A PRIVATE PRACTICE SUCCESS STORY

Pulse Cardiology embraces practice coaching
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EDITOR’S MESSAGE

How Lobsters Grow

I saw, and immediately shared, a wonderful, thought provoking video on Facebook recently and I’d like to share it now with you.

The video is of Rabbi Dr. Abraham Twerski drawing the relationship between how lobsters grow and how stress offers us humans, opportunities for personal growth.

I’ve transcribed the video below but you may wish to hear it directly from the raconteur himself by following this link.

“There’s something I want to tell you about stress, and how we have to look at stress, Ok, and I think it’s an important thing because many people have told me from my lectures, it’s the one thing they remembered.

I was sitting in a dentists office and looked at an article that said ‘how do lobsters grow?’ I don’t care how lobsters grow, but I was interested in it, and it points out that a lobster is a soft mushy animal that lives inside of a rigid shell – that rigid shell does not expand – well how can the lobster grow?

Well, as the lobster grows, that shell becomes very confining and the lobster feels itself under pressure and uncomfortable. It goes under a rock formation to protect itself from predatory fish, casts of the shell and produces a new one.

Well eventually, that shell becomes very uncomfortable as it grows, alright...back under the rocks...the lobster repeats this numerous times.

The stimulus for the lobster to be able to grow is that it feels uncomfortable!

Now, if lobsters had doctors they would never grow, because as soon as the lobster feels uncomfortable, goes to the doctor, gets a Valium, gets a Percoset and feels fine... never casts of its shell. So I think that we have to realise that times of stress are also times that are signals for growth, and if we use adversity properly, we can grow through adversity”.

The journey of managing our professional, business, financial and personal lives to achieve, maintain and pass down our own definition of success is paved with stressful road blocks and detours of adversity.

As the wise Rabbi so eloquently puts it, it is these moments of stress that will help us transform and awaken other aspects of ourselves.

Regular readers and course delegates will be familiar with my encouragement to ‘embrace the business person within’. For Doctors this can sound, at best daunting, at worst insulting.

It is delivered with the utmost respect and in the knowledge that the stress of learning the language of business and finance will help you to grow in to a practice principal and financial manager firmly at the helm of your ship to success.

Our 2016 Course Curriculum has been carefully designed to provide an easily accessible platform to help build your knowledge of sound principles in business, financial and lifestyle management.

The Private Practice team is driven by the notion that a better informed medical community will result in more successful medical practices, delivering on their promise to the community they serve and providing a better quality of life for practice principals and their families.

The following articles are presented in this spirit.

Happy Reading.

Steven Macarounas, Editor
editor@theprivatepractice.com.au
Introducing our latest healthcare collection

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

Also available at kezu.com.au
MY LUMINARIES

Hanya Oversby – Specialist Consulting
www.specialistconsulting.com.au
interviews Dr Martin Sebastian – Pulse Cardiology
pulsecardiology.com.au
Hi Martin, can you tell me about your journey from graduation to joining Pulse.

When I graduated from medical school about 20 years ago, I was very academically and public service orientated and I spent a good 10 years in the Victorian public health system, training at hospitals such as Royal Melbourne and the Alfred Hospital to become proficient in my craft. I then spent a couple of years over at Cedar Sinai Hospital, Los Angeles in the United States gaining further postgraduate qualifications. By the time I came back to Australia I did what a lot of early career specialists decide to do and get involved with a large public hospital and establish themselves within that organisation.

At the place where I started officially we were called visiting medical officers, although the private practice was actually imbedded within the public hospital. So we had this relationship where we were pretty much onsite of the public hospital all the time. Certainly in the early stages I thought that worked quite well. At that stage it was a very good esprit core around the hospital and I grew relationships between the hospital and the administration side. This was good for that early stage of my career.

If you fast forward 15 years or so, there have been a lot of changes in the basic public hospital landscape. In my mind there has been an onset of what I tend to call ‘managerialism’ which means that hospitals tend to be run by non-medical or quasi medical executives and health professionals are viewed more as employees rather than partners in the organisation.

One has got several options in this scenario – you can embrace it, be part of that chain and become part of the machinery or you can stay around and work as an employee if you like and get a little bit bitter about it. Or you can retain the good things about it but also try to set up something of your own to have some autonomy. That is the choice that we took. We decided it was time to establish an entity outside of the public hospital regime where we have the management role ourselves and we can shape our own future.

For us it was a fortuitous time in that at that stage there just happened to be a period of contract restructuring which enabled us to do this without having to forfeit our involvement in the public health care sector which we all still felt very strongly about.

That was the genesis of our little enterprise called Pulse Cardiology.

What challenges did you face going into business with 4 other associates.

It was interesting for us as we weren’t straight out of training but we had been living and working as what we refer to now as a “sheltered workshop environment” where we basically went to work and performed our medical duties and didn’t have too much say or question about how things happened around us. All of a sudden we were out in the big wide world and we had to accept and embrace the responsibility to control how things were done and which systems we were going to use and who we were going to work with, who we were going to employ, and it was somewhat daunting to us. It occurred, of course, while as busy professionals with families and so forth. We were in a difficult time poor situation and this was just potentially more stress on top of our own busy professional and personal lives. Superimposed on all that I guess was the fact that things were changing and the people we were with for a long time on the same sort of playing field, there were some complex political maneuverings going on and various emotions played and we tried to get around that by dealing with people honestly and directly and being inclusive. I think it worked out pretty well from the social perspective but we
definitely had some challenges from the business side of things and that’s where we needed some help.

Where did you initially seek knowledge on the business of running a medical practice?

Specialist Consulting kind of fell out of the sky – I will be honest about that in our situation. All of a sudden one of my partners wives was at a conference and came across this impressive individual who was in the business of helping doctors set up medical practices and it was recommended to us that we might employ the services of such a person. Our initial reaction was “gee – what are we paying that person for – they are just going to come in and tell us how to do things but they aren’t going to make us any money” So there was an initial sort of trepidation in how this was all going to work. But then it quickly emerged that once we did a background assessment and had an initial meeting with Hanya Oversby from Specialist Consulting that we could really see the value of having some independent guidance as we took this transition into the business world.

Did this process work well and what were some of the key advantages that came from working with the business consultant?

I have to say it has been a very fruitful relationship. Going through some of the stages we had a period of brainstorming to create an identity and ultimately a brand, which we could then take forward into the marketplace. We were introduced to the concept of a SWOT analysis which was interesting new terminology for us but it really helped us to focus on what we were about and take a new look at how we were going to position ourselves. I would describe Hanya as a team coach – she came in and created some structure to our group, allocated us all with portfolios.

This is an interesting one – I tend to think of Hanya as the character “the Wolf” in Pulp Fiction – the character that wears the dinner suit, comes in, stays cool and shows how to just get shit done!

Did you have a strategic planning process?

The strategic process was having a time line – to us the market speak was things like vision, goals and key performance indicators and that entire sort of stuff which we all raised our eyebrows at. Nonetheless to have someone create a business plan and structure, which we knew, we could adhere to and reference has been very helpful. Very important input has been to have someone who was able to look at us and enable us to value our worth in contract negotiations when taking out leases and so forth. We hadn’t really been in the situation before and we didn’t see ourselves as quite the valued proposition in which we ultimately turn out to be so we were very grateful for that independent view.

Through the experiences of starting a new business, what were the key challenges that you faced and what strategies helped you through this?

One of the challenges was to set up a clear business structure with transparent mechanisms for entry and exit of our members. As it turned out it was actually tested in the very first year of our operations when one of our group decided he wanted to go back and pursue more of an agenda back at the public hospital. As we had gone through the process of setting this up clearly this was handled with minimum pain on everyone’s behalf.

Other key challenges of course were setting up a new enterprise including the whole hiring process and that worked very well because our business consultant was able to bring in appropriate operational methodology for that with contracts and interview processes. This created a sense of distance rather than making a hand shake arrangement, setting up service contracts for business associates and bringing in legal expertise as required.

One of the other challenges was dealing with some professional envy and at one stage there was some professional espionage from people stealing our ideas and brand entity and our solution to that was to stay true to our cause and to not let other people control our emotions, and to be successful.

Those are some of the roles our coach has helped us take on.

As a new business owner you would have noticed that there was a need to take on a leadership role. What was this journey like?

From our perspective I think at this stage of our life journey, the leadership role is very much welcomed and it was helpful that there wasn’t just one leader who had to be the lonely person at the top. We are part of a quartet, effectively, who all had enough autonomy and responsibility over their own areas to feel empowered but we also had the other three of us to provide the much needed reality check to avoid any megalomania on anyone’s behalf.
Having to employ a new and growing team for Pulse is a big step for a new business owner. What do you feel have been the triumphs and challenges in this process?

Recruitment is always a challenge and certainly when you haven’t been in the business of doing it before I think we have been blessed. I think we have had very good advice and people judgement from our business manager. I think we have helped by projecting the right sort of vibe to prospective employees and the people, once we had decided would fit in well with our group, we do make a point of treating them well and making sure that they feel part of the collective vision and as I said so far every recruitment has been successful.

What advice would give to create an amazing team?

It’s a little bit like parenting – you have to set the example so that if you have a model of being cantankerous and talking down to people well you will create that sort of culture in people working with you. Whereas if you can somehow, despite adversity, appear to be generous and calm then that tends to spread around. You see people talking about organizational culture and sometimes it is just luck, sometimes it is deliberately created and sometimes it is a mixture of both. So far we have been fortunate.

What is your vision moving forward as a practice?

We aim to be honest, generous, to laugh and foster a common sense of purpose. We want to bring everyone on board and make sure we are pointing in the right direction and have a good time as we go along.

Are you seeking to expand or have other associates join you?

We are one year old now so we are at the stage from genesis to consolidation phase which we seem to be doing quite well. Now we are moving, over the next few years, to grow. We are working in a locality where there is quite a rapidly evolving healthcare environment and the landscape is changing with the new hospitals coming in and expanding population. We would expect that we will need to grow to respond to this and we are planning to do so – it is very important though to stay grounded and to embrace the high standards that we are setting for ourselves and so not to have unregulated growth to ensure we keep bringing quality people into the fold so that we protect what we stand for.

Speaking of what you stand for and your brand, can you tell me more about your striking Pulse logo?

The pulse logo was born out of a confluence of ideas. Obviously in cardiology the pulse is the personification of the heart beat – it is the wave form, so it is a natural connotation of the word pulse in the heart business. The word pulse carries other connotations as well in physics and science it refers to a surge of energy, vitality and that is something that we wanted to embody as well with our image. We wanted to be seen as forward thinking, progressive, energetic so that was a very important overview. It can have a musical connotation to it as well as irregularity and rhythm so there are quite a few overtones of the word pulse and the idea pulse appealed to us rather than getting into some of the more stagnant terminology that can be used so it seemed to capture the zeitgeist of our feeling at the time.

I’ve actually still got that little piece of paper when we had the brainstorm, when we put up all the potential business names on the white board and crossed off what we could and couldn’t use, or what we thought was daggy and I think Hanya you came up with Pulse and I had a name with Cardiology, but you were definitely in the germinal phases of the name. Working together was like the smashing of atoms of ideas.

What is the best thing about working at Pulse?

I think spending that time to create an objective, a plan, a view of who we wanted to be, then we can always look and see which way the ship is pointing and say whether we are on course or not. Without that things kind of just happen organically and often it leads to a less than optimal outcome. So just having the long view, which we set out at the beginning I think, has helped us so far and I suspect it will continue to help us as we grow. I think it is the ability to be our best possible professional selves and to create and mold something that we will be able to look back on proudly.

If you were to have the opportunity to speak to Dr Martin Sebastian recent graduate – what advice would you give yourself?

I think I would say to value yourself, stay classy at all times, to not get involved in unnecessary politics and negative thought processes, to stand for integrity and understand that integrity and good business can go hand in hand – they don’t have to be mutually exclusive.

Hopefully we are just a stepping stone away from your ongoing greatness Hanya.
ACQUIRING YOUR BUSINESS PREMISES THROUGH SUPER

Simon Conolly provides an overview of an increasingly popular wealth creation strategy.

Generally, the trustee of a self-managed superannuation fund (‘SMSF’) can borrow under a complying limited recourse borrowing arrangement to purchase any type of asset that they would legally be able to acquire (e.g. commercial property), as long as the arrangement is in line with the fund’s own investment strategy. Due to the higher risk of gearing in general, the government has put a number of rules in place regarding superannuation funds and borrowing. These include restricting the way in which acquired assets are held and only allowing borrowing where the lender has limited rights (limited recourse), should the fund default on the loan. These rules help to minimise risks for the fund, so that it can grow and be preserved for retirement.

For medical practitioners, there are numerous advantages to holding the property from which their practice is conducted through their SMSF. The following case study explores the key advantages of such a strategy and the issues to consider when utilising a borrowing.

CASE STUDY: JACKI AND JOHN – CURRENT SITUATION

- Jacki (aged 45) and John (aged 44) are married.
- Jacki is a dermatologist earning $800,000 pa and John works in the practice as Practice Manager earning $70,000 pa.
- Jacki and John have assets with various retail and industry superannuation funds of $280,000 and $110,000 respectively.
- They are currently not making contributions to superannuation.
- Jacki is currently renting her practice premises for $10,000 per month.
- They are considering purchasing rather than renting and have identified more suitable premises currently on the market for $620,000.
- After seeking professional advice, Jacki and John consider using their superannuation to acquire the new premises which will allow them to lease it back to themselves to use in the practice, paying rent of $10,000 per month.
- Jacki and John establish an SMSF (the ‘J&J Super Fund’), and rollover their multiple superannuation accounts into the new fund. They then undertake a limited recourse borrowing to assist in the purchase of the property.

BENEFITS OF BORROWING THROUGH SUPERANNUATION

- Potential for increased capital gains and diversification
- Use pre-tax income to make capital and interest repayments on the loan
- Invest in assets that were previously unavailable due to the lack of sufficient funds
- Taxation efficiencies
For medical practitioners, there are many benefits to holding the property from which their practice is conducted through their SMSF.
As trustees of the J&J Super Fund, Jacki and John:

- borrow $300,000 from the bank under a limited recourse borrowing arrangement.
- use $320,000 in their SMSF’s cash account and combine it with the borrowing ($620,000) to purchase the property from an unrelated third party.

The rules require the property be held in a separate trust (the ‘Custodian’) whilst the trustees of J&J Super Fund make repayments on the loan. The Custodian (which could be an entity controlled by Jacki and John) acts as the legal owner of the property, while the J&J Super Fund has a beneficial interest in it. This means that the fund trustee receives all of the rental income generated from the property even while the loan is being repaid, and meets all associated expenses.

Generally, following the final loan repayment, the outright ownership of the property would be transferred to Jacki and John as trustees of the J&J Super Fund.

### Rental income
- Rental payments of $10,000 per month now paid into the J&J Super Fund and retained in the family group, previously paid to an unrelated third party landlord.

### Taxation of rental income and capital growth at 15% in accumulation phase and tax free in pension phase
- The rental income and capital growth of the acquired property is able to be retained in the concessional-taxed superannuation environment, with rental income taxed at a maximum of 15% in accumulation phase.
- If the property is held until pension phase, under the current laws, any rental income will be tax-free to the fund and no capital gains tax will be payable when sold. If, for example, the same property was acquired personally, 50% of the capital gain would be taxed at a rate of up to 49%.

### Tax deduction for the interest cost
- The SMSF should also be entitled to a tax deduction for interest costs on the borrowing, which can help to offset loan repayments.

### Accelerate loan repayments by making additional contributions
- To enhance the strategy further, Jacki and John could consider making pre-tax contributions (concessional contributions) to their SMSF which could be used to make additional loan repayments and accelerate repayment of the loan. These contributions are taxed at a maximum rate of 15% within the fund (individuals with annual incomes of over $300,000 are subject to an additional 15% tax on concessional contributions). If the same property was acquired personally, loan repayments would be made from after-tax income, which would be taxed at a rate of up to 49%.

### Asset protection
- Assets held within superannuation offer some protection from creditors.
The following chart illustrates the increase to John and Jacki’s net wealth accumulated over ten years under their current situation compared to the option of acquiring the property via their SMSF with a borrowing, and leasing it back to themselves to use in Jacki’s practice.

After ten years, the value of their superannuation assets under their ‘current’ scenario would have grown to approximately $689,300, whereas the value of their superannuation assets under the ‘borrowing within super’ option would have grown to approximately $1,556,400. That represents an increase in net assets of $867,100 in today’s dollar terms, which would be available to meet their needs in their retirement.

After 15 years, the difference increases to $1,413,800 in today’s dollar terms.

WHAT ARE THE OTHER ISSUES TO CONSIDER?

There are a number of issues Jacki and John need to consider when acquiring the property through the J&J Super Fund.

• Determine the most appropriate way to structure the acquisition. Depending on the circumstances, there can be benefits to acquiring the property directly or, alternatively, via a unit trust and having the SMSF acquire units in that unit trust.
• Ensure the legal documentation giving effect to the borrowing arrangement satisfies superannuation law and that the arrangement is executed in a manner that does not result in unnecessary stamp duty being incurred.
• Consider the impact of any improvements required to the property by Jacki and John’s practice. They must ensure any improvements do not result in a contravention of the superannuation borrowing rules. Could the value of the improvements be treated as a contribution to superannuation?

• Ensure the lender’s documentation complies with the requirements under superannuation law.
• Consider the impact on the arrangement if Jacki unexpectedly ceased working. Without Jacki, the practice would cease to generate income which is used to pay rent into the J&J Super Fund. Would John be forced to unwind the borrowing arrangement and sell the property? Insurance within the superannuation is a valuable strategy to address the potential liquidity issues that could arise on death (or disability) of SMSF members.
• Ensure the governing rules of the J&J Super Fund give Jacki and John (as trustees of the fund) the power to borrow to acquire the property and appoint a custodian to hold the asset.
• Ensure the acquisition of the property and the borrowing are consistent with the investment strategy of the J&J Super Fund. Acquiring property will often involve a heavy percentage weighting of the fund to one particular investment, carrying with it the associated diversification/investment risk.
• Be aware of the additional compliance requirements when using a ‘gearing’ strategy, and that non-complying funds and their trustees can suffer harsh penalties.
• Borrowing to invest can be an effective strategy when the acquired asset is increasing in value, because you are being exposed to greater gains. However, the opposite is also true – you become exposed to larger losses when the asset falls in value. Therefore, ‘gearing’ is a higher risk strategy and should only be used in relation to quality assets and when the loan can be comfortably managed.
• Be aware of the potential impact of superannuation related proposals announced in the Federal Budget 2016.

Under ‘current’ scenario, surplus income is invested in a ‘growth portfolio’ with yield 4.3%pa (18.4% franked) and growth rate of 3.3%pa. For ‘borrowing within super’ scenario, assume loan of $300,000 at 7.0% pa, with surplus income directed to repayment of the loan, then invested in a ‘growth portfolio’ with yield 4.3%pa (18.4% franked) and growth of 3.3%pa.
SurgicalPerformance launches new service: data entry staff available for SurgicalPerformance subscribers

SurgicalPerformance is an online auditing software developed by surgeons for surgeons, using modern technology to ensure the best patient outcomes are achieved, providing real time, accurate and comparable data.

As data entry can sometimes be arduous and time consuming for surgeons, SurgicalPerformance has begun the training and accreditation of data entry staff for SurgicalPerformance users – this is conducted via workshops designed to train Practice Managers and administration staff, initially of O&G practices.

It is important to note that SurgicalPerformance itself will not employ data entry staff, however they will train your existing staff to optimise the softwares’ effectiveness for your practice.

Access to SurgicalPerformance data can be granted to data entry staff whilst restricting sensitive areas (e.g. reports) to authorised personnel only.

SurgicalPerformance aims to be the most surgeon-friendly clinical audit tool available world-wide.

EDITORS NOTE:
Look out for the SurgicalPerformance Workshops to be conducted at the following Courses – click on titles for course and registration details.

The RANZCOG Private Practice ‘Comprehensive’, Melbourne
Fri 29 - Sun 31 July 2016

The RANZCOG Private Practice Growth Strategies Workshop, Melbourne
Sat 30 - Sun 31 July 2016

SurgicalPerformance’s data entry training workshop on the Sunshine Coast, Qld

Data entry staff are now available on the Sunshine Coast in Queensland and soon in Brisbane too. For details of current data entry staff or to enquire about SurgicalPerformance visit www.surgicalperformance.com
Education in Practice, Financial and Lifestyle Management for Healthcare Professionals
The Private Practice
‘3 Day Comprehensive’

For Senior Trainees, recent Fellows and Consultants seeking a smooth and efficient transition from ‘employee’ to practice principal.

Practice Set-up
A checklist and action plan for assessing your options with respect to buying in to or setting up your practice, and managing the process to fruition.

Practice Management and the Role of the Practice Manager
A good practice manager is an invaluable asset, particularly during the period of practice set-up and establishment, but what exactly should this all – important role encompass, and how do you find and train the ideal candidate?

Medical Practice Business Planning
The theory and tools for providing structure and systems for project and people management.

Medicare and Medical Billing
How the system works and how can you optimise the results for your practice.

Tax, Accounting and Business Structures
Choosing an appropriate financial and business structure, accounting and taxation basics, complying with legislation, case studies and current hot topics.

From Effective to Successful
The role that ‘sound’ business and financial management plays in achieving practice and lifestyle goals.

Starting with the End in Mind
Understanding the mind-set required, as well as the practice development and operation strategies needed, to build a business that will have saleable value.
“Opened my eyes to the essential business skills we don’t learn in medical training programmes. I feel more confident, I have the contacts to expand my choices of how I wish to work as a medical specialist.”

Medico-Legal Risk Management
Risks in practice, claims experience, tools to assess risk, strategies to manage risk, managing the risks of others, professional indemnity for the practitioner and the practice, choosing the right type and level of cover.

Personal Risk Management
‘Stuff’ happens! Why and how to design and implement your own personal and family long-term ‘safety net’ for protection against unforeseen events.

Wealth Creation and Lifestyle Planning
Making it and keeping it. Money Do’s and Don’ts, smart debt management, understanding investments, understanding legislation, choosing the right team to work with.

Banking and Finance
Practice, investment and personal finance products and strategy for the healthcare professional.

Medical Practice Information Technology
Maximising practice and personal efficiency through smart adoption of technology and strategy.

Asset Protection and Estate Planning
The use of family trusts and other mechanisms to help protect your personal assets from claim, plus proper planning to minimise adverse tax effects for beneficiaries.

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

Practice Design and Construction
Understanding the importance of design on patient/customer attraction and satisfaction as well as efficient work-flow.

Vitally important for any practitioner embarking on any form of private practice! Informative, thought provoking and inspiring. Thank you!
The Private Practice
2 Day Growth Strategies Workshop

SYDNEY
Saturday 30 April – Sunday 1 May 2016
Sheraton on the Park
161 Elizabeth St, Sydney

BRISBANE
Saturday 4 - Sunday 5 June 2016
Brisbane Marriott Hotel, Brisbane
515 Queen St, Brisbane

MELBOURNE
Saturday 30 – Sunday 31 July 2016
Pullman Melbourne On The Park
192 Wellington Parade, East Melbourne

Registration Fee $1,595 (incl GST)
10% EARLY BIRD DISCOUNT
For registration 3 months or more prior to event.

For established practice principals seeking operational efficiencies, practice expansion, transition to group and/or multi-location practice and positioning for optimal sale.

- Systems, Policies & Procedures
- Group & Multi Practice Models
- Attracting the Right Partners/Associates
- Attracting, Retaining & ‘Grooming’ Employed Doctors
- Leadership & Team Building
- Employee Equity Plans
- Advanced Marketing Strategy
- Advanced Wealth & Lifestyle Planning
- Day Surgery Development
- Expanding Referral Relationships
- Risk Management Measures
- The Corporate Succession Model

Advanced Wealth Planning & Management Workshop

SYDNEY
Saturday 14 – Sunday 15 May 2016
The Grace Hotel
77 York St, Sydney

MELBOURNE
Saturday 28 – Sunday 29 May 2016
Pullman Melbourne On The Park
192 Wellington Parade, East Melbourne

Registration Fee $1,595 (incl GST)
10% EARLY BIRD DISCOUNT
For registration 3 months or more prior to event.

Two Days of intense, hands-on learning and ‘work-shopping’ designed to help produce your own personalised needs analysis and plan for wealth creation, protection and management.

- Your Values, Goals & Vision
- Risk Tolerance & Profiling
- Understanding Asset Classes
- Understanding Relevant Legislation – Negative Gearing, Superannuation
- Debt Management & Finance Strategy
- Tax Management
- Property – A Diagnostic Approach to Investing
- Understanding Investment Platforms – Master Trusts, WRAP Accounts, Unified Managed Accounts, SMSF’s
- Managing Risks
- Asset Protection & Estate Planning Strategy
- Building a Bullet-Proof Financial Plan
- Choosing & Working with Advisers

The Private Practice Marketing Workshop

SYDNEY
Friday 3 June 2016
The Grace Hotel
77 York St, Sydney

Registration Fee $1,045 (incl GST)
10% EARLY BIRD DISCOUNT
For registration 3 months or more prior to event.

The aim of this 1 Day Workshop is to help Practice Principals and Managers to better engage with the community they serve by delving deeply in to proven medical practice marketing strategies.

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

SYDNEY
Saturday 18 – Sunday 19 June 2016
The Grace Hotel
77 York St, Sydney

MELBOURNE
Saturday 23 – Sunday 24 July 2016
Pullman Melbourne On The Park
192 Wellington Parade, East Melbourne

Registration Fee $1,595 (incl GST)

10% EARLY BIRD DISCOUNT
For registration 3 months or more prior to event.

The business and financial decisions made, and strategies adopted, by practice principals in the five years leading up to retirement will significantly impact their quality of life and the effectiveness of their intergenerational wealth platform. Over two highly interactive days delegates will be guided in the creation of their own tailored “action plan” to provide clarity and peace of mind as they move from practice to private life.

- Your Desired Lifestyle
- The Mathematics of Retirement
- Understanding Legislation & Investment Platforms
- How to Optimise the Value of Your Practice
- Investment Portfolio Review & Management
- Everything You Ever Wanted to Know About Senior Living But Were Too Afraid to Ask
- Estate Planning & Family Law

Day Surgery Development Workshop

SYDNEY
Saturday 15 – Sunday 16 Oct 2016
The Grace Hotel
77 York St, Sydney

Registration Fee $1,595 (incl GST)

10% EARLY BIRD DISCOUNT
For registration 3 months or more prior to event.

This two day workshop will guide delegates through the due diligence process as well as the project management and operational considerations for successful development and function of a day surgery/hospital.

- Commercial Feasibility
- Operating Structures
- ‘Partnership’ Models
- Working with State Health Bodies
- Sourcing & Securing the Site
- Design & Construction
- Accreditation
- Dealing with Suppliers
- Dealing with Health Funds
- Staffing – Leadership/Team Building
- Finance
- Facility Management
- Attracting Doctors
- Equity Participation Models

“Well organised and with great presenters – Superb!”
Key Features

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

Association, Partner & Early Bird Discounts

We offer discounts for early birds accompanying spouses or practice managers and members, trainees or Fellows of Colleges, Associations and Societies with whom we have an education ‘partnership’.

Further Information

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

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

Contact the Course Director to determine discounts available to you:

Steven Macarounas of The Private Practice on (02) 9362 5050 or via steven.macarounas@theprivatepractice.com.au  www.theprivatepractice.com.au

“The course has given me knowledge from an array of experts, but most importantly provided clear directions and inspiration for adding value to the practice and growing it!”

“A fantastic overview of wealth planning and management strategies with lots of complex, advanced topics presented in a way that made sense for a novice like me!”

“Informative, interactive, encouraging and relevant – providing excitement and inducement to apply strategies learnt to our workplace.”
Registration Form

☐ Yes I will be attending the 2016 The Private Practice 3 Day Comprehensive
☐ Yes I will be attending the 2016 The Private Practice 2 Day Growth Strategies Workshop
☐ Yes I will be attending the 2016 Advanced Wealth Planning & Management
☐ Yes I will be attending the 2016 The Private Practice Marketing Workshop
☐ Yes I will be attending the 2016 Transition to Retirement & Practice Succession Planning Workshop
☐ Yes I will be attending the 2016 Day Surgery Development

Information

Title: Surname  Given Names
(Dr/Prof/Associate Prof/Mr/Mrs/Ms/Miss)

Medical Specialty/Occupation

I will be/will not be accompanied by my partner: Partners name

Postal Address

Suburb   State   Postcode   Country

Email

Telephone: (w) (m)          (h)

Dietary Requirements – Delegate  ☐ Vegetarian  ☐ Vegan  ☐ Other – Please specify
Dietary Requirements – Partner  ☐ Vegetarian  ☐ Vegan  ☐ Other – Please specify

Registration Fees

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TOTAL COURSE FEES (inc. GST) =

Payment method

I wish to pay by:
☐ CHEQUE/MONEY ORDER (enclosed). Cheques should be made payable to: Fintuition Institute Pty Limited
☐ Direct transfer to: Fintuition Institute Pty Limited BSB: 082 187 Account number: 170 397 223 (NAB)

NOTE: Please insert your surname in the description field when making payment online.

☐ CREDIT CARD

My credit card details are: ☐ AMEX  ☐ Mastercard  ☐ VISA

Card Number              CCV:              Signature

Name in card

Expiry date

PLEASE NOTE: Cancellations must be notified in writing to Fintuition. Cancellations received up to two weeks before each conference will receive a refund of monies paid less a cancellation fee of $220. No refunds will be made after this date.
A PRACTICE HEALTH CHECK

Chris Mariani is Director at Medical and General Risk Solutions.
Chris Mariani encourages us to regularly check our exposure to practice risks and our mitigation strategies.

We are all encouraged to go to our GP for an annual health check (particularly when we are on the wrong side of 40), but many doctors fail to take their own advice and seek an annual check-up of their practice risks.

Running a modern medical practices exposes practice owners and managers to complex and varied risks which are ever-changing. We have seen new risks arise, such as privacy legislation enacted in March 2014 which for the first time brought the potential of privacy fines against businesses of up to $1.7m and against individuals of up to $340,000. More legislation is likely on the way with potential mandatory reporting of privacy breaches. In many cases the medical indemnity insurers have failed to keep pace with these risks and often additional insurances are required to protect a practice. But before a practice considers what to insure, it first needs to identify its risks and then put in place a risk management plan to address those risks.

Medico’s intuitively understand risk management and mitigation – what tests to order, what patient not to operate on, when to refer to another specialist and the importance of writing detailed medical notes, patient recall and missed appointment processes to name but a few. But applying the same risk mitigation principles to the business side are often overlooked. As a result some of the more interesting situations I’ve witnessed:

- The GP clinic who had no written agreements with the GPs to confirm each was an independent contractor. One of the GPs on leaving the practice lodged a Fair Work complaint alleging they were in fact an employee. Failing to spend a few hundred or few thousand on correct contracts cost the practice tens of thousands of dollars and two years of stress.

- The psychiatrist practice whose hard-copy medical records room was down the (unsupervised) patient toilet corridor and there was no door to the medical records room. That’s simply asking for a privacy fine!

- The cardiologist practice whose practice manager had an ‘incident register’ – she later explained this was a shoe box of correspondence in the bottom drawer of her filing cabinet.

- The very large percentage of practices I see, who either do not know they require a privacy policy and procedures to comply with privacy law, or wrote their policy pre March 2014 (an easy way to tell is the old legislation referred to the National Privacy Principles, while the new legislation requires a policy that complies with the Australian Privacy Principles).

- The practice with a much loved staff member who had been ‘cooking the books’ to the tune of hundreds of thousands of dollars over several years. This was possible as there were no financial controls in place.

- The doctor who was about to sign a lease which required them as tenant to insure the landlord’s expensive shopfront glass from the date of signing the lease, even though the building was still a hole in the ground. The lease also called for public liability cover as a tenant – to cover for example the risk of a patient tripping in reception (a little difficult given there were no patients and no reception!).

- The doctor who years earlier purchased a ‘practice indemnity’ policy to cover her 6 staff as her own doctor policy had a maximum cap of 4 staff. A few years on, the insurer had removed the staff cap (somehow the doctor missed the fine print) but the doctor continued to pay for an extra policy they no longer required.

- The ‘sessional room business’ set up by a group of doctors which rented out sessional space to various specialists. The business employed reception and admin staff to provide services to the specialists. The business failed to understand its risks – such as their employed receptionist breaching patient privacy, or filling away test results that should have been handed to the specialist. The businesses needed its own medical indemnity policy to cover the professional and administrative services it provided to the specialists.
Conducting a health check on your practice and putting in place risk management strategies ultimately costs money and requires a commitment in time and resources from management and staff. But there are also savings that can be made – some of which are hard to quantify as they advert a crisis from occurring in the first place. Others are more measurable. For example, we conducted a quick practice review with a surgeon recently. His first (non-medico specialist) accountant structured him up as a pty ltd company rather than a sole trader. A few years on and he bought into a group practice. He was in one of the Australian states where director fees/wages are to be declared in workers compensation. This resulted in a workers compensation premium (for just him) at over $5,000 per year - wasted money as he already had his own income protection cover. He approached his new accountant with this information and they moved into a sole trader structure for his personal earnings, saving more than $5,000 annually in workers compensation premiums and simplifying his accounting affairs and costs.

The starting place for a ‘practice risk health check’ is to find an experienced medico risk management consultant. Interview them and find out their experience and how they have helped other medical practices. From my experience some of the pertinent questions they should be asking you:

1. Do you have a formal risk management framework? Show me your ‘risk register’ which highlights your top 10 risks and how you are managing these risks? Also show me your ‘incident register’ which identifies all past incidents, claims and near misses on a single document which is easily accessible and which is the single source of truth?

2. Do you have a clearly identifiable person in your practice who is responsible for risk management and who is the appointed privacy officer?

3. Is risk management a regular agenda item for management meetings? Does this include management of adverse incidents and patient complaints? In addition is there a management item for continual process improvement? Do you have a process to collect staff and patient feedback and how is this considered and actioned by the management team?
4. Do employees have access to the banks accounts, what processes do you have to prevent and detect employee fraud (including medicare fraud), do you require dual authorities to make payments or set up new vendors in your accounting system. Has your accountant benchmarked your expenses to like practices (assuming they are a medico specialist)?

5. Before any contract is signed – do you seek the appropriate legal and insurance advice to ensure the contract terms are fair and reasonable and do not expose you to additional contractual risks?

6. Are you engaging doctors and staff correctly. Would the contracts stand up if tested? Have you sought the advice from the likes of the state AMAs, many of whom have specialist workplace relations teams? Do you have an employee induction program, policies and procedures?

7. Do you have a Business Continuity Plan (BCP)/Disaster Recovery Plan that details what would you do in the event of a closure of your practice rooms due to fire, loss of power or other event, or a breakdown of key medical equipment, or a cyber-attack on your IT system.

8. How secure if patient personal data, both hard copy and electronic? What penetration testing and other measures do you have in place to test your systems for vulnerability? Do you have a bullet-proof back-up process and is this tested regularly?

9. Can you draw a diagram of your structure which shows how patient billings and revenue flow through your various entities. Have you named the right entities on your insurance policies (a very common mistake)?

10. Which of your key risks have insured and which have you self-insured? Do you engage a specialist insurance broker, or purchase on-line or in a fashion where you do not get personal advice?

I encourage all practice owners to commit to an annual practice risk health check. If you have any questions, or need advice on your risks or insurances, please contact Chris Mariani on 0419 017 011 or chris@mgrs.com.au for an obligation free discussion.

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A decade ago the idea of driverless fully electric cars, telemedicine and robotic assisted surgery seemed like something you would only see in the movies. Today, we have all witnessed the rapid growth of social, economic and technological change and in less than a decade, many of these trends will be embedded in our daily lives. Healthcare marketing in Australia is also experiencing rapid and significant change.

With 2016 well and truly set in action, we explore the 7 medical marketing trends that will shape the year ahead.

1. **THE MOBILE MARKETING MESSAGE GETS STRONGER!**

Mobile devices still dominate the market for accessing the internet. Users shop, date, search, buy and sell online from all locations at all times, checking their Smartphones an average of 221 times per day. We have also noticed that game consoles and Smart TVs have begun to account for increased Internet traffic through specialised app stores and inbuilt browsers. Every reputable organisation including healthcare practices should be mobile ready and have a strong mobile presence.

2. **EMAIL SHIFT FROM DESKTOP TO MOBILE**

Email is still the platform of choice for many patients who prefer to receive information, updates, bills, statements and notifications directly to their inbox – but now it’s also moving to mobile. This means that you should be optimising your email communications so that they appear perfectly on mobile devices.

3. **SOCIAL MEDIA CONTINUES TO GET SMARTER**

The key to social media is understanding how your target market is using the platform (rather than simply utilising the most popular platforms), then using the insights to meet your business objectives. Generic messages are often interpreted as being impersonal and intrusive, so tailor your messaging using different creative executions, and personalisation based on patient/referral source posts, searches or interests. Achieving results is not about spending more money on social media than your competitors, it’s about being relevant.
4. CONTENT MARKETING BECOMES EASIER TO DIGEST

Throughout 2015 we watched content marketing evolve and grow in importance as Google’s algorithm updates focused on quality content. 2016 is the time to start thinking of new and clever ways to engage your target market using fast, interactive and bite sized content.

This can be done in a number of ways:

- **Video:** this may be as simple as a 20-second Instagram clip or a 2-minute vlog (video blog) using your smartphone.
- **Interactive stories:** visual assets are essential to communicating your brand story.
- **Episodic content:** Snippets of content that progress along a plotline with a beginning, middle and end.
- **Blogs:** provide insights, talk people through complicated issues and boost your SEO.
- **Illustrations/photos.**
- **Case studies.**
- **Infographics.**
- **Webinars/webcasts.**
- **Research reports.**

- **Quizzes, competitions and questionnaires are also increasingly popular.**

  Content marketing is generally 62% cheaper per lead than traditional outbound marketing. Stay on budget by focusing on the marketing channels that deliver the highest results and have a plan.

5. VIDEO IS KING

YouTube attracts more than four billion views per day, making it the second most popular search engine in the world and the third most visited website (Google and Facebook taking the lead of course). The trend is continuing to shift away from traditional blog posts to YouTube channels and dedicated video blogs. Websites will have integrated video into their design for desktop and mobile sites, making pages less static and more engaging. Videos on home pages and product pages will become increasingly common.

6. THE YEAR OF PATIENT EXPERIENCE

Patient experience is bigger than ever and it’s here to stay. Happy patients are key to the growth of a successful practice. Patients are far too savvy to believe insincere claims of patient centricity and with social media they’re even happier to express their disappointment.

This means that the creation of frictionless experiences is also on the rise as the linear model of patient journeys evolves to a dynamic brand experience that is as individual as each patient. You must reach your patients wherever they are, speak their language and make any transactional experience as seamless as possible. Innovative practices will empower their patients to shape their own journey across each and every chosen touch point.

7. AUTOMATION TOOLS

Practices around the globe are tapping into automation tools that speed up and facilitate marketing efforts and help understand their patients. Research indicates that data mining and marketing automation can have significant impact on the success of a practice. With use of these tools practices are able to execute effective campaigns maximising lead generation at each target market touch point.

At Vividus Marketing, we work with our clients to optimise awareness, communications and relationships by providing an in-depth audit to determine the best strategies and tactics for optimum practice performance.

If you’re interested in leveraging the top marketing trends in 2016 for your practice’s success, contact Vividus Marketing today for a performance audit and strategic plan on 07 3283 2233 or info@vividus.com.au.
‘Nothing is more powerful than an idea whose time has come’

THE NEW PRACTICE PARADIGM

Deana Scott is Executive Director at Vmore.
Earlier in 2015 I became a (Qld) State committee member of HISA; the Health Informatics Society of Australia (HISA) and was soon thereafter asked to Chair the meeting on Digital disruption and the future of health. While I have been at the cutting edge of healthcare IT and virtual private practice services for many years, it wasn’t until this meeting that it hit me: For the Australian Healthcare system as a whole, the scale and speed of imminent, technology driven change that we are facing in the very near future is daunting.

So, as a private practitioner, how do you adapt? How do you minimize your risk and continue to remain relevant and profitable? If you are familiar with what has been happening in bigger markets like the US, you will know that outsourcing non-core professional services has become the norm for big and small businesses alike, across all industries. The sheer scale of the US market has made this viable a lot sooner than in Australia but the wave is about to hit our shores and the healthcare industry in particular will have less time to adapt to what is now a more matured concept of doing business.

The maturing of the internet (a.k.a. ‘The Cloud’) and continued exponential growth in computing power and portability is serving to shift the true value of a business from an emphasis on established bricks and mortar governing local reputation, to less tangible value equations like media influence, demonstrable data application & digital footprint. You are probably familiar with “Googling” for reviews on local restaurants, but type in “best obst...” yes that should be enough, and you will find a plethora of opinions and recommendations for the best obstetrician in your area. Reliance upon this kind of social media opinion is a more natural and accepted method of assessment now than a recommendation from a real friend. The next step then is a visit to your website, where a well-developed profile will do far more for your prospects of attracting a client than the fish tank in your waiting room.

Setting up a hard-site private practice (with or without fish tank) is a costly and daunting exercise but perhaps more relevant is the fact that it is a long-term investment in the future of a specific geographic market that requires substantial upfront capital outlay. There is also a considerable lead time to establish and develop your presence in the market, time and effort you could be focusing on building your clinical skills and reputation.

The trend to outsourcing can serve to limit the exposure of your investment to changes in the market. It can keep your practice flexible and adaptable to what is an unknown future in the way healthcare is delivered. Increasingly, new forces are calling the shots, looking to drive down costs and push toward preventative models of care that utilise all the technology and data at our disposal. Our journey through this paradigm shift has barely begun but we must adapt in order to best serve a changing demographic and growing population that is stretching our finite global resources.

You already outsource your legal requirements and your accounting needs, why spend valuable time trying to understand HR legislation, IT systems, phone systems, bookkeeping or commercial leases when these too can be outsourced at a more cost effective rate. If you are starting out in private practice, you can benefit from working with businesses with established reputations and highly specialised experience. The most cost effective approach to establishing a private practice while remaining adaptable to rapidly changing times is to partner with an outsourced virtual medical office (VMO), a company that will allow you to focus on your clinical reputation and help your business present an established and professional operation from day one without a brick or fish tank in sight.

Deana Scott urges us to consider the benefits of outsourcing non core professional services.
So what is involved in setting up a 'virtual' private practice? For you, not a great deal – just some old fashioned due diligence. Of course, as always you get what you pay for and the range of outsourced service models is growing rapidly. Being a relatively new industry, not all are what they seem and if you are only now coming out of public practice you need to be aware of what you, as a private practitioner are accountable for. Just like your accountant will tell you, while you can outsource the machinations, you need to be confident that you have a good relationship with your virtual practice team and that they have the skill and experience to minimize your medico-legal risk.

KEY BENEFITS OF A VIRTUAL PRIVATE PRACTICE

• **Specialist expertise** – The set-up and management of a private medical practice involves a significant amount of administration and engaging an experienced VMO will provide you with a real depth and breadth of medical business experience and connections – not just a remote secretary.

• **Low cost, Low risk** – depending on your individual area of medicine, start-up costs for a VMO can be less than $10,000. Compared to the cost of a hard-site set-up this is insignificant – less than the cost of a computer server, let alone other hardware, software, furniture, real estate and staff!

• **Stay Independent** – The costs of a hard site usually lead to the inevitable conclusion that you have to share with a colleague/s. We all hope that this is going to work out well but often it doesn’t and if you start sharing a database then you are not building any value into your clinical 'brand'.

• **Focus on Patient Care** – most Doctors I know didn’t go into medicine to practise business but that doesn’t have to mean remaining within the public system. Having an integrated virtual service solution allows you to maintain your focus on providing clinical expertise.

• **Be prepared for anything** – One of the biggest learning curves in starting your own business is dealing with staff. Suddenly you are responsible for the livelihoods of others and their families. Inevitably there comes a time when your practice will suffer as a result of the unexpected. With a virtual service you will never be left without someone to answer your phone or type that urgent letter.

• **Affordable and Reliable IT** – Nothing about computers is a good investment, a bit like cars, unless you are hanging on to it as a museum piece, you need to replace and upgrade your hardware and your software on a regular basis. Even just considering specialist software; there are a number of new Cloud based packages coming to market to challenge the more established in-house software programs that a good virtual practice manager will be able to keep abreast of for you. It's all about the economies of information and resources.

• **Leverage off sessional suites** – Why do these even exist? Hospitals and day surgeries and the like gain valuable credibility from having a wide variety of specialists available to their patients. Likewise a specialist practitioner can benefit from making
their particular expertise available to a wider geographic.

• **Scale up or down with ease** – adding an additional provider location or changing location? Scale up or down instantly and without adding any infrastructure or administrative burden to onsite staff. Thinking about retirement and wanting to wind down your practice? Again, no long-term leases, no staff contracts or continuing overheads to consider.

• **Personal Flexibility** – Burnt out? Need an extended break? Thinking of doing some further study? Had an unexpected tragedy in the family? Decided you really should have set-up in Melbourne or maybe the country town where you grew up? Or want to start winding down but really don’t like the idea of inviting someone else into your practice to share the load? None of these things are an issue with a VMO. Even moving your practice interstate is as simple as adjusting your primary telephone number – you retain the same staff, same software and same processes.

**VIRTUAL PRACTICE
MYTHS**

**Your data is less secure with a virtual solution**

A mature service is underpinned by a robust and secure hosted or web based solution with multi-level security. Australia’s data-centres have had billions of dollars invested in them by serious players like Microsoft. Having visited one or two myself I can attest to the levels of security just to enter one. Compare this to the initial investment $10-$20K for an in-office server which gathers dust under the Practice Manager’s desk, takes up valuable real estate, isn’t constantly monitored and requires upgrading on at least a 3-yearly basis and you can see that outsourcing this responsibility makes sense.

**Building your hard site practice is a much better investment**

Life is unpredictable. Staff are unpredictable. Demographics change and the future operational models of both Medicare and our private health funds are in flux. Having flexibility in a volatile market allows you to increase and scale back based on demand without being a slave to fixed overheads. It just makes good business sense.

**Employed staff are more trustworthy**

Employing and managing staff comes with inherent risks. It is a game of personalities and despite the best of intentions can become a minefield for the distracted business owner. Fraud prevention in healthcare continues to be a challenge and getting the most out of staff requires careful and constant vigilance. Instances of fraud continue to increase, both in terms of frequency and size. Whilst many believe fraud is an issue, they think of it as someone else’s issue and unfortunately this is not the reality. A great deal of fraudulent activity goes undetected, sometimes for decades.

A virtual practice provider of at least a moderate size, serving multiple clients, should have strong separation of duties to minimize the temptation and capacity for fraud. They should also have a robust and cohesive team environment that ensures staff feel valued and remain loyal.

**The practitioner is not in control**

Like any paradigm shift to the way we work that has been created by technology, this takes some getting used to. Not being in the same room as your Practice Manager when you desperately need something done can cause you to break out in a cold sweat. The key is to work on the relationship. While you might interact on a daily basis with one or two receptionists as your primary virtual contacts, an established VMO will have multiple resources at your disposal to help you and by design, more experienced than most. Even if you only have enough private work to justify the equivalent of a half-time secretary, you will still have access to an experienced Practice Manager, transcriptionist, bookkeeper, IT expert, specialist software expert, marketing expert, social media advisor & HR manager etc.

The virtual medical office is an idea whose time has come and while there are still some specialties that require significant hard-site infrastructure – the digital disruption will continue.
SLOW RECOVERY

Chris Caton is Chief Economist of BT Financial Group.
Chris Caton casts an economist’s eye on global and Australian economies and markets.

Share markets continued to recover in March. The ASX200 rose by 4.1% to 5082.8, its first monthly increase this year. This still left it down by 4% in the March quarter, the worst start to a calendar year since 2008. But the index is still up by 6.7% from where it was on 12 February, which is looking more and more like the low point. The US share market again did better. The S&P500 index rose by 6.6% in the month and thus scraped into positive territory (up 0.8%) for the March quarter; a remarkable result given that the first six weeks of the year were the worst ever for the US market. Since 11 February, the US share market has risen by 12.6%.

This recovery shouldn’t have come as a complete surprise. As I have written earlier, the weakness of markets in the New Year reflected an overly pessimistic view of the outlook for the global economy. 2016 looks like being yet another year of stubbornly slow growth, but that is a long way from the near-recession outlook apparently priced into markets in early-February.

Markets these days hang on every word of policymakers, particularly those of the monetary persuasion. There were two major pronouncements in March.

First, the European Central Bank announced an expanded programme of quantitative easing, which in the ordinary course of events would have cheered markets enormously. The gloss was taken off to some extent, however, when Mario Draghi, the head of the ECB, made a statement suggesting there would be no further easing (in his view because there would be no need, but markets still weren’t impressed).

Second, the US Federal Open Market Committee met and decided to do nothing, signalling the likelihood of only two further rate rises this year, down from the four initially indicated last December. It should be noted that markets never believed the first “forecast”, and they still think that rates will rise at an even more glacial pace than indicated by the Fed.

Late in the month, the Fed chair, Janet Yellen, gave a very dovish speech. She argued that there was more slack in the labour market than may appear, given that the unemployment rate has fallen to just 4.9%, and she is apparently not convinced that the recent uptick in many measures of inflation is permanent.

Remarkably, Dr Yellen gave a laundry list of conditions that would need to be met for rate hikes to continue. The list includes: foreign economies and their financial markets need to stabilise; the dollar can’t appreciate further, since this would depress inflation and exports, and hurt U.S. manufacturing; commodity prices need to stabilise to help foreign producers find a better footing for growth; the housing sector needs to make a larger contribution to U.S. output; and inflation needs to continue to rise. The clear implication was that rate rises should be only gradual for several years. If this turns out to be the case, then markets will have to look elsewhere for volatility.

Dr Yellen may get her way as far as commodity prices are concerned. Oil prices and iron ore prices both appear to have hit bottoms and have shown significant, if somewhat unsteady, gains. Indeed the spot iron ore price rose by more than 23% in the first quarter, despite the fact that at time of writing it has fallen for seven consecutive days. In the case of oil, the apparent intention by OPEC members to stabilise production has clearly helped. The Brent oil price rose by more than $3 (about 8%) in the month, and is now up by about 33% from its late-January trough.

Interestingly, one other commodity to have done very well in the March quarter is gold, the price of which has risen by more than 15% so far this year. One for the gold bugs!

To date, the US dollar is also heeding the lady’s wishes, having fallen over the course of the month, albeit gradually.
MEANWHILE BACK IN OZ

There were two pieces of good economic news in March. First, GDP growth for the year to the December quarter 2015 was reported at 3%, the highest reading since the March quarter of 2014. The unemployment rate also fell, from 6% to 5.8%, despite a third successive month of only soft employment growth. Each of these labour-market updates should be treated with the proverbial grain of salt. The fall in the unemployment rate only undoes the rise (which looked odd at the time) in February, while the soft employment numbers follow three months of strong readings. Other labour-market indicators, such as vacancies, suggest that continued improvement is likely.

The currency was a big story in March. The $A rose from 71.7 cents to 76.6 cents over the course of the month. Reasons included the beginnings of a recovery in commodity prices, the downward adjustment in the market’s probability of a further rate cut in Australia, and the likelihood that interest rates in the US will be lower for longer. Oddly, the fact that the exchange rate has risen as the market has “priced out” a further rate cut actually increases the chance of such a cut. The RBA has made it clear that it would be happier with a lower $A, so the rise in the latter must be a source of frustration. Of course, almost all central banks would like their currencies lower!

There is one other factor that could precipitate a further rate cut; suppose that we get a surprisingly low CPI inflation result at end-April. A May rate cut cannot be ruled out completely, although bear in mind that the first Tuesday in May has already been reserved for a different major economic event, namely the rescheduled Budget.

My view is still that the RBA will keep rates on hold for the foreseeable future.

I have revised my end-of-year forecast for the currency from 67 cents to 70 cents, mainly because the US dollar has weakened in the past month.

My end-of-year forecast for the ASX200 remains at 5400. One last thing to bear in mind: over the past 30 years the average gain in the Australian share market in April has been bigger than in any other month.
THE ONLY THINGS OFF THE SHELF ARE THE BISCUITS.

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Philanthropy enhances health

Caitriona Fay is National Manager Philanthropy at Perpetual.
Caitriona Fay explains how to be “impactful” with your giving.

For many medical professionals, seeing the benefits that their profession delivers to patients and the advancements to their specialisation as a result of medical research can often be the catalyst for their philanthropy. In many ways, philanthropy can bring about immense change not only to communities and projects in which they help to fund, but also for those that give.

A shining example of this is Victoria’s Epworth Hospital - who has brought together its medical staff and patients to support great projects for the benefit of the community.

Philanthropy plays a significant role in funding Epworth Hospital programs with staff, patients and families all becoming involved in small giving programs. These programs have led to a number of them establishing more structured programs that have created an ongoing legacy for the Hospital.

Through progressive giving their motivation has come to do more. They can realise their giving and charitable goals now through the Hospital program. Their giving bears tangible results whether it’s new equipment, funding for medical research or scholarships for our nurses and doctors.

A patient recently established an endowment for the Chair in Radiation Oncology. This endowment will support the great work of Epworth’s world leading Radiation Oncology Research Centre.

Epworth Hospital is just one example of how Australian philanthropists donate funds to many causes.

GIVING TO SUPPORT HEALTH AND MEDICAL RESEARCH

Australian philanthropists donate more than $400 million annually towards health and medical research. These funds play a vital role in supplementing government and commercial investment in the sector.

Philanthropic investment acts somewhat like venture capital where funds injected can help to instigate new research or further any early-stage or basic research that can be very promising but at the same time risky. When such research has progressed and concepts proven, government and commercial funding become more viable.

Cochlear implant pioneer, Professor Graeme Clark gained vital funding from The Clive and Vera Ramaciotti Foundations when his research was at a critical stage in 1978. The Ramaciotti Foundations (private foundations that were established in 1971 to support critical early stage medical research) provided a $15,000 grant that allowed Professor Clark to continue the employment of Dr Ian Forster, a key engineer on the project. This was followed by further funding from the then Fraser Government.

Since 1971 the Foundations have donated close to $55 million to fund biomedical research - a significant amount considering they began with only $6.7 million - and are now one of the largest private contributors to the field.

Philanthropists like Vera Ramaciotti – who have left a long lasting legacy, are essential not only to help address funding needs in health and medical research but in all areas of society. A structured program of investment and giving can lead to a lasting community impact, as that’s one of the things that attracts individuals and families to philanthropy.

Many Australians will often make a conscious decision to be more philanthropic with their wealth after benefitting from medical treatment. Being the beneficiary of world leading health care can be an eye opening moment. Seeing the value of those investments in medical and scientific research first hand encourages people to reassess what they want their legacy to be, and for many it’s philanthropy that will enable innovation and community strengthening to happen in perpetuity.

HOW TO BECOME A PHILANTHROPIST

Philanthropy is no longer the bastion of the super wealthy. Setting up a charitable structure to support your philanthropic passion is an achievable goal, and is a tax-effective way to provide a sustainable income stream for charities or causes, especially in your field of expertise.

Australian philanthropists donate more than $400 million annually towards health and medical research.
You don’t need to be gifting millions to be a philanthropist. An individual looking to structure their giving can establish an endowment within the Perpetual Foundation with an initial gift of $20,000. The donor can continue to build the size of their endowment over their lifetime or via their estate, all while still distributing income annually, and optimising tax outcomes.

The Epworth Hospitals began with a £6,000 donation in 1920 and today is globally recognised, provides a range of healthcare facilities and support for ongoing research through the Epworth Medical Foundation.

Philanthropy creates a lasting legacy. Giving is a reflection of personal values - having a clear purpose and a commitment about something you want to achieve.
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Mike Watson explains why practice design should start with an understanding of patient needs.

When designing your practice put your patients requirements at the forefront. From the moment they enter, you have the opportunity, by the use of colours and finishes to influence their mood and opinion.

If their first impression is a poor one then a Harvard study in 2011 showed it will take up to 8 positive encounters to reverse the negative opinion they have formed!

First impressions then are vital.

First impressions will influence the patient’s expectations of the service he will receive and the professionalism with which those services are delivered.

Even worse...... the same Harvard study concluded we have 5 seconds to create that first positive impression.

If this is correct we have a very limited window of opportunity and have to focus on the waiting area and on the following aspects in particular:

- Colours
- Finishes
- Ambience

Colour in the waiting area should be used to calm your patients, they should immediately feel comfortable and at ease. Use tranquil colours and avoid sharp edged design features. Remember people notice flooring before ceilings as we tend to walk with our heads down so if your budget is limited spend it on good quality low maintenance flooring that will remain stain free. Lighting should be used to create the atmosphere you want, it needn’t be expensive and an make a huge difference.

Use tried and tested waiting chairs and always consider cleaning and maintenance when selecting finishes. Its vital that surfaces always look clean as this is a big influence on that vital first impression and will definitely influence the perception of the service your patient is about to receive. I have experienced aromatherapy used in waiting areas to create a memorable (and calming) experience. Above all the décor should reflect how you want your services to be perceived as this is exactly what will happen. If you have a TV be careful what is showing. The waiting area is to settle your patients before consultation so no CNN or news channels showing us the latest disaster or atrocity. Let the patient feel safe away from the world while in your care. National Geographic or similar could be useful here!

The Concierge system is increasing
in popularity now. It replaces the traditional reception desk which can be a communication barrier with a very personable welcome by a concierge with an iPad having your appointment details. This creates a very personalised welcome and is the best way to create optimum patient flow. With this system you can also utilise smaller and separate waiting areas which is more relaxing and private for the patient. Consider also if you are a GP and your waiting room looks full from the outside then potential new patients may go elsewhere, this is another advantage to having more than one waiting area.

In your Consulting Rooms, you need the patient’s focus and concentration and your décor should assist this. Sports memorabilia or family photographs are not recommended as you need your patient free of distractions and able to focus on you alone.

Simple finishes here to keep the patient focussed on your advice.

The journey through your practice is also an experience to be considered. Whilst we know the importance of the first impression there is no doubt that the remainder of the visit also influences your patient’s view. The path of travel can be highlighted by use of floor finishes or feature ceilings to make the correct journey more obvious.

Try to take your patients in a circular motion through the practice if possible with minimal retracing of steps. Prevent criss crossing corridors and bottlenecks with new patients registering and old ones paying. If space allows, a separate payment area, even if part of the reception desk is ideal.

Your target market then, is very important. If your patients are mainly families then a childrens play area would be useful and the aromatherapy less so! If your patients are spending big on high value cosmetic procedures then the ambience should reflect this. If your practice is bursting at the seams then the patient journey is vital to avoid distress and make the most of every square metre.

Finally, a word on the exterior. As this is often the “area of first impression” even before the patient enters your premises. The same rules apply. If you are in a shopping mall or commercial building with many other tenants the only way you can distinguish yourself is by graphics. Use of graphics is now essential in healthcare and is an inexpensive way to create a great impression. Three Golden Rules for graphics:

- It should make you and your entry easier to find
- It should convey the impression of the services you want to give (i.e. if you are looking for families have family images)
- Replace them before they get damaged. Try different images and see what gets the best reaction

If you are fortunate enough to have your own free standing building you are not limited to graphics to send the message but you do have more maintenance. Gardens must be tidy, paintwork perfect and signage inviting.

There are a lot of factors that can influence that vital first impression but the best test is to walk the walk yourself and have friends with different tastes do it and give feedback. Nothing is irreparable and in most cases just a change of colour and tidy up can make a big difference.
What’s in the junk?

Peter Aroney explains the dangers of the race to the bottom in private health insurance.

When you are discussing treatment options with a patient and they tell you they have private health insurance, do either of you know what the policy actually covers them for? The rise in low-cost ‘junk policies’ makes for a complex and confusing health insurance landscape.

HOW DID WE GET HERE?
These policies may appear attractive because of lower premiums and as a way of avoiding having to pay the Medicare Levy Surcharge; in the 2014-15 financial year, APRA data indicates that 500,000 new exclusion policies were purchased. However they may have many services excluded or restricted and often leave the policy holder with large, unexpected out-of-pocket expenses.

HIDDEN “JUNK”
Healthcare consumers are now being forced to navigate some 20,000 health cover products on the market, and more than half of the hospital policies held by Australians include some level of exclusion or restriction. Each will generally have a different mix of exclusions and restrictions, as well as benefit limitation periods. Definitions of procedures are ambiguous and differ for each fund. For example, an exclusion related to “hip and knee procedures” can be about reconstructions, revisions, replacements, exploratory surgery or any procedure or observation where the area is involved.

Beyond such restrictions and exclusions, many policy holders do not realise their health fund may not have a contract with their chosen hospital, pathology or radiology provider. With some policies, certain services only attract the MBS fee, rather than higher benefits available under the funds’ medical gap scheme. Consumers are surprised to learn that being “covered” for a service does not necessarily mean that they will have no out-of-pockets, and consumer complaints about “bill shock” are increasing.

THE WIDER IMPACT
In the longer term, not just holders of junk policies will be affected. We are concerned this race to the bottom is undermining both the public and private system. Private health insurance in Australia is built on the community rating principle, where cover is provided irrespective of health status or risk. The system relies on cross-subsidisation, where premiums paid by the healthy help cover the costs of those who need more healthcare. This is being eroded by the rise of cheap policies with limited cover and ultimately we run the risk of comprehensive policies becoming unaffordable.

A NECESSARY EVIL?
Doctors’ Health Fund argues it is possible to offer broad-based, quality cover and remain competitive without the need for junk. We believe in simplicity and transparency. There is a place for judicious use of exclusionary products relevant to life-stage, provided there is full disclosure of the member’s potential costs and access to providers.

With increasing pressure from doctors, consumers and some health funds, we see regulatory reform in this area as almost certain. That said, the impact of reform is still some way off, and in the meantime doctors are still in the position of having to help patients navigate this confusion.

We have prepared a checklist to help doctors and their patients understand the questions to ask and what the answers actually mean, in the hope of providing a clearer map – a small step while we wait for wider reform. ☎

Peter Aroney is CEO of Doctors’ Health Fund.
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the cosmetic institute
Are your patients sitting comfortably?
Stephen Lacey explains why your practice furniture should be fit for the job.

In a recent interview, social demographer Bernard Salt said that one of Australia’s most burgeoning industries is in health and aged care. His reasoning is clear; the Australian population is getting older. It is also getting heavier...a lot heavier. In 2016 two out of every three Australian adults is clinically overweight. By 2020 this number is expected to increase to three out of every four.

Unfortunately very little furniture caters to the special requirements of our older and heavier population, especially where it’s needed the most - in the dedicated health space. There’s no doubt that the modern medical facility (whether it be a metropolitan hospital, medical centre, aged care facility, or the surgery of a local GP) boasts an array of high-tech equipment way beyond the limitations or even imagination of our predecessors of just a generation ago. However, many are back in the past when it comes to providing patients with that most basic of human needs; comfortable and appropriate seating.

Thankfully there are several international companies that are making a serious effort at bringing furniture for healthcare into the 21st century.

Founded in 1973, Spanish firm Proyec (a division of Sancal) has forged a well-earned reputation as a leading provider of innovative and handsome furniture solutions for the health space, particularly in age care facilities. One of their most acclaimed collections is Boomerang, created by Spain’s National Design Award winner Quim Larrea.

Boomerang comprises a range of chairs, sofas and tables that offer a number of options for a variety of uses. Quim has imbued the designs with timeless appeal and an extraordinary capacity to fit into a variety of decorative environments. The entire collection is the result of an extensive ergonomic study of the elderly, promoting the ease of movement for sitting and support when getting up.

The collection is developed not only to comply with the needs of the residents, but also to create pleasing, comfortable environments by using curved forms and lively colours.

Established in 1982 by U.Karl Mueller in Germany, Source International specializes in creating contract seating for customers seeking a blend of sophisticated design, environmental responsibility, and realistic pricing.

Source’s Font RX collection was designed by Mike Shields and consists of a chair, bariatric chair, tandem double, tandem triple, tandem combinations, ottoman, and tables. The flexibility of this collection is evident in the choice of finishes. Each Font RX is available with an upholstered seat and back in various fabrics, leather or vinyl. The frame can be in chrome, soft chrome or taupe. Greenguard certified, every Font RX product comes with an additional lifetime structural warranty.

Terrance Hunt was enlisted by Source to create the Cache family of stacking chairs. Available in 3 widths, Cache can accommodate a majority of today’s population in a range of applications of which the health care industry is one.

The chairs are available with or without arms in 2 finishes - black or grey, while the seat can be wood or upholstered. Due to the versatility of the design, combined with the desired aesthetics, the Cache chair can populate any environment and is particularly suited to hospitals, surgeries and medical centres.

Cache caters specifically for our growing obesity epidemic: The standard Cache chair is AFRDI (Australasian Furnishing Research and Development Institute) certified for people up to 135 kilograms and static load tested to 330 kilograms. While the bariatric version is AFRDI certified for people up to 185 kilograms, and AFRDI static load tested up to 407 kilograms.

Attendees at this year’s Australian Health Care Week (15-17 March) will have the opportunity to view and take a seat in the Boomerang, Font RX and Cache collections at stand 29 as part of the KEZU exhibition.

KEZU is a distributor of contract furniture, featuring some of the world’s most respected companies and designers. For more than two decades KEZU has been the go-to destination for those in the health care industry seeking a better seating solution for their patients.
I’m sitting here in freezing in Cincinnati, Ohio. Weather app says -12. That’s really cold! School was delayed by 2 hours today because of severe temperatures. This fellowship we are on has been such an adventure. As it winds down (we have 5 months left), I have begun to appreciate so much more about the area we live in. I’m realising that the next move back to Australia will be the last intercity/interstate/international move we make.

So this month while I’ve been lighting fires, watching the snow fall, and getting hit by snowballs, I’ve been contemplating the New Year, resolutions, the passing of time and changing seasons. Next year the youngest of my 3 kids will start kindergarten and Niall will be working in private practice. A new season of my life will begin. I’m not sure what it means, or what it will bring, but I’m excited.

When Amanda and I started ADSN 3 years ago, we had a simple goal. We wanted to connect the thousands of spouses that were on this journey with us. Before ADSN, I would move to a new city and spend months fumbling my way around, attempting to make friends, looking for things to do. I would look at these huge hospitals full of doctors and think to myself- Where do all the spouses hide? What are they doing right now?

ADSN was certainly an answer to that question. We’ve connected spouses from all specialties, backgrounds, and walks of life. The craziest part of this journey is seeing what an amazing, diverse, skilled, and passionate group of people are going through life married to medicine.

Most of us are not doctors ourselves but will spend the rest of our lives tied to a person who takes care of strangers. They will work long hours, they will study forever, they will be called away from us during important family events, and they will lose sleep over their patients. We will attempt to be their rock. We will love and support them even when we feel like screaming WHAT ABOUT ME?!!!!

Now what? Is that it? Is our network just a place where we can come when we have a question about accountants or accommodation or a place we come to bitch and moan about moving again? I hope not.

WHAT IF...

We became a team. We cared hard for each other. We banded together. We turned to each other in our darkest moments. We listened to each other with real compassion. We tried really hard to enjoy the journey we are on. We reached out and created community. We fostered lifelong friendships. We became mentors and mentees. We became a force for good in our communities. We educated and advised one another to help each other through this journey.

The Australian doctor’s Spouse Network wants to support you and we want you to support others. So can the spouses of Australian and New Zealand doctors make a difference? I know we can.
Become a member now – it’s free and easy!

**ADSN Offers:**

- Social media interaction – Twitter, Facebook page and Facebook chat group – ADSN Chat.
- A website with relevant articles for the medical spouse and Q&As from spouses who share their journey so far and any advice they have.
- Local Area liaisons to offer help and guidance in a new city. Invitations to meet ups around Australia – where you can meet other spouses and their families.
- Membership offers a discount to The Private Practice courses (details below), a seasonal newsletter, and access to all the articles, advice and Q&As mentioned above, and connects you to hundreds of other spouses, just like you!
- The Private Practice offers a 25% discount on all courses for ADSN Members! Please quote Promo code when registering with The Private Practice. **Promo code can be found at the bottom of the page here:** [www.australiandoctorsspousenetwork.com](http://www.australiandoctorsspousenetwork.com) (You must be logged in for the link to work)
Boyd Lees specialises in general insurance at JMD ROSS.
Insurance theory goes something like this: those at risk benefit from incurring a small cost (premium) to purchase protection against significant financial losses but that has a low probability of occurrence. If this normative and rational theory holds, then why is it that many of us base our purchasing decisions on intuitive and not deliberative thinking?

Low Probability – High Consequence (LP-HC) events by definition lie beyond the normal human experience, which may help explain misperceptions associated with the risk leading individuals to purchase sub-optimal insurance.

The significant body of cognitive psychology and behavioural decision-making research distinguishing intuitive from behavioural thinking has been synthesized by Daniel Kahneman in his book *Thinking, Fast and Slow*. Kahneman divides decision making into System 1 thinking, which we rely on to make quick, automatic decisions, with little or no effort into research or rational thought. In other words, we rely on intuition. At the other end of the cognitive spectrum lies System 2 or deliberative thinking, requiring significantly greater cognitive effort, rationality and what some might describe as logic.

System 1 thinking relies on experiences and beliefs which tend to introduce heuristics. While at times helpful, heuristics come pre-loaded with biases and stereotypes. Basing decisions on this process is attractive because we have increasingly busy lives, are not experts in all aspects of our lives and need to make quick decisions. We tend to make decisions by ‘satisficing,’ a decision making strategy based on using short cuts and accepting a minimum standard, ie close enough is good enough.

While the intuitive process often leads to reasonably good decisions, it does not work well for LP-HC decisions for a number of reasons. These include the status quo bias which suggests that individuals are reluctant to change despite substantial benefits in doing so. Loss aversion may partially explain this behaviour in that the magnitude of pain associated with a potential loss due to changing behaviour exceeds the amount of pleasure that will be experienced from an equivalent gain.

Other biases include the availability bias which helps describe the relationship between the judged likelihood of an event and its salience. In other words, recent adverse events tend to make them more real or likely, rather than events that occurred many years ago. This is the main reason why individuals tend to purchase insurance ex-post an adverse event and cancel their policy several years later after not experiencing a loss, perceiving the likelihood of a disaster as very low.

Another important bias to recognize when making important decisions is anchoring, which is an over reliance on one piece of information upon which a decision is made. Evidence of this practice in the decision making process for insurance policy selection is a focus on price as the key determinant. Using price to anchor the decision is flawed, particularly when significant assets are at risk.

Deliberative thinking when assessing risks requires considerable time and the expert use of decision tools including probability estimation, Bayesian updating, formal logic and other models of choice. Clearly as medical professionals with busy schedules, it’s unrealistic to expect you to undertake a quantitative process for a non-medical aspect of your practice.

It’s therefore critical to engage an expert who is able to competently manage out biases and also in a position to provide you with un-conflicted advice.
How to start Medicare online claiming

Michelle Romero takes us through the claiming process.

Considering the undergraduate degree, internship, residency, and training – not to mention continuing research and studies – it takes one at least ten years to become a doctor. It therefore comes as a shock to new health providers how much more they need to learn once they start their practice.

While the different government offices have made it easier for health practitioners who are still learning the ropes, it’s not always as easy as ticking boxes off a checklist. One has to obtain an Australian Business Number, register with the Medical Practitioner Board, apply for a Medicare Provider Number, and do other mandated steps. If you’re the healthcare provider, you can’t help but feel that things are a little over your head. And you have not even billed your first patient yet!

You are not alone in feeling a sense of helplessness in the face of mounds of paperwork and things to do. Let us help you by walking you through the process of what to do to start claiming from Medicare and the health funds.

I saw my first patient. Now what?

You see your patient, you provider services, then you bill him/her. It’s as easy as 1-2-3, right? Not quite.

If the patient used Medicare or has health funds, for example, there is more work to be done. Just how much more? Let’s take a look at the Medicare scenario.

EFTPOS/MEDICARE EASYCLAIM

After billing the patient for his excess, it’s now your turn to lodge claims. Medicare has allowed healthcare professionals to do everything by themselves through Medicare Easyclaim. Easyclaim uses EFTPOS terminals, which you probably already have, and if you don’t, you can easily rent one from one of the many EFTPOS providers. Most financial institutions offer Medicare Easyclaim, and using an EFTPOS terminal allows you to be paid for patient claims right off the bat. If you will be doing bulk bill though, you will need to send Medicare a form to register your account details.

Since most practices already have EFTPOS terminals, or are familiar with using these, claiming using this Medicare Service is just as the name suggests – easy. Of course, there are drawbacks too. The more patients, services, and item numbers you bill for, the more likely you are to encounter data entry errors. Aside from entering the information into the EFTPOS terminal, you will probably
have to input the data into some sort of practice management software, or at least write it down and keep the paper somewhere. But at least you won’t need extra training for that.

However, using Easyclaim, you will not be able to lodge DVA claims, childhood immunisation, and in-hospital services. So if you bill for these kinds of services, you will have to look at other options.

**MEDICARE ONLINE**

Another option that Medicare offers is Medicare Online claiming, which works in conjunction with software vendors that offer it. You can choose from many software providers that offer Medical Online, and your vendor will work with you to setup Medicare Online claiming. Just make sure that the software product is Medicare approved. Medicare has a list of approved products [here](#).

**How do I start online claiming?**

After choosing a software vendor, you will have to start submitting paperwork to prepare for Medicare Online claiming. It goes without saying that before doing any of the below steps, you should have applied for a provider number from Medicare.

If you don’t have one yet, complete an Application for an initial Medicare provider number for a medical practitioner (HW019) form. Medicare might need supporting documents from you to show evidence of your identity and residency. Meanwhile, if you already have a provider number but are opening a different practice location, you should submit an Application for an additional location Medicare provider/registration number (HW020) form.

**STEP ONE: GETTING A MINOR ID**

Your software vendor will assign a minor ID, also called a location ID, to you. You will need this ID when filling out Medicare paperwork. This is a painless step, and all you have to do is sign up with your software provider. Different providers offer different Medicare functionality, so make sure to choose a package that suits your needs.

**STEP TWO: APPLYING FOR A PKI CERTIFICATE**

If you’re moving online claiming from other claiming methods, you might already have a PKI certificate from Medicare. A PKI certificate makes sure that the electronic data that you send to and receive from Medicare is secure. However, software packages usually need a site certificate, not an individual certificate, which is what you most likely have. This means you will have to apply for a site certificate from Medicare.

This is the bulk of the paper pushing that you will do, and the one that takes the most time. Ask your software provider which one you need, then submit the appropriate form to Medicare: an Application for a Public Key Infrastructure Site Certificate (HW001) form, or an Application for a Public Key Infrastructure Individual Certificate (HW002) form.

By experience, it takes anywhere from four to six weeks for the site certificate to arrive. It comes in the form of a CD – unlike individual certificates, which are in a USB. Also watch out for the Personal Identification Code (PIC) to arrive by mail. The PIC is essentially the password, and it should arrive not long before or after the CD does.

Ensure to fill out the site certificate paperwork completely and thoroughly, because the long
processing time will lead to further delays in implementing Medicare Online. Take note that Medicare may require additional documents from you if you do not have a provider number yet, or if you are operating under a trust or company. Depending on your situation, you might need to submit a certified copy of your IDs and some business documents as well. Remember to include an Acceptable Referee Declaration for Public Key Infrastructure Certificate applications (HW004) form if you will be sending documents that need to be certified.

A PKI certificate expires every five years, so if you will continue using it, you will need to have it renewed by, yes, submitting another form to Medicare – Request to Revoke or Reissue a Public Key Infrastructure Certificate (HW003) form. If you already have an existing site certificate but have lost the CD, you may also use the same form.

If anything is missing from your application, Medicare will contact you through the email address you provided on the form. Just to make sure, it is recommended that you regularly follow up with Medicare as to the status of the application. As of this posting, you may call them at 1800 700 199 and select option 2.

STEP THREE: REGISTERING YOUR ACCOUNT DETAILS
Aside from the application for a PKI certificate, you will also need to register your bank details with Medicare using an Online Claiming Provider Agreement (HW027) form. This will allow Medicare to electronically transfer your claims to your account quickly and hassle-free.

If you will be billing for just one provider with one provider number, then that is all there is to it. But if you will bill for multiple providers or different locations, you will have to submit a different form for other locations: a Banking Details - Online Claiming (HW052) form.

This takes around a week or two for Medicare to process, so you should do this while waiting for your site certificate, if not at the same time. It would also be of benefit to you to follow up with Medicare to check if your Provider Agreement or Banking Details form has been processed. You may call the same number provided above.

STEP FOUR: INSTALLING THE CERTIFICATE
Once you receive your site certificate, you must install it on your computer. If you are working in an office setup, make sure that you have administrator access. Medicare has provided instructions on how to do this here.

This could take minutes, if you’re familiar with what to do, but if not, you might want to ask your local IT or a third-party to install it for you.

STEP FIVE: SETTING UP YOUR SOFTWARE
When the site certificate is installed onto the computer, you software provider may now setup the Medicare Online system. You will probably have to enter in patients, item numbers, rates, doctors, and other information.

Remember that if you will be billing for in-hospital services, you will also need to contact the health funds that you deal with and inform them that you will start doing ECLIPSE claims. Each fund has a different process. Some will require you to fill out a form, and others will just need a phone call. Depending on how many funds you deal with and how much time you can allot, this may take a few hours to multiple weeks. So keep this in mind when you set a date for when you will start sending claims using your new software package.

Is online claiming worth it?
Once your software is setup for Medical Online Claiming, you should be paid for Medicare or DVA claims within two to three
If you have further questions about Medicare Online Claiming, call us today on 02 9632 0026 or email sales@acsshealth.com. Let’s discuss a Medicare Online solution that’s right for you.
Angela Stavropoulos is an Associate Director at Pilot Partners.

Kirsty Baxter is an Associate Director at Pilot Partners.

REMAINING COMPLIANT
Kristy Baxter and Angela Stavropoulos of Brisbane based chartered accounts, Pilot Partners, explain that remaining SMSF compliant requires constant vigilance.

For medical practitioners, taking an overseas sabbatical can be a life-changing experience. Whether you are looking to learn new skills, gain a fresh medical perspective or simply giving back to a community in need.

Transitioning patients and management of the practice always takes priority when preparing to leave for a sabbatical.

With the multitude of tasks involved in organising a leave of absence, reviewing the status of your self-managed super fund (SMSF) is most likely not sitting at the top of the ‘to-do’ list.

An often overlooked and misunderstood aspect of operating an SMSF is the requirement for trustees to continually monitor the fund’s residency status.

A close analysis should be undertaken when any member/trustee intends to:

• temporarily leave Australia for more than two years;
• leave Australia and stay overseas indefinitely; or
• leave Australia during the year and become a non-resident for tax purposes.

Failure to satisfy the residency rules can result in the fund becoming non-complying; losing not only its tax concession on income but the assets in the fund (less the non-concessional elements) are subject to tax at the top marginal rate (currently 47%).

The Australian Tax Office (ATO) has indicated that it has no discretion to ignore non-compliance arising from non-residency status.

BACKGROUND

The fundamental requirement for an SMSF to qualify for concessional tax treatment is to be a complying super fund. To be a complying fund, the SMSF must, among other things, be a ‘resident-regulated superannuation fund’ at all times by passing all three residency tests as outlined below.

Residency Tests

• TEST 1 – The fund was established in Australia, or any asset of the fund is situated in Australia at that time.

Most funds meet the first test provided they are established in Australia or any asset of the fund is situated in Australia at that time.

• TEST 2 – At that time, the central management and control (CMC) of the fund is ordinarily in Australia.

CMC is where the high-level strategic actions relating to the fund are made such as formulating and reviewing the investment strategy and performance.

It does not include day-to-day operational activities such as
accepting regular contributions, paying member benefits or undertaking normal administrative tasks.

The term ‘ordinarily in Australia’ allows for trustees to exercise CMC from overseas while they are temporarily absent. The character of their absence is determined by their intention at the time they leave and any subsequent changes to that intention.

As a guide, CMC is ordinarily in Australia at a time even if the CMC is temporarily outside Australia for a period of not more than 2 years.

Some factors that might demonstrate that the absence is not temporary include a family home in Australia being sold, a new home purchased in the overseas location or no return flight being booked.

• TEST 3 – At that time either the fund had no active members or at least 50% of the superannuation account balance in the SMSF belongs to ‘resident active members.’

A member is an active member if the fund receives any contributions or rollovers on the member’s behalf. There is an exception for foreign residents for whom the fund receives contributions relating to a time when they were an Australian resident.

HOW TO AVOID RESIDENCY PROBLEMS

If contributions must be made, members going overseas could arrange to have them made outside of their SMSF, for example through a retail or industry super fund (such as QSuper). They could later rollover the contributions to their SMSF when they return as an Australian resident.

To assist in satisfying the CMC test, trustees should document their intention of temporary absence or, if unable to establish that the departure is on a temporary basis, delegate trustee duties to an Australian resident by appointing a Power of Attorney to exercise CMC.

CONCLUSION

SMSF trustees are responsible for ensuring their fund remains compliant by continuing to meet the definition of resident-regulated superannuation fund.

It is crucial that trustees seek advice on how their SMSF will be managed before any members go on a sabbatical or extended leave of absence overseas. Communication and planning is essential so that preventative measures can be adopted to ensure that the fund remains compliant.

If you are planning a sabbatical we recommend speaking to an advisor.
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The last few years has seen the property market outdo itself in terms of price growth, transactional activity and even when it comes to securing headlines. From housing bubble doomsayers to real estate agents spruiking record sales week on week, something had to give. Now, in the first quarter of 2016, something has – and Aviate Group Managing Director Neil Smoli has welcomed the winds of change.
People love a good property story, especially those that own real estate. They take comfort in knowing that perhaps their largest asset is going up in value. That it’s in such strong demand. That buyers – investors and foreigners especially – are clamouring over themselves to outbid each other.

Agents are the same. They love talking up a hot market. It makes deals easier to close, and commissions are higher. It makes their job easier.

As an investment property expert, suffice to say we take a different view. Where there’s a market with price heat, we want no part of it. Where investors are at risk of paying inflated amounts – amounts that don’t reflect the underlying value of the property – we strongly advise them against it.

The concept of the hotspot is fundamentally flawed and smart investors avoid hotspot lists like the plague.

Which brings us to a new landscape for property in 2016. The price heat has gone. Buyers are exercising greater caution. Speculative investors, targeted with tighter lending controls implemented by the major lenders in 2015, have backed off. New developments have come online in select markets to balance the supply vs demand equation.

The times have changed.

And while the herd of everyday property speculators retreats, influenced by media reports and driven by fear in different directions, the most sophisticated investors are dissecting the market, preparing to operate.

For them, in 2016 the waiting is over.

**OPPORTUNITIES PRESENT AS OTHERS RETREAT**

The recent series of month-on-month lending figures from the ABS demonstrates a clear trend: that loans to investors for the purposes of purchasing property are down. The crackdown on investor lending has had a dramatic impact.

This downturn can be interpreted in a number of ways, but it’s those who recognise the hidden opportunity in the current trend that stand to benefit the most.

For a time, investors were becoming accustomed to LVR rates well below 90 per cent, but as we are seeing now, more and more lenders are bringing their LVR requirements for investors back to the 90 per cent mark. Some have viewed this as unfairly targeting investors.

In truth though, shouldn’t it be difficult to secure finance for an investment property purchase? We need not cast our memory too far back to realise the dangers of financiers granting loans too easily.

It makes sense for would-be investors to be required to have their affairs in order. As a matter of security, not just for their lender but for themselves above all else.

Nevertheless, some investors are currently turning away from property. It’s having a compound effect. The fewer investors that are active in the market serves to influence other investors to shelve their own property investment plans.

It’s a self-perpetuating trend, but the theory behind it fails to stack up, especially when you take into account the share market volatility that has characterised the first quarter of 2016.

One of the defining aspects of residential property as an investment is that it is comparatively less volatile than other investments. This is especially true when investors commit to holding the investment for the long term.

But the best investment success stories, regardless of property, shares or any other asset class, begin in a counter-cyclical context.

Those who take an alternate path to the herd mentality are the ones who invariably succeed. In the current climate, with speculative property investors fleeing the market, sophisticated investors understand that flatter prices and less activity among investors is not diminishing the solid outlook for investment property.

It merely makes securing a quality property less competitive – and a more important strategic move for anyone looking for financial security.

As at early 2016, real estate in most markets is unburdened by the price heat that has characterised the past few years. The opportunity to secure a quality investment property at a fair price have actually increased.

Not only is it possible to secure an investment property for less than expected, meaning investors may even be able to borrow less, but they’re also likely to benefit from the low interest rate environment that is widely tipped to remain relatively steady, and perhaps drop even further in 2016.
These investors also face far less competition for properties they’re interested in. So where to look?

POCKETS OF OUTPERFORMANCE

In 2016, Aviate research identifies select pockets of Brisbane to outperform, as investors in markets in which Aviate has previously recommended properties watch their investments realise their forecast growth.

This is the same research process that Aviate Group has applied to every investment property we have recommended in the past.

Specifically, we believe demand remains strong in the Brisbane suburban markets of Woolloongabba, Paddington, Teneriffe and Lutwyche, with strong population growth and steady, incremental capital gains leaving plenty of space for future growth. Although Brisbane is seeing some large increases in supply in some areas, and this may look scary as yields soften, quality living spaces are still in demand from quality tenants.

Additionally, for the first time in the current cycle, Aviate research indicates certain markets in Perth are shifting to become pro-investment, or colloquially, a “buyers’ market”. In East Perth in particular there are some attractive fundamentals playing out with current prices reflecting fair value.

However it’s important to remember when investing in property, locational factors must be considered not just from a city or suburb perspective, but must drill down to the development itself, the street it’s located on and even the position of the apartment itself relative to the rest of the building.

We would never declare an entire city a top spot to invest as this would ignore all the nuances of property investing we know determine the success – or otherwise – of an investment property. Blanket statements are by their very nature misleading, and investing in property is something you want to get right the first time, every time.

If your research does not have the scope to investigate a property to a forensic degree – and let’s face it, for most time poor professionals this level of research is impossible – it’s time to talk to a specialist.

Otherwise, like so many investors looking to secure their future in property before, you risk heading straight into a hotspot.

TEMPERATURE RISING?
TREAD CAREFULLY

Hotspots have become an obsession in recent times. They not only consume column inches, but for some investors finding a property in a hotspot location consumes their time and energy as well.

What they don’t realise is that investing in a hotspot can also consume their money and leave them with a debt that far exceeds the value of their property.

This is because hotspots are perhaps the most fundamentally flawed concept in the property spectrum.

Once price appreciation is evident in particular markets, and that city or suburb begins to find itself included on hotspot lists, Aviate will have already ceased to recommend investing there. The risks have become unacceptable.

This is because prices will have already been affected and a property’s true value may be impossible to access.

In short, as an investor, you’ll pay too much. This is problematic for a number of reasons.

When a market is labelled an investment hotspot, the typical scenario sees developers look to take advantage by creating new
product to compete in that market, vendors respond to increasing demand by lifting their asking prices, and the potential for investment upside is in the short term subsequently reduced.

Over-paying for an investment property jeopardises your yield. Buying at the height of the cycle might mean capital growth is no longer on the cards. Worse still, when the market turns - and this is invariably the case in all markets from time to time - you might find yourself in a position of negative equity.

This is why it is so crucial for investors seeking the best returns and capital growth opportunities, as well as peace of mind, to identify markets that are set to outperform in the future before they are labelled as hotspots.

To do this, investors must recognise and understand the many variables that influence a market’s investment potential. Aviate’s unique investment criteria is designed to do just that.

Just because historical data shows a specific market has performed well in the past, there’s no guarantee that same rental growth or price appreciation will be replicated in the future.

Factors such as projected employment in the area, the level of current and future infrastructure spending, and local Government regulations pertaining to high density development that directly impacts competition for tenants and buyers, all impact an area’s investment prospects.

There are a broad range of factors that impact the success of an investment property in any given market. Only with a more thorough approach based on extensive research and application of a much broader set of investment criteria can investors ensure genuine security for their investment.

Again, it reinforces the importance of ignoring sensationalist headlines, bucking the trend and not following the herd. 😎

For further information visit [www.aviategroup.com.au](http://www.aviategroup.com.au)
EVENTS

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The benefit of getting a medico-specialist financial adviser?

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Examine our network of medico-specialist financial advisers