s a great opportunity and the time to act is now!”

If you are seeking medical practice rooms or a surgery in an outstanding location on the Gold Coast, the team at Casinco may have the perfect solution.

All expressions of interest should be directed to John Wicks on 0412 244 295 or email casinco@iinet.net.au
In these days of more team centered healthcare, the easiest way to decrease the stress of your practice is to recognize and rise above the leadership style we learned in training.

In this article let me show you:

• The Doctor’s Default Leadership Paradigm and the problems it causes
• Three steps to a new Physician Leadership Style that makes everything in your practice easier
• A specific example of the new paradigm in action

THE TOP DOWN, COMMAND AND CONTROL, LONE RANGER

Our medical education powerfully conditions all doctors in a default command and control leadership style. This style is audible in the language we use to describe how a doctor relates to the team.

The Doctor “gives orders” and the team (and patient) is expected to obey/comply. This unconscious and universal leadership paradigm has negative consequences for everyone involved:

• The doctor works too hard
• You feel like you have to know all the answers and that asking for help or input is a sign of weakness on your part.
• The team is turned into “sheep”, waiting for the doctor to tell them what to do. They are waiting for orders and hesitate to act without your permission.
• Much of the skills and experience of your team go to waste. You don’t ask what they think, they don’t volunteer their opinions without being asked and poor decisions are made and acted on all the time.

Given the fact that we typically enter our training in our early twenties and this is what we learn for leadership skills...

...it is no wonder that doctors make naturally lazy leaders and avoid leadership positions whenever possible.

WHEN COMMAND AND CONTROL WORKS AND WHEN IT DOESN’T

This Lone Ranger/Top Down style is a snippet of the conditioning of our medical education and it is hard wired into the healthcare team because it works well in the area of clinical diagnosis and treatment. The doctor makes the diagnosis and supervises/leads the treatment team via orders. However, diagnosis and treatment are only one small part of the activities within the four walls of your office or hospital on a busy work day.

What about all the other non-clinical activities – the basics of patient flow, administration, operations and personnel issues? Your team will see you as the leader and look to you to give them orders even in these non-clinical areas – where you are not the expert by any means.

Example:

How often does your team or practice manager come to you with a question about operations or patient flow? Something like, “Dr. Smith, what should we do about these pathology reports? I just found a pile of them in Dr. Jones box by mistake.”

You spend your day in the room with patients. You don’t know what is going on outside the exam room and don’t have a clue about the path reports. You are one of the least qualified people in the office to answer that question. That won’t stop your Lone Ranger from giving it a shot though.

There you sit at the apex of the top-down physician leadership pyramid. This is not going to end well if you “give orders” on this subject too...right? But everyone is waiting for you to tell them what to do. You will give an answer/order, they will obey/comply and it will take three or four tries to get a system that works. This happens every day in doctor’s offices around the world and it does not have to be this way.

Notice:

These are also the problems that drive you crazy during your work day and get in the way of you actually practicing medicine. If all you had to do was see patients, diagnose and build treatment plans... that is the doctor’s idea of heaven. Your physician leadership must extend beyond your clinical activities and into operations if you are ever going to build your ideal practice.

Let me show you a whole different collaborative physician leadership style where...

• You don’t have to work so hard and have all the answers
• You tap the skills and experiences of your whole team – after all, they are the experts in operations
• The whole team is engaged from the start

There are just three simple steps to let go of your Lone Ranger. Let me show you the steps and give you an example of what they look like in action.

THREE STEPS TO THE TEAM CAPTAIN

1. Set and Hold the Vision/Goal

This is one of Steven Covey’s “7 Habits of Highly Effective People”. He calls it “Begin with the end in mind”.

One of the most important skills of the Team Captain is to set the vision and give the team an outcome goal they can aim for. In the example of the misplaced path reports above, the target could be to Get all the path reports filed appropriately within 24 hours of receiving them.

Setting the vision/goal frames the team discussion from this point forward. This goal keeps everyone on target, moving to your definition of success.

2. Ask Powerful Questions

This is another skill set we didn’t learn in med school or residency. The ability to ask powerful, open ended questions is key to the Team Captain physician leadership style.

Here is the simplest way to ensure your questions are always open ended... Start them with either “What... or “How... These questions are the foundation for tapping into your team’s skills and experience.

3. LISTEN and Hold the Problem Solving CONTEXT

Your team has the answers if you

1) State the Vision/Goal

2) Ask Powerful Questions

3) Then LISTEN and continue to ask questions until your action plan is complete

As the Team Captain you are responsible for creating and maintaining the CONTEXT in which your TEAM solves the TEAM’s Problem. This Context of trusting your team and engaging them from the start is the essence of Collaborative Leadership.

You don’t come up with the answers. Needing to answer everyone else’s questions and have all the solutions is the Lone Ranger. When you are that kind of top down physician leader – you are working too hard. Besides, you are not qualified to answer many of these questions. If you do have input, feedback or opinions – save your ideas for last, AFTER everyone else has been given a chance to participate.
AN EXAMPLE:

Let’s use the case of the mis-filed path reports above. Here is what a Team Captain, collaborative physician leader might do with this issue.

You discuss the problem with your practice manager and agree the Goal is to have the path reports all filed correctly within 24 hours of them being delivered.

You pull the entire team together – your monthly staff meeting is ideal for this.

Tell them:

“We have had some issues with getting path reports filed appropriately and in a timely fashion. Our goal as a team going forward is to figure out a way to get all path reports filed correctly within 24 hours of them being delivered to the office. I am not the expert here and want us to design this system as a team. We need everyone’s input to build a system that works for all of us. So…” (start asking powerful questions here...)

Question Examples:

- What are your thoughts on how we could get these path reports filed?
- How do you suggest we approach this issue?
- What are the things we are doing now that seem to work at least a little bit?
- How can we do more of these?
- What things are not working?
- How can we change them to hit our goal?
- What members of our team need to be involved in this new system?
- How can we make this so it involves as few people and as few touches of paper as possible?
- How can we make it so this path report filing system does not interfere with the activities of caring for our patients in the office?
- How will we track the performance of this new system?
- What is our next step?
- Who is the manager of this project?
- When will we meet to discuss this again?

In a short period of time your team will design this system. You don’t have to have the answers. You have the powerful questions and focus them on the Vision/Goal of your ideal outcome.

Because the team was involved in designing the system from the start... they are engaged and fully bought in. They don’t have to obey an order from you. They are carrying out an action plan they helped to create. Creating this action plan tapped the skills and experience of the whole team.

Goodbye Lone Ranger. Hello Team Leader. ☺