

Healthy practices, healthy patients

How GPs are responding to
sustain Australia's primary
care sector

CommBank GP Insights 2023



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Foreword from CommBank Health

Welcome to our latest GP Insights Report, part of our CommBank Foresight thought leadership series examining the latest industry and practice-level trends and preferences of Australian patients.

Since the first edition in 2018, the GP Insights Report has highlighted the vital role of general practice on the front lines of community care. It continues to track emerging operational and financial trends, the digital transformation of the sector, and rapidly changing patient preferences.

The Report reflects CommBank Health's commitment to providing data-led insights and market intelligence that can help practices adapt to major industry trends and understand the response among peers and patients. Its purpose is to support decision-making and provide visibility of metrics driving practice performance.

Alongside options to improve the practice experience, the Report unearths valuable insight into evolving patient expectations, loyalty, and satisfaction. Together, these highlight opportunities to direct limited time and scarce resources to keeping patients

happy and healthy.

This latest Report arrives at a point where enhancing the experience of practices and patients has never been more critical. The recovery in patient numbers following the height of the pandemic has stepped up as the cost and capacity to deliver care have come under immense pressure.

With some patients feeling less healthy, inflationary conditions and persistent talent shortages across the industry, practices' performance is coming under pressure.

As seen in the 2021 report, patients applauded practices for adapting to the disruption of the pandemic, and for good reason. The same resilience and determination to uphold the front line of healthcare is again prompting decisive action in at least three areas.

The first is a review of billing models amid rising operational costs. Second is focusing on staff well-being and workplace culture to find and keep talent, with many practices conscious of GP workloads. The third is meeting the expectations of patients and staff and improving their experience, with many prioritising digital solutions for a more seamless patient journey and efficiency gains.

Being the first point of contact in the healthcare system means the general

practice has an outsized role in managing public health outcomes. After a herculean effort over the past few years, it's no surprise that practices look forward to improving conditions.

At CommBank Health, we're focused on supporting practices' sustainability and growth objectives so they can realise and enable that brighter future. Whether through unique data and insights or solutions to enhance the experience for teams and patients, we hope to play a part in keeping practice performance healthy so that our GPs can keep Australians even healthier.



Albert Naffah
CEO, CommBank Health
Commonwealth Bank of Australia

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About CommBank GP Insights

The 2023 CommBank GP Insights Report is based on a quantitative survey of 204 decision-makers and influencers at general practices across Australia and 1,020 patients who had consulted a practice within three months of completing the study.

The practice survey was conducted by a mix of practising physicians, business owners and senior decision-makers, with 75% located in capital cities and 25% in other regions.

ACA Research conducted the general practice and patient surveys on behalf of CommBank Health in October 2022. The surveys were designed to track perspectives on topical issues and practice priorities. All references to patients and general practices in this report refer to those participating in the surveys unless stated otherwise.



Key insights

National health under pressure

Patient demand set to strengthen as GPs navigate post-pandemic backlog and some patients reporting declining health.



47%
of practices saw higher patient numbers in 2022.



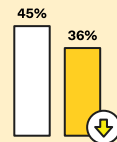
50%
of practices expect more patients next year.



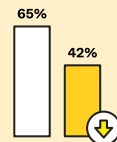
83%
of patients see mostly one preferred GP.



93%
of patients are satisfied with the quality of care.



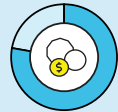
36%
of all patients rate themselves in great health which is **down from 45%**.



42%
of Gen Z patients rate themselves in great health which is **down from 65%**.

Capacity and practice economics under pressure

Staff shortages and Medicare schedule fees lagging rising operating costs are putting practice sustainability and capacity under pressure.



78%
of practices experienced higher costs in 2022.



72%
say staff shortages are impacting capacity and growth.



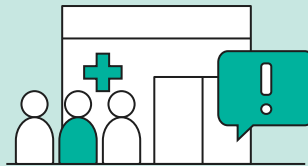
18%
of practices increased doctor numbers in 2022.



69%
say MBS lagging costs of care is a challenge.



26%
expect to increase doctor numbers in 2023.



Fewer patients are very satisfied

Lowest satisfaction in wait times, available spots to see GPs and fees charged by the practice.



Operational and financial sustainability

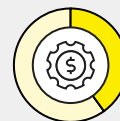
Lower profit margins for many, challenges protecting doctors from work overload and meeting patient expectations.

Commercial outlook

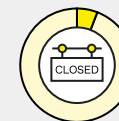
Despite the challenges, most GPs are focused on growing



54%
are focused on growth and are more likely to be in metropolitan than regional areas.






40%
are focused on maintaining revenue.



6%
are winding back or exiting/closing the business, which is almost 5x higher for regional than metropolitan.

Key insights

How practices are responding to meet their objectives and ensure sustainable delivery of care

Trigger	 <p>Rising costs and shortfall of Medicare schedule fee</p>	 <p>Persistent shortage of GPs and practice staff</p>	 <p>Rising costs and patient frustrations with convenience and access</p>
Strategic response	Reviewing billing models to ensure sustainability	Putting people first to expand capacity	Enhancing the practice and patient experience
Tactics	<ul style="list-style-type: none"> • Reduce proportion and volume of bulk billed services • Increased private billing fees among practices • Flexible charging based on appointment time and type 	<ul style="list-style-type: none"> • Focus on supportive workplace culture • Flexible working arrangements • Higher salary packages 	<ul style="list-style-type: none"> • Direct technology budgets to improve patient interactions • Improve IT processes and integration for practice efficiency • Data analytics to monitor operational and financial performance



Potential impact


Practice	Increase in GP and staff satisfaction and financial metrics	Increase capacity and services to meet demand and improve staff wellbeing	Drive practice efficiencies and productivity and inform better decision-making
Patient	Mostly understanding but some challenges finding bulk billed services	Better availability, continuity of care and access to preferred GP	Boost convenience and flexibility through a more seamless patient journey

A photograph of a female doctor with dark hair, seen from the side, wearing a white lab coat. She is smiling and looking at a young woman with long brown hair, who is also smiling. The young woman is wearing a bright yellow, textured knit sweater. They are in a clinical setting, with a white sink and a paper towel dispenser visible in the background. A large yellow diagonal graphic element is on the left side of the image.

Practice sustainability and outlook

The shifting dynamics of primary care

Strong demand for GP services is coming up against constrained supply, bringing sustainability into focus and impacting practices and patients.



Practices forced to do more with less

Australia's primary care sector is under increasing strain. The Royal Australian College of General Practitioners' annual *Health of the Nation Report*¹ noted that three in four GPs report feelings of burnout, reflective of multiple issues impacting practices and practitioners.

One is the elevated demand for primary care services. For many practices, patient numbers had rebounded strongly in 2021 after dipping earlier in the pandemic. More than four in five practices report the same or higher patient numbers, with 47% experiencing increases in 2022.

Industry-wide talent shortages mean most practices are servicing that higher demand for care with the same or fewer doctors. This is a sustained trend and more prominent among regional practices.

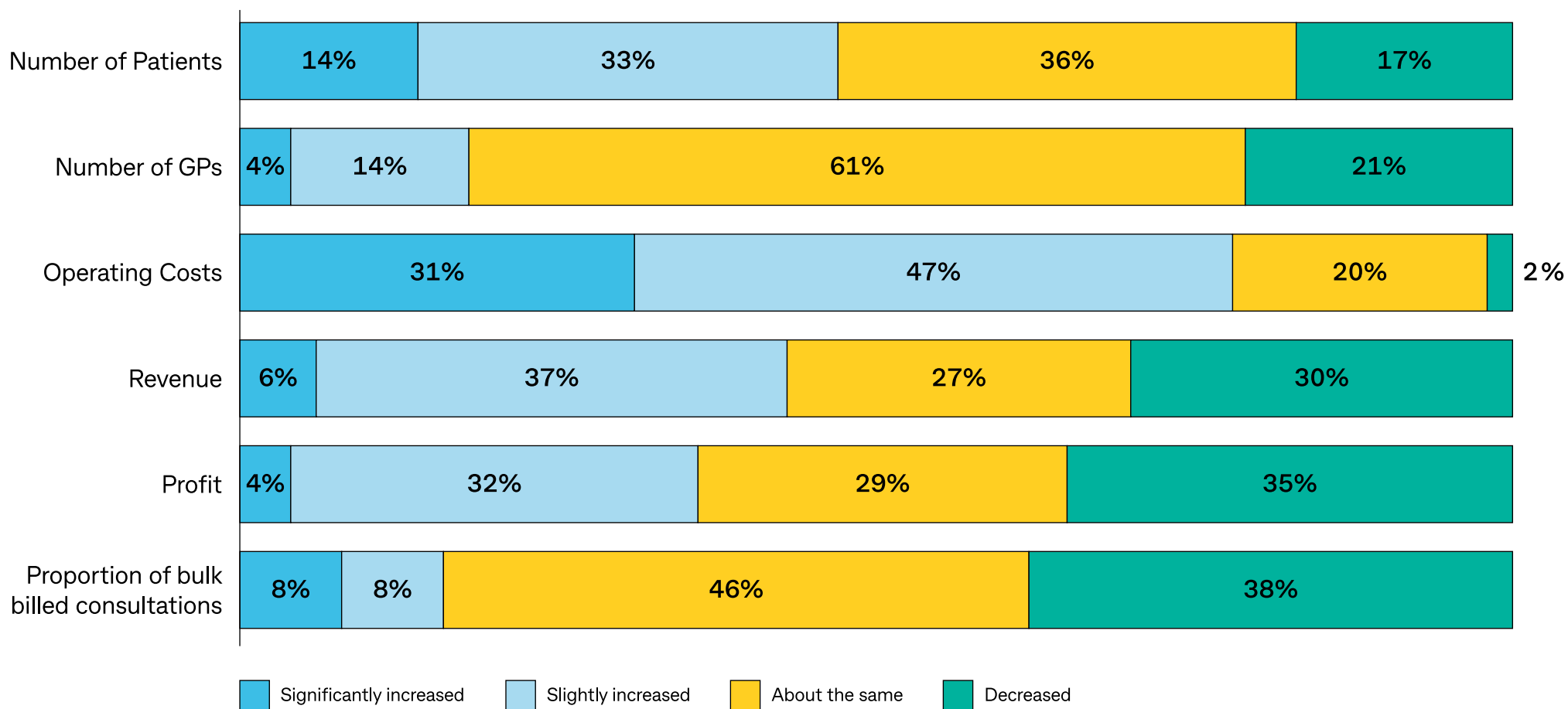
Practices' financial performance is also under pressure. In the past year, operating costs have risen for 78% of practices, with consumables, professional insurance, and payroll expenses the most likely to have increased. Meanwhile, revenues are the same or lower for 57%, weighing on profitability. This margin squeeze is far more commonplace for regional practices.

When asked about their top challenges, more than two-thirds of practices agreed that the Medicare² schedule fee wasn't keeping up with the cost of delivering care, followed by three in four citing increasing costs.

The top response is that practices have had to review their billing models, leading many to reduce bulk billed consultations. It's a shift that 38% said they had undertaken in the past year, compared to just 3% the year before. Efficiencies and optimising practice processes relating to bookings and staff rostering are other tactics practices use to offset costs.

Operational and financial performance indicators

The change in practice metrics in 2022 compared to 2021



Strong signals of future demand

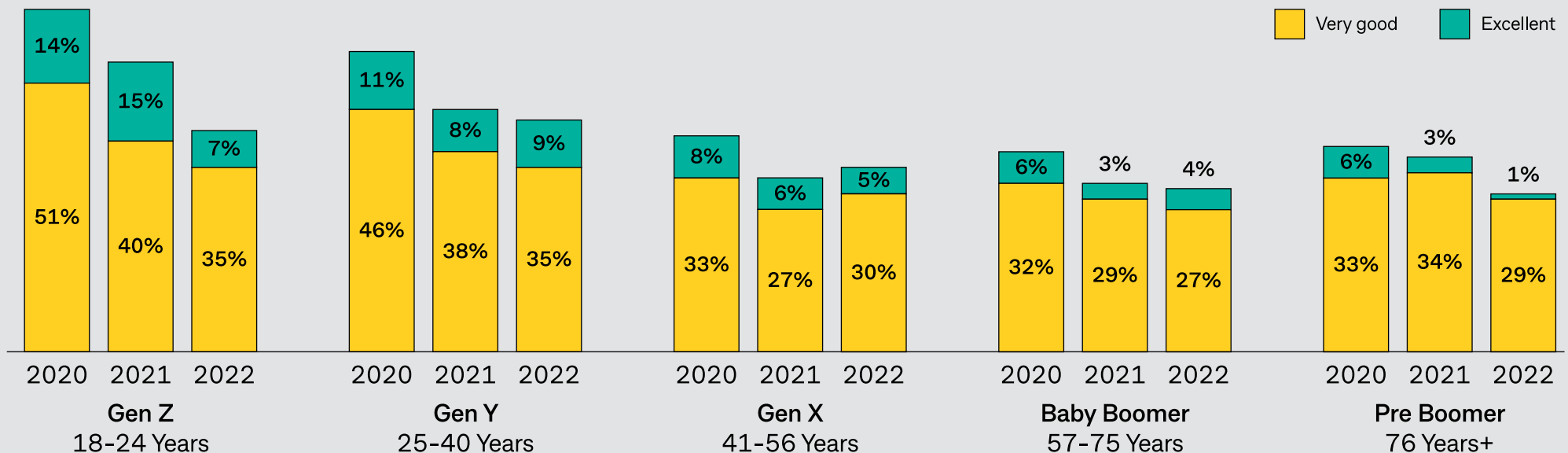
General practitioners are playing a significant role in supporting the health outcomes of Australians amid elevated patient presentations. However, the pandemic has taken a toll on patients and practices and is stretching the primary health system. According to practices, patient visits have continued to rise, and most expect the same or higher in the year ahead.

A closer examination of the nation's health supports this prediction. Since 2020, the number of Australians who rate their health as very good or excellent declined from 45% to 36%, edging down in the past 12 months. This has been led by Generation Z and Y patients.

While most consider themselves in good health, this change signifies that demand for frontline care is likely to grow, particularly among younger Australians. These patients tend to be less satisfied with their practice experience compared to a year ago.

The perceived health of the nation

The proportion of Australians that rate their health as very good or excellent across the generations



Constraints impact the patient experience

Australians maintain a close and trusted relationship with general practitioners. More than eight in ten primarily consult their preferred GP, with a further 15% frequenting the same practice but comfortable seeing any available doctor. On average, just 2% of Australians alternate between GPs in different practices.

This loyalty is supported by high levels of patient satisfaction, with 86% satisfied with the overall practice experience. Even more Australians (93%) are satisfied with the quality of care they receive.

However, the proportion of very satisfied patients has fallen from 43% to 33% year on year. This is most pronounced among younger Australians, with the number of very satisfied Generation Z patients declining from 37% to 16% in the same period.

These patients are also the most likely to switch doctors at a preferred practice or alternate between practices.




The pressures of higher patient volumes, staff shortages and operating costs are flowing through to satisfaction. This has led to fewer patients expressing satisfaction with practice fees, availability of preferred GPs, options to book and manage appointments and opening hours.

Despite loyalty among patients, availability and convenience issues have led to over one in three visiting a non-preferred practice, again, far higher for younger patients. However, many patients encountered full patient books or long wait times when doing so, reaffirming the systemic access issues across general practice.



Satisfaction drivers

Patient satisfaction with aspects of their general practice experience

Area of patient experience	Satisfaction driver	Patient satisfaction (very satisfied/ somewhat satisfied)	2022 vs 2021 (very satisfied only)
 Consultations and care	GPs acknowledging and respecting patients' opinions	95%	-6%
	Quality of care provided by GPs	94%	-3%
	Breadth of GPs clinical expertise	91%	-3%
 Convenience and access	Practice opening hours	93%	-8%
	Options to book and manage appointments	91%	-11%
	Ability to communicate directly with support staff	82%	-4%
	Overall wait times	76%	-4%
	Available spots to see preferred GP	73%	-9%
 Patient administration	How personal information and health records are managed	96%	Not asked in 2021
	Information sharing between practice and secondary care providers	91%	-7%
	Fees charged by the practice	82%	-13%

Looking to a brighter future

Despite the mounting pressures general practices face, many express optimism about conditions in the year ahead. On average across the industry, one in two practices are quite confident, while 25% are very confident.

This is supported by practices' operational and financial outlook for the next 12 months. Compared to 2021, patient numbers are expected to remain the same or higher for 91%, and more practices anticipate revenue increases (53% vs 43%). There's a view that the rate of cost increases may ease, supporting a brighter profit outlook across the sector (46% vs 36%).

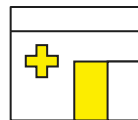
However, previous forecasts from 2021 show that many practices overestimated their performance metrics compared to realised results. That resulted in a significant proportion of practices experiencing unexpected declines in revenue, rising costs, and falling profit in the past year.



Growth-oriented practices

When asked about what characterises their approach to business, as separate to their financial forecasts, the majority of practices (54%) are concentrating on growing revenue, a marginal increase on 2021 (51%). A further 40% are focused on maintaining current revenues, while 6% will wind back their operations including a sale or exit. An increase in those winding back, from 2% in 2020, may suggest that more practitioners are leaving the profession after the pressures of recent years.

This optimism and growth outlook for many practices is likely influenced by the proactive steps most practices are taking to tackle the industry's top challenges. While taking a cautious approach, the industry-wide response is already well underway.

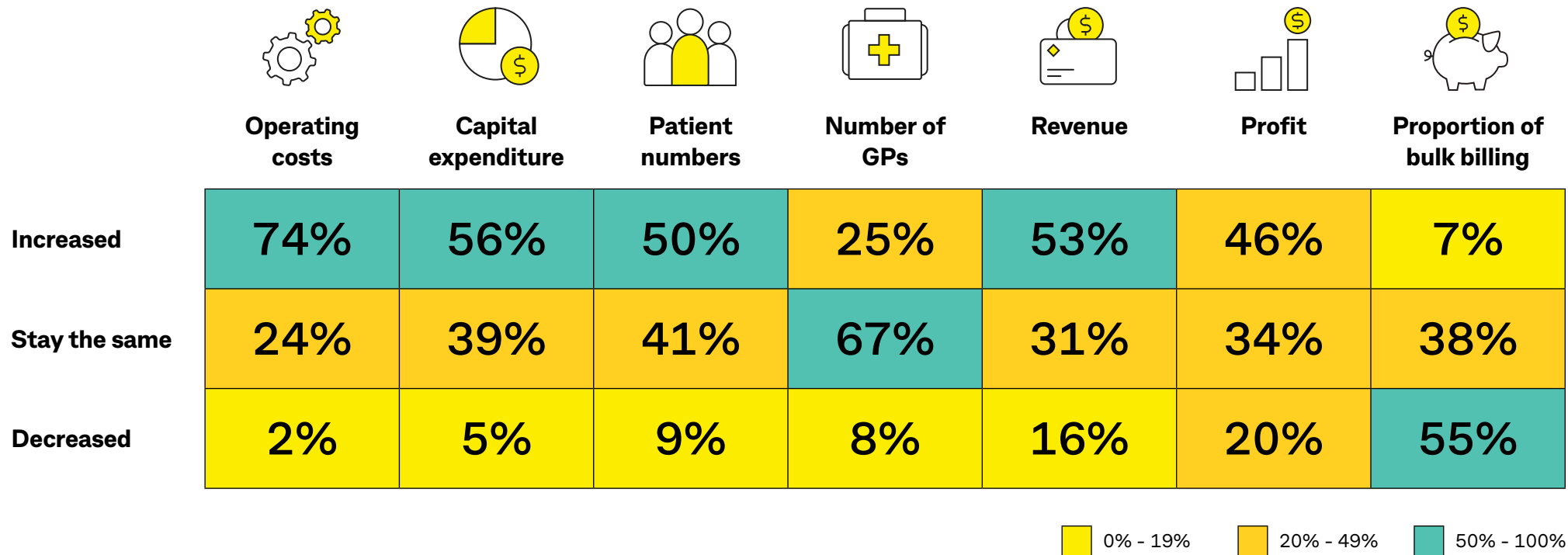


Regional vs metropolitan viewpoints

A growth focus is favoured by metropolitan practices, with 58% targeting a revenue uplift compared to 45% among regional peers. More regional practices also intend to wind down (13%). This reflects in their outlook with almost twice as many regional practices (39%) saying they are not very confident compared to those in metropolitan locations (20%).

Practice metrics

The expected change in practice metrics over the next 12 months



Practices focus on what they can control

Practices' performance and outlook directly reflect the industry's top challenges. These are also the forces prompting practices into action as they prioritise initiatives to manage costs and staff shortages and ease roadblocks to accessible and convenient care.

This includes a focus on:



1. Sustainable billing models

The top challenge, and broadly recognised, is that the Medicare schedule fee is lagging the costs to deliver care and run the practice. That's closely followed by generally increasing costs. In response, reviewing billing models is a priority for 60%.



2. Putting people first to expand capacity

The next most common challenges are attracting qualified GPs and support staff amid widespread shortages and protecting GPs from work overload. As a result, increasing the number of healthcare professionals in the practice (43%) is the second highest priority, with a range of measures being put in place to attract and retain staff.

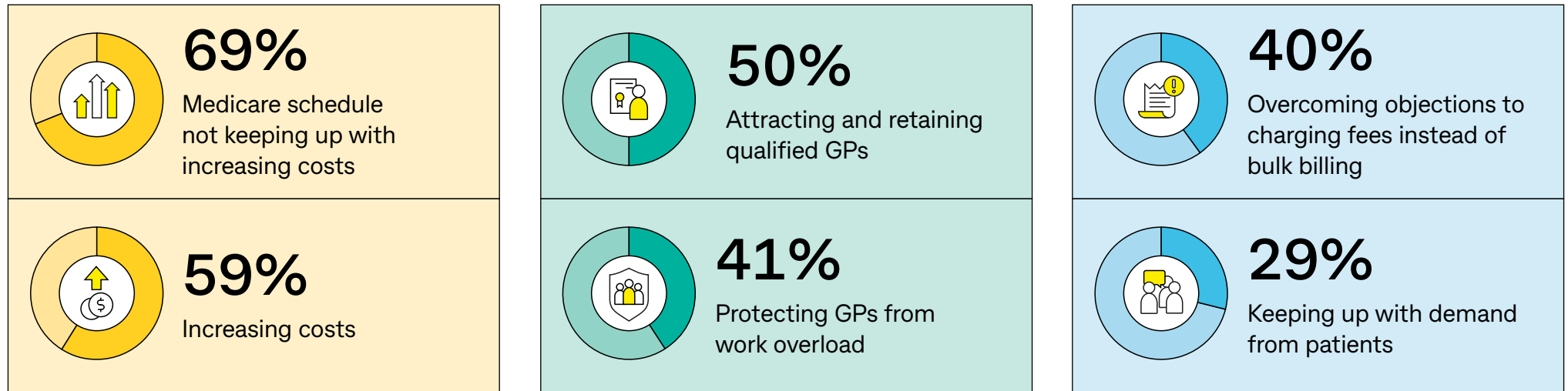


3. Enhancing the practice and patient experience

The third standout challenge is keeping pace with patients. This includes overcoming objections to billing changes and meeting expectations, particularly for digital interactions. Aside from expanding services, investing in technology is a priority for one in four practices and many more among those focused on growth. This can increase operational efficiencies for the benefit of practices and patients.

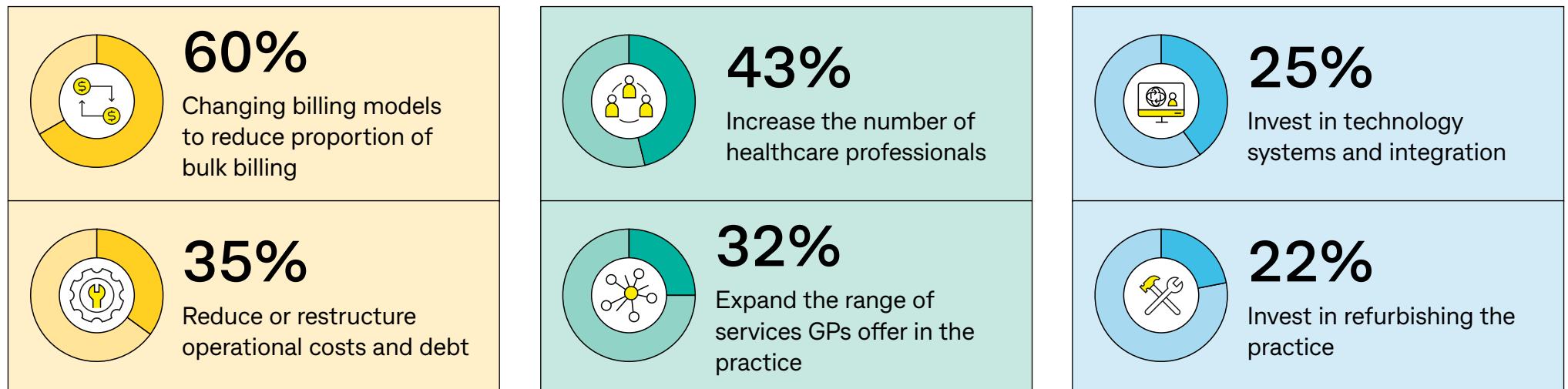
Practice challenges

Key challenges to achieving business objectives



Practice priorities

Strategic priorities to achieve business objectives in the next 12 months



Case study: Townsville & Suburban Medical Practice



There has been no shortage of patients for Townsville and Suburban Medical Practice (TSMP). Dr Peter Gianoulis, one of three owners of the Practice, says there was a time when it might have taken six to 12 months for a doctor to fill their patient book, now that might take six weeks.

“There’s a lot of people now needing to catch up on treatments and consultations on ailments that they didn’t get around to over the last two or so years,” says Peter. “Also, there are fewer general practitioners.”

TSMP has grown largely through word of mouth, supported by strategies to ensure patients receive a positive experience and want to stay.

Navigating higher running costs

TSMP currently is a mixed billing practice, with a 60/40 split between private and bulk billing. Peter says the practice plans to move to about a 70/30 or less bulk billing within the next 12 months.

While Peter says, the height of the pandemic was a tough time for everyone economically, TSMP had to focus on maintaining staff and ensuring everyone was employed during difficult times.

“We’ve come out of that period, and things were supposed to quiet down, but now we’re heading to this period of higher and higher inflation,” says Peter. “Unfortunately, the Medicare funding model will not miraculously change in the coming years despite higher costs associated with running a practice.”

When TSMP was founded in 1967, the Practice had shorter and more procedural appointments. The Practice has expanded to 14 doctors, servicing a growing population where patients are now more likely to present with multiple conditions.

According to Peter, this has “created a situation where the nature of consultations and care has changed, but how Medicare is managed has not. The Medicare rebate is better suited to shorter appointments over prolonged consultations or those requiring more complex care, including psychosocial support”.

“There is a higher emotional burden on doctors that no one talks about,” he says, “Patients want quality time with the doctor when they have a face-to-face appointment. Billing models need to shift as he believes appointment times will move towards longer and longer timeframes.”

Creating balance for doctors

However, these intensive appointments also create a potential risk for the doctors at the Practice. Currently, TSMP needs 14 doctors to work a roster of seven full-time equivalents because, as Peter states, nobody can work five days, eight hours a day anymore.

“We’re seeing a good proportion of mental health consultations or patients with related social issues, and that requires prolonged consultations, which are more costly to the patient and the practice,” Peter says.

Peter says the Practice needs to be flexible enough to allow a doctor to work hours, enabling their downtime to recharge. This creates the need for enough doctors in the system to cover shifts across the week, which is difficult in an environment where shortages are widespread.

Automating the practice

The Practice provides doctors with access to their files from any location, so they can work from home. This is also helpful for their non-clinical work, usually done outside practice hours, and helps drive overall efficiency.

“We are trying to create systems that will automate repetitive work. We also have clear operational guidelines to help us reduce the risk of error,” Peter says. “We are also trying to make sure that there is consistency across everything that we do.”

Making the system as streamlined as possible helps the doctors with their own requirements and assists the Practice in facilitating automation within the environment of Medicare billings or compliance requirements.

“I think now is the best time for medical practitioners to implement the right technology plug-ins because repetitive work is increasingly becoming a part of a doctor’s day-to-day activities,” Peter says.

TSMP also has data analytics derived from practice management software, whereas it used Excel spreadsheets previously. This gives Peter and his partners a better understanding of lead and lag measures of practice performance rather than looking back in time.



Supporting wellbeing and careers

Taking the pressure off doctors and staff with smoother workflows, and a focus on wellbeing and professional development, has given TSMP a solid staff retention record for the past number of years.

According to Peter, the Practice has brought on board at least one doctor a year over the last five years and hasn't lost any. That's a success rate that the TSMP team aims to keep striving for over time.

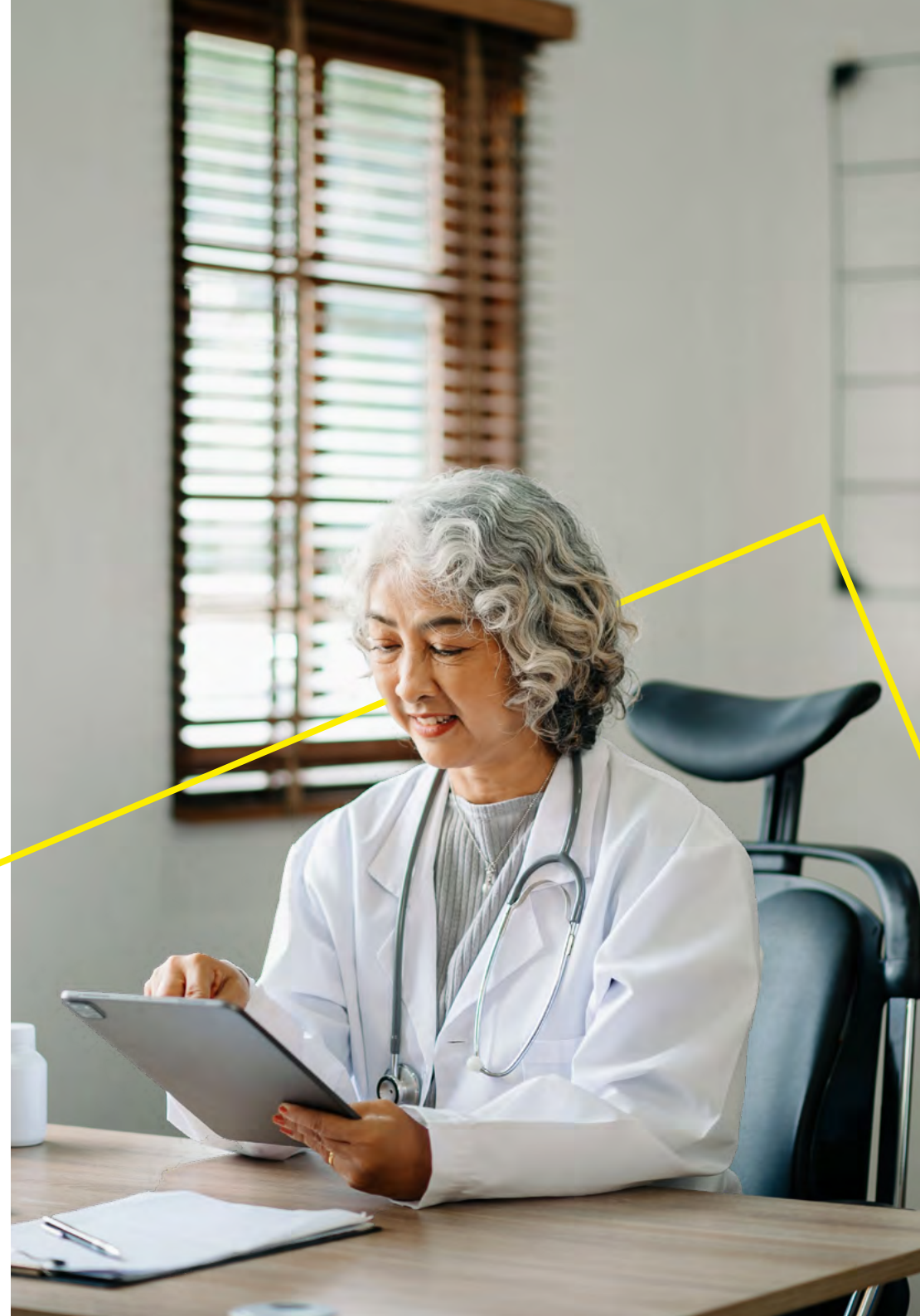
"The clinic has started switching to a coaching model for its doctors as well," he says. "We touch base with them periodically to ensure they get the support they need for their personal and educational growth. We want them to feel fulfilled in work."

Using differentiated approaches to how the Practice retains and attracts medical staff will help TSMP to "determine any storms" that might be around the corner, says Peter. "However, changes within the surgery must be balanced with providing the best possible patient care."



TOWNSVILLE & SUBURBAN
MedicalPractice

www.tsmp.net



Taking on the challenges

Practices' top strategies

In the face of operational and financial pressures, practices are mounting proactive responses to continue meeting elevated demand for care.



Billing models under the microscope

Finding sustainable ways to offer affordable care remains high on many practices' agendas. The RACGP's *Health of the Nation report*³ suggests that many practices choose not to request a gap fee beyond the Medicare rebate, particularly where patients cannot cover the cost of care.

However, most are reconsidering their billing models in response to rising operating costs and a broad acknowledgement that the Medicare rebate lags practices' running costs.

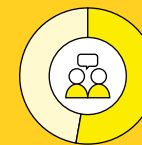
This includes increasing privately billed fees. Almost 6 in 10 patients who pay a standard consultation fee, report an increase in the past 12 months to a median of \$80, up from \$75 last year. Practices that charge a fee concur, confirming the same median amount for a Standard B Consultation, and expect that to rise to \$85 within 12 months.

Practices are also reducing the proportion of bulk billed services. For 56%, this has already occurred, with a further 25% considering the same. Just 19% have no intention to change.

This is a continuing trend, with practices reporting that 12 months ago, bulk billed services represented 64% of all consultations, down to 57% today and expected to drop again to 48% in 12 months. That rate of decline is expected to be faster among metropolitan practices.

Another measure being taken by 62% of practices is to increase fees where patients access services outside regular business hours or for specialised consultations.

"The nature of consultations and care has changed, but how Medicare is managed has not. The Medicare rebate is better suited to shorter appointments over prolonged consultations or those requiring more complex care, including psychosocial support". - Dr Peter Gianoulis, Townsville & Suburban Medical Practice



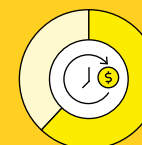
53%

of practices expect to increase fees charged for a standard B consultation



\$85

expected cost of a standard B consultation in 12 months, up from \$80 today

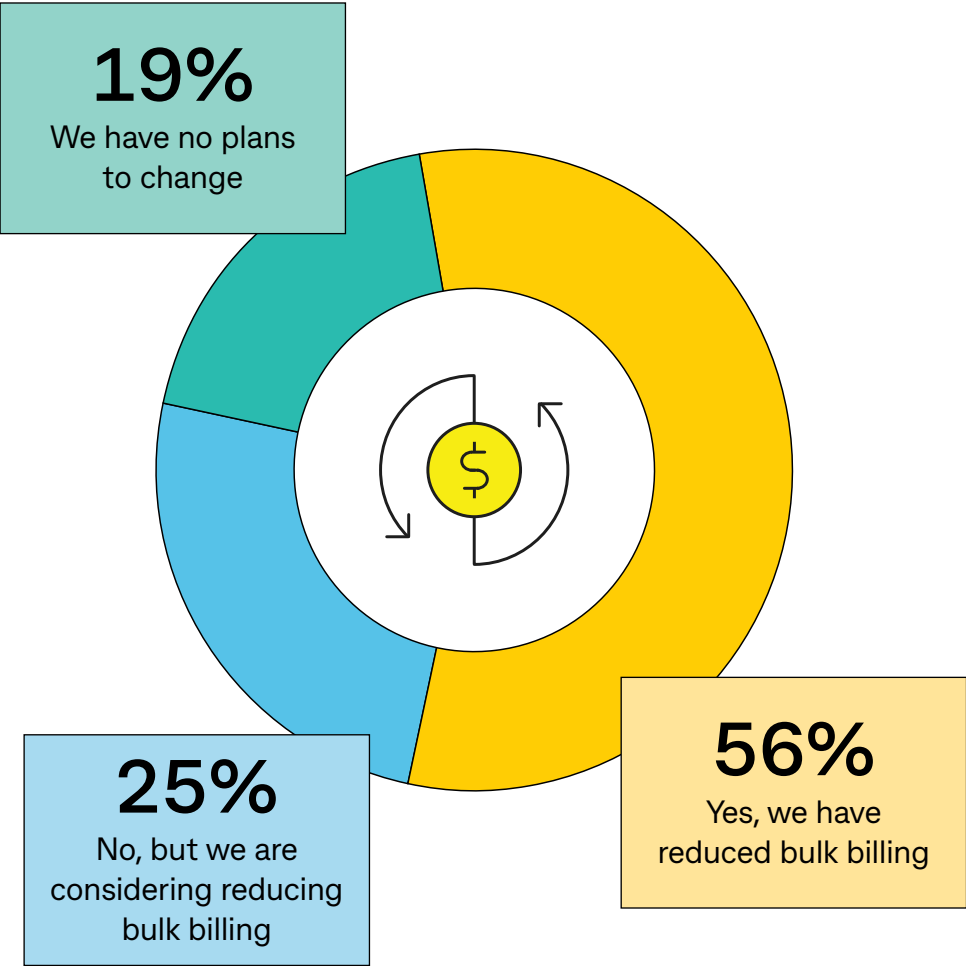


62%

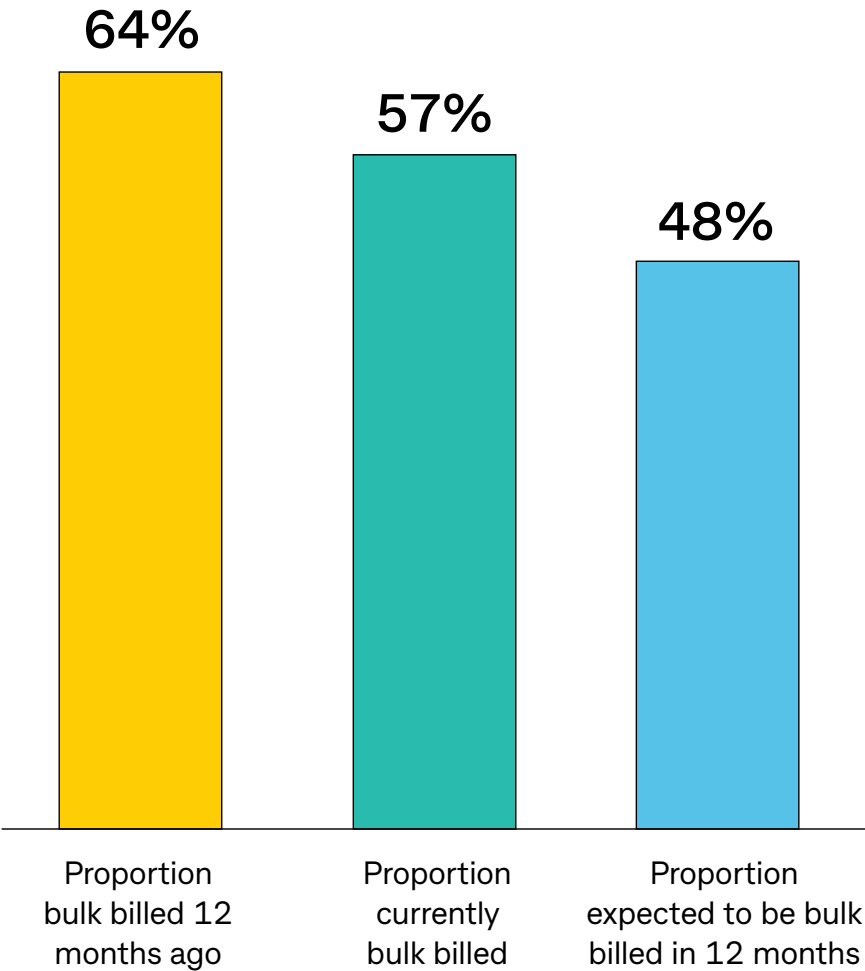
of practices charge higher fees for out-of-hours or specialised appointments

Changes to practices' bulk billing

Shifts in overall bulk billing



Shifts in proportion of consultations



The impact of billing changes on practices and patients

The flow-on effect of billing model changes is reaching patients and practices differently. For many patients, convenience and access are more of an issue, with 56% reporting that they find it harder to make an appointment at a bulk billing practice or find a local bulk billing practice.

While more than one in two patients understand why GPs may need to charge an out-of-pocket fee beyond the Medicare rebate, affordability remains an issue. As a result, two-thirds who are currently bulk billed would switch practices if their preferred provider stopped bulk billing.

That aligns with the 85% of patients that would only be able to afford a gap payment of \$20 or less and the one in four who cannot cover a gap payment of any amount.

This may help explain why 28% of practices have experienced a decrease in patient numbers as they've been forced to review their billing models.

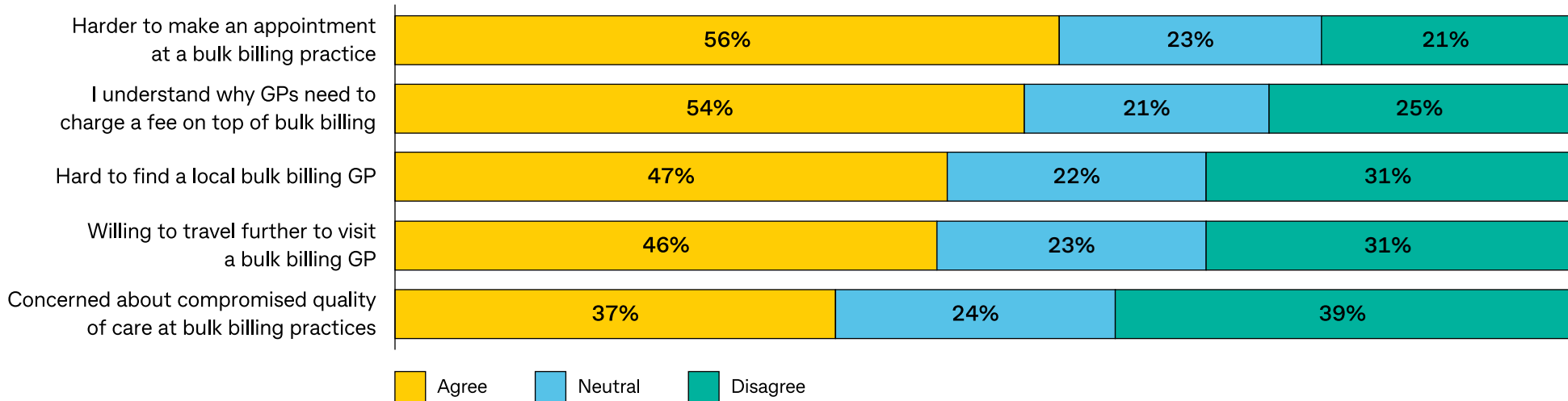
However, the practices we spoke to in this report confirmed that even as they reduce bulk billing, they still offer it for those who need it most.

To be able to continue offering that option and maintain high standards of care, practices need to ensure that their broader practice is financially sustainable. In that way, the impact of new billing models is positive, leading directly to higher satisfaction among GPs for 79% of practices and moderate increases in revenue and profit for many.

In turn, these benefits can be redirected into improving the patient experience. Focusing on staff wellbeing can help with retention and continuity of care, while a more financially sustainable practice can keep up with demand.

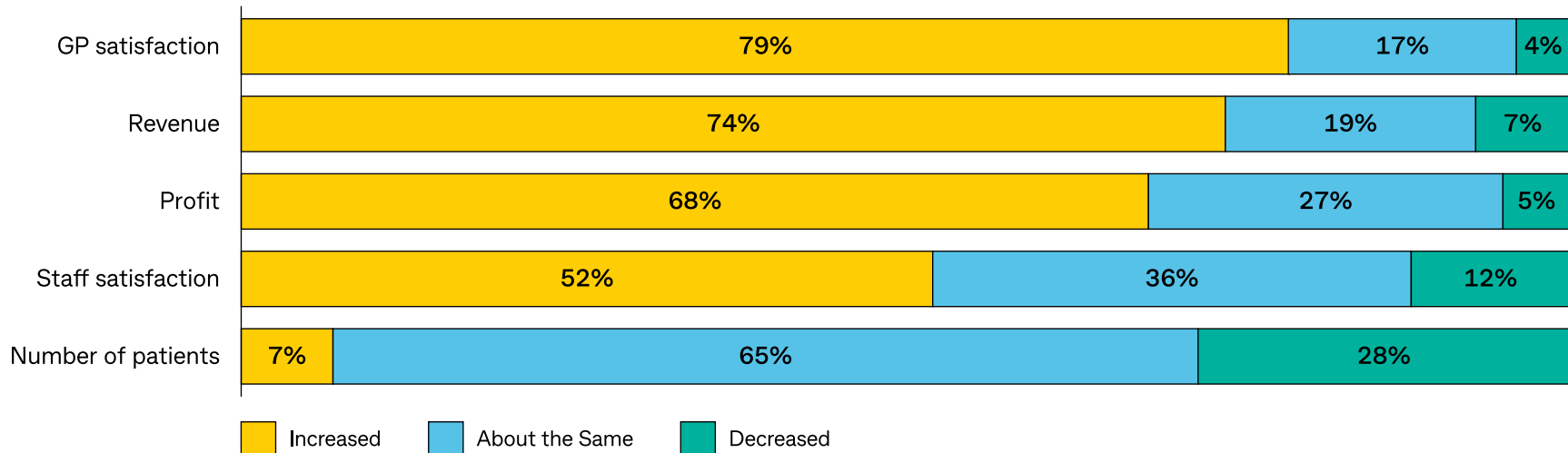
Impact on patients

How patients consider the effect of changes to bulk billing



Impact on practices

How changing the practice billing model has impacted performance indicators



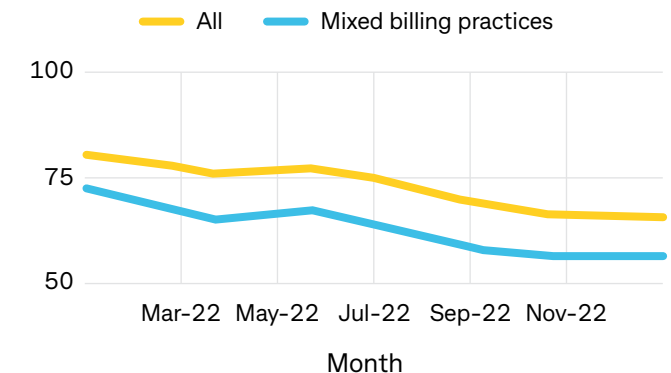


Expert view: Cubiko⁴

2022 will be remembered as the year that began with getting needles into arms and ended with many of those same arms reaching into pockets to pay for appointments. This is clear when looking at Cubiko's Touchstone data set, an industry-first General Practice benchmarking tool based on data from over 600 opted-in general practices.

Last year, our data confirmed a continued drop in bulk billing rates for both bulk billing and mixed billing practices across Australia. While shrinking margins and the rising cost of doing business are playing a role in this transition, we believe practitioner satisfaction will be an even greater driver in 2023.

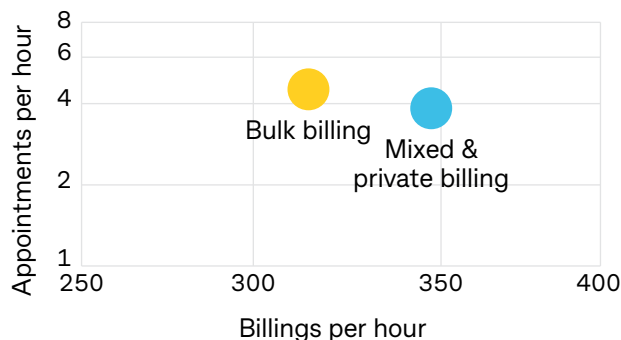
Bulk billing as a percentage of invoices



The drivers and impact of billing changes

The Touchstone data set shows that in December 2022, bulk billing practices continue to only bill slightly less per consulting hour than their mixed and private billing counterparts. This gap isn't larger because, on average, bulk billing clinics are seeing an extra 0.5 patients per hour. That means bulk billing practitioners are seeing more patients for slightly fewer billings, impacting their workloads and the practice's financial sustainability.

Billing per hour vs Appointments per hour of mixed and bulk billing practices Dec 2022



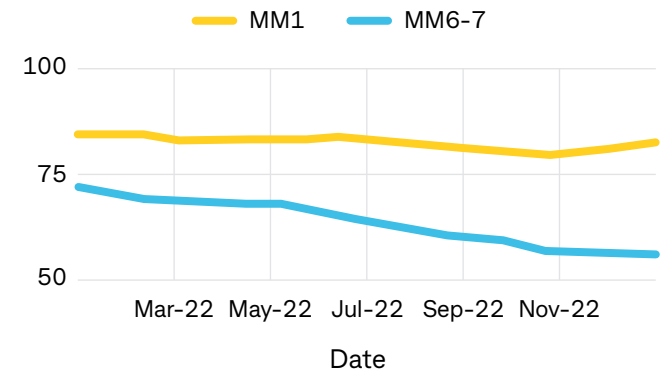
The shift in bulk billing rates is part of safeguarding the well-being and satisfaction of practitioners. More practices are choosing mixed and private billing models to reduce stress and workload and combat record levels of burnout in our industry. At the end of the day, if a practice doesn't have doctors, it can't see patients.

For the practice, more patients per hour mean a larger waiting room, more reception and admin staff, more paperwork around claiming, more consumables, and even more car parks. This dramatically affects labour costs, consumables, and rent, further threatening the margins of bulk billing practice.

Having run a 20-doctor bulk billing practice in one of Brisbane's lowest socio-economic suburbs, the impact of seeing more patients for fewer billings was always front of mind. It was imperative to balance financial sustainability with patient access to primary care. We know that every general practice is striving for that same balance on behalf of their patients and society, and for that, we are grateful.

The fall in bulk billing rates is more pronounced among metropolitan practices. The Touchstone data identified that MM1 (Metro) bulk billing as a percentage of total billings has dropped from 72% to 56% in 2022. Whereas this is only a decline of 86% to 83% for MM6-7 (Very remote and outer rural) bulk billing over the same period. This can possibly be attributed to this Report's findings that 58% of metropolitan practices are targeting a revenue uplift compared to 45% of their regional peers. In turn, this may also be buoying higher average confidence in metro practices.

Bulk billing rates of Metro, Remote and Outer Rural



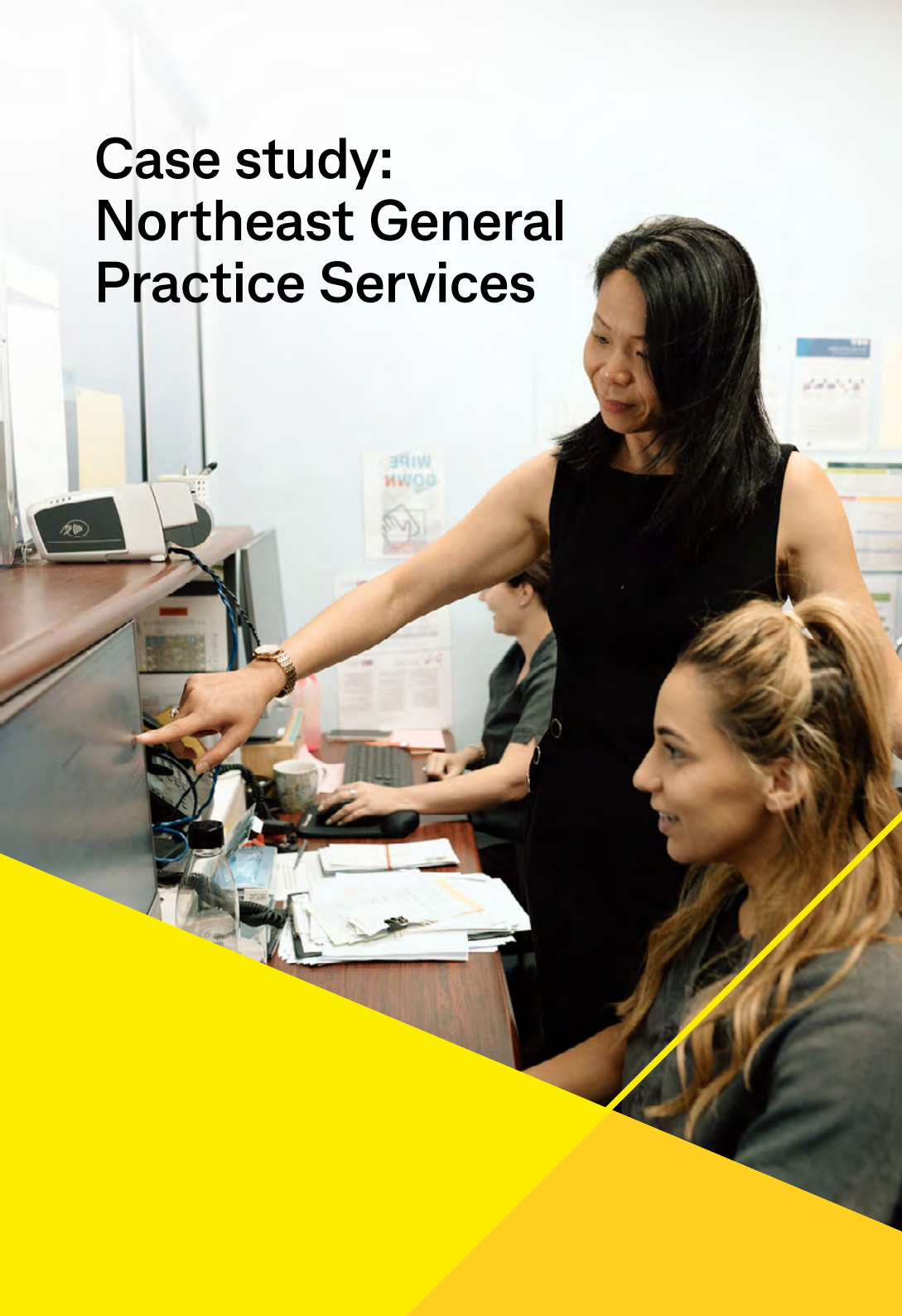
How GPs are using data to help performance

We've seen many practices and practitioners using Cubiko to review and analyse their historical bulk-billed invoices. They're using this data to make informed decisions about which services to transition to mixed or private billing and how to positively impact revenue, practitioner satisfaction and accessibility of care for those who need it. In addition, practices are using systems like Cubiko to identify patient eligibility and grow their chronic disease management programs, health assessments and nurse-led item numbers.



www.cubiko.com.au

Case study: Northeast General Practice Services



Northeast General Practice Services was established to manage and grow general practices and was founded by Kim Ling Ching and her business partner Dr Julian Fidge. Operating the South Wangaratta Medical Centre in Victoria, the practice now has more than 8,000 active patients on its books.

Ensuring practice sustainability

Over the years, it has become clearer to Kim that the solo general practitioner business model was no longer viable. For Kim, expanding the clinic's expertise into speciality areas, like skin cancer medicine and chronic disease management, would ensure the business could achieve sustainable operations and growth.

"Having extra services and different health practitioners helps us grow the practice. Our doctors and nurses also thrive in a group environment instead of having one or two general practitioners working alone," Kim says.

"A larger group of doctors allows for collaboration and team-based clinical support for patients. More experienced practitioners can mentor new doctors and cross-reference each other regarding speciality or subspecialty medical interests."

According to Kim, as well as meeting demand from the community for new services, diversification has also been a reality due to the shortfall in Medicare support for traditional services.

"After the Medicare indexation freeze was finally lifted, funding has had to play catch up with the business needs of a practice which is yet to happen," Kim says.

"That's compounded by the impact of the pandemic and the cost of running the practice. With rent, wages, cost of consumables and everything increasing yearly, the gap between the Medicare rebate and cost the practice needs to absorb to provide a service is growing."

Getting the billing balance right

Kim says in response to the operational and financial realities of the system, the practice has had to carefully consider its billing model.

For example, the practice has offered a mixed billing model since 2016, allowing for private and bulk billing, mostly for concession patients. However, there has been a change in the volume of bulk billed services.

“Unfortunately, to a certain extent, we have to shift to reduce bulk billing. However, the gap fee impacts patients, especially those from lower socioeconomic backgrounds. We make sure, through mixed billing services, that we can continue to provide accessible and affordable care to vulnerable groups.”

Aside from billing, Kim believes clinics need to implement different strategies to ensure the sustainability of their services. Again, this includes diversifying the services the practices offer but also seeking out new market segments.

“We expanded services to include corporate health assessments. For example, conducting pre-employment health screening as a service can generate higher margins than other areas of the practice. We can then redirect that profit into lower margin or even loss-making areas that support the delivery of care to the community.”

Having the extra margins to offer competitive wages also helps attract and retain doctors and nurses, who Kim says can often be paid less in general practice than in other areas of the healthcare system.

Technology to enhance the experience

Northeast General Practice Services invests heavily in technology to deliver a better experience for staff, patients, and the practice.

“The practice already had a remote server system, allowing doctors to access the practice management system and clinical software from anywhere. That allowed doctors to work from home straight away, from day dot, when the pandemic hit and can accommodate the ongoing desire for flexible working.”

Kim says it’s also essential to use technology to help deliver patient services and streamline or automate back office and compliance functions.

“We utilise technology solutions that extract data to drive projects, or that can improve the quality of the clinics,” she says. “Digital solutions to help us better manage item numbers and service delivery models can ensure patients are well looked after and help doctors improve their billings.”



www.dsgmc.com.au

The effects of staff shortages

Attracting and retaining medical staff is a challenge for most practices. According to the Australian Medical Association⁵, Australia is facing a shortage of more than 10,600 GPs by 2031–32, putting demand even further ahead of industry-wide capacity.

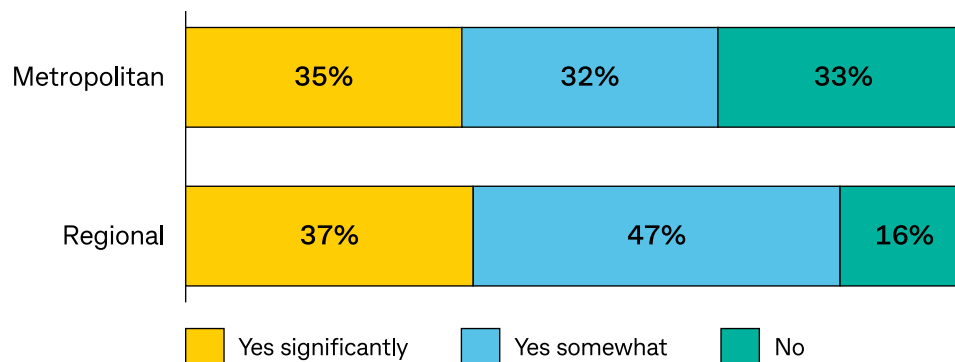
The research shows that while 80% of practices find it difficult to recruit suitable GPs, this also extends to nurses (74%), specialist doctors (62%) and practice managers (56%). The staff shortage is holding back operating capacity, needed for patient satisfaction and growth aspirations, for 72% of practices.

This is more problematic for regional practices, with 84% citing skills shortages as a barrier to capacity and growth; the same for 68% of metropolitan practices. This divide appears to be linked to the availability of overseas-trained GPs and medical students, which 64% of regional practices tend to employ compared to 40% for metropolitan locations.

In fact, almost one in three regional practices say an inability to access the overseas doctor and student talent pool is significantly limiting, more than twice that of metropolitan-based practices. This may inform the different emphasis among regional practices when attracting and retaining staff.

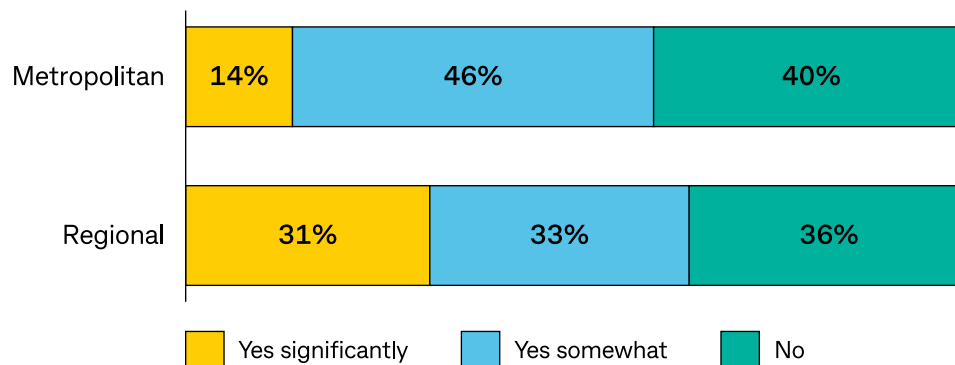
Impact of overall staff shortages

Access to skilled GPs and staff is limiting growth and operational capacity



Impact of overseas staff shortages

Inability to recruit international Doctors or medical students is limiting growth and operational capacity



Tactics to generate capacity

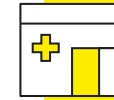
Practices are taking a number of steps to ensure they both have the capacity to support patient needs and meet their growth objectives.

At an industry level, nurturing a friendly and supportive workplace culture is the top method to differentiate the practice, a focus for 62%. Flexible working (54%), offering higher remuneration (31%) and team-building initiatives and social events (31%) followed.

However, looking at the approach between regional and metropolitan practices reveals some significant differences. This includes almost twice the number of regional

practices offering higher remuneration packages (49% vs 25% in metropolitan areas) and a stronger focus on continued professional learning and development opportunities (37% vs 25%).

Both these aspects may reflect regional practices' reliance on overseas Doctors and students. Higher salaries are likely required to compete in a tighter labour market while career development opportunities can help ensure they can find and keep emerging medical professionals.



Practice viewpoint

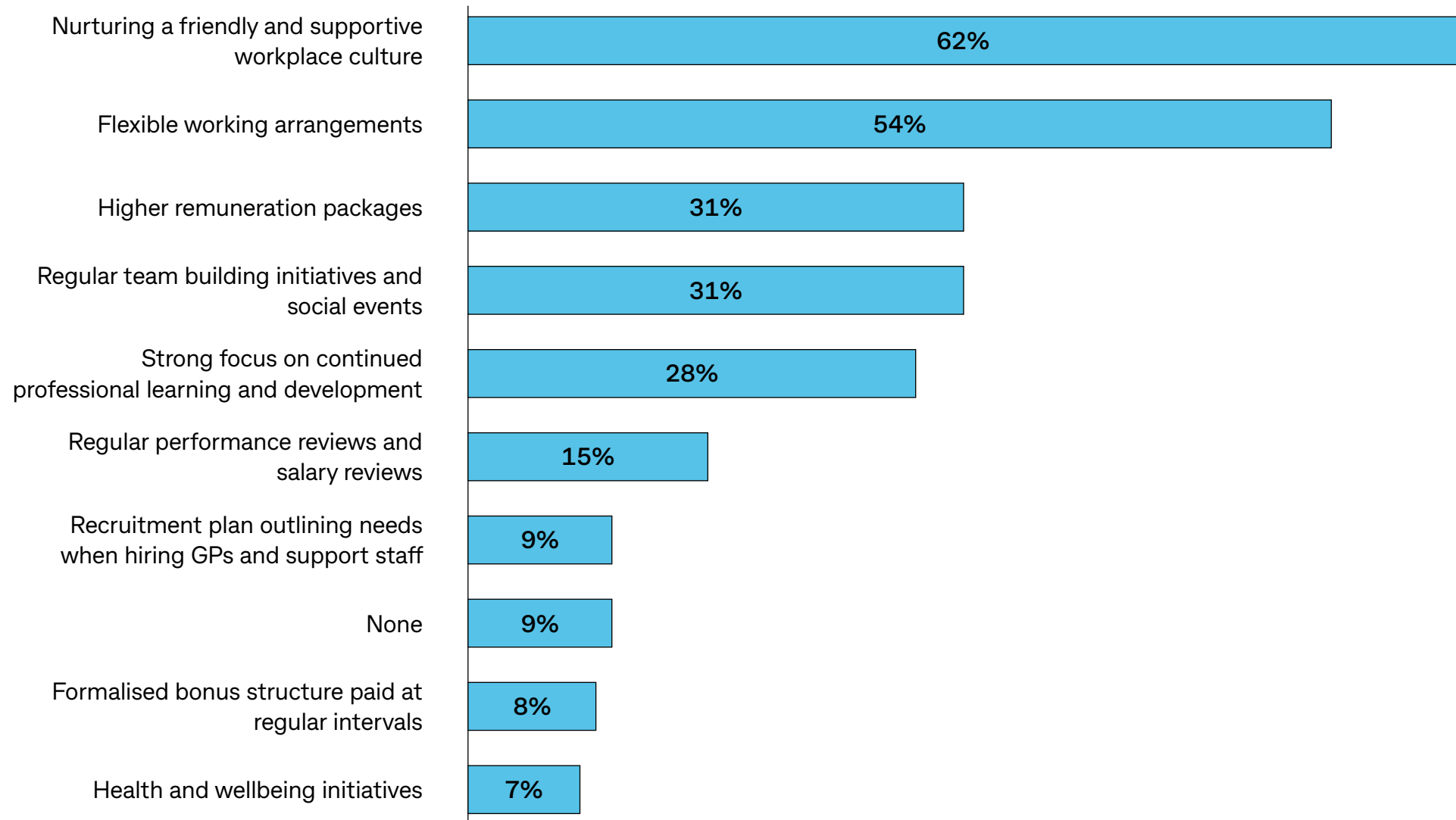
"In a place like Wangaratta, we rely heavily on international medical graduates. To strengthen our recruitment, we have a focus on ensuring they feel at home in the local community and introduce them to the local surroundings."

"We also provide support regarding administrative and personal finance needs as they are settling in. This includes help getting an ABN or setting up a company structure, as well as establishing bank accounts and navigating the home buying process. For people coming from different backgrounds this can be challenging, so being supportive and using our network to help them, for example, get their dream home, can make a big difference in attracting and retaining talented staff."

Kim Ling Ching,
Northeast General Practice Services

Addressing skills shortages

Tactics to differentiate the practice when attracting and retaining staff



Benefits of digital maturity

In 2021, 53% of practices invested more in technology than initially budgeted as they sought to keep pace with the pandemic-induced online shift and the rise of telehealth.

While that rate of technology investment is levelling off, 57% of practices plan to slightly lift budgets in the next year, and 9% will significantly increase spending.

Previous investment has embedded core digital capabilities across the sector. The most widely adopted are high-speed internet to support data transfers (86% already introduced), SMS and email appointment reminders (86%), and payment solutions that link to practice management systems (82%).

Patients are also positive about online booking services, with eight in 10 claiming it enhances their overall experience. While the phone is still the most common way to book an appointment, patients now choose the convenience and flexibility of websites and online directories over calling, if available.



In focus: Cyber security for practices

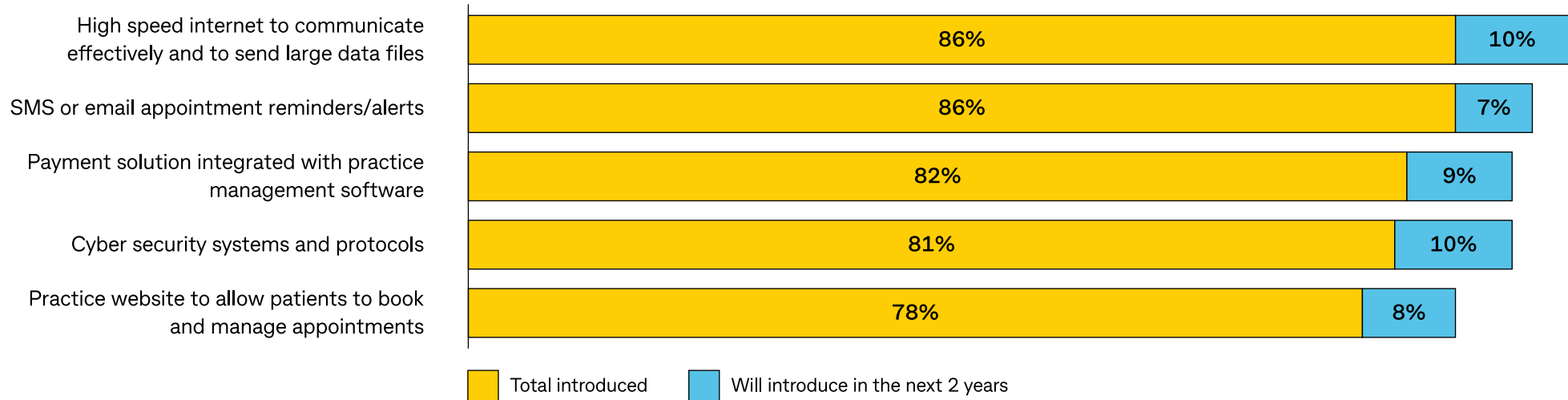
It's encouraging that 81% of practices have introduced systems and protocols to manage cyber threats, and more are planning to follow suit. Currently, patients are also confident in how practices manage their personal information and health records, the top area of satisfaction among patients ahead of the quality of care.

However, effective cyber security in the face of escalating attacks on healthcare businesses requires constant vigilance. With just 22% of practices prioritising cyber security in the year ahead, and new technologies expected to be introduced, practices must remain alert to ever-changing vulnerabilities.

One of the most vital activities is educating staff, so they are aware of the nature of evolving modes of attack and know how to respond. For more information on emerging cyber security threats and practical steps to protect your practice, visit:
www.commbank.com.au/business/security/signals.html

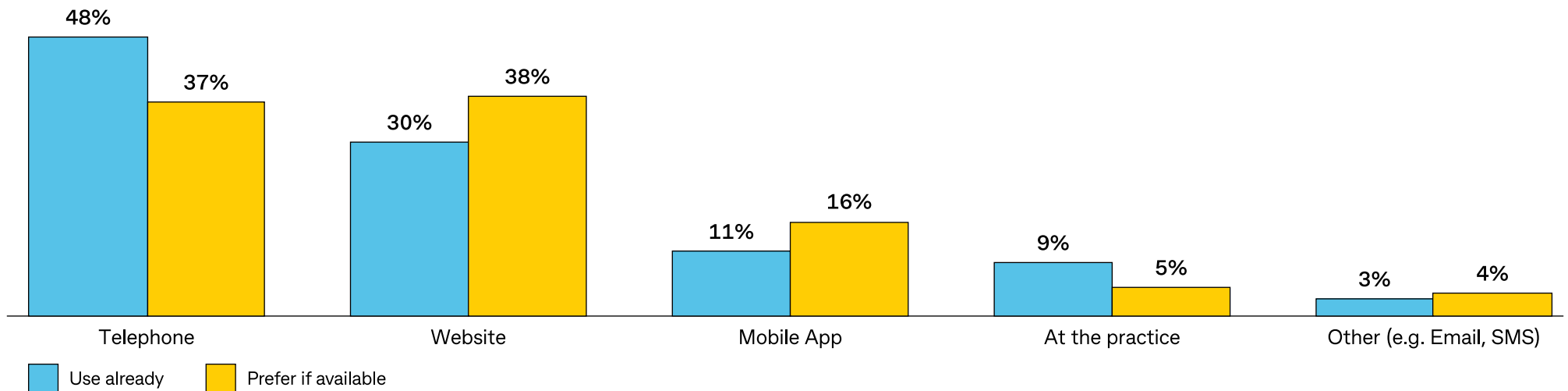
Use of technology and communications channels

Most adopted digital solutions among practices



Booking and managing appointments

Patient usage and preferences relating to booking options



Technology lets the practice work smarter

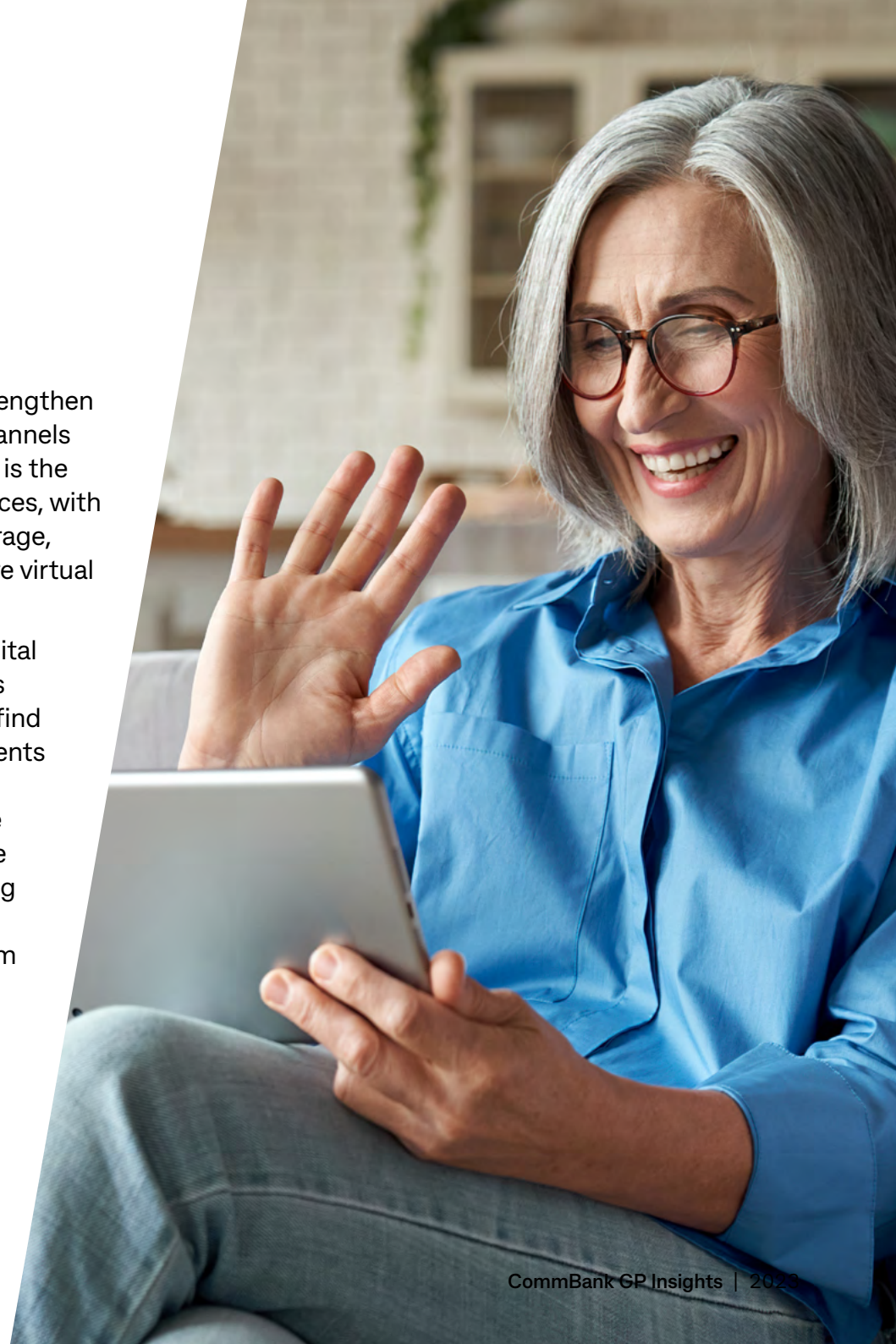
The digital solutions earmarked for adoption over the next two years centre on patient convenience, efficiency gains and augmenting patient care. The fastest growing of all is expected to be digital check-in services in clinics, with 27% of practices set to introduce it over the next two years.

That's followed by around one in four practices planning to offer remote health monitoring and smart devices as part of GP consultations. This is a growing trend that will see most practices incorporating remotely collected data with their patients' clinical interactions.

Continuing on the trend of data-led enhancements, 24% of practices intend to introduce data analytics solutions that help monitor the operational and financial metrics of the practice. According to Dr Ali Issapour of Ausdocs Holdings Group, its 11-practice network is using analytics solutions to drive efficiencies and real-time visibility to support decision-making.

Many practices also plan to strengthen the digital communications channels offered to patients. Part of this is the ongoing use of telehealth services, with patients reporting that, on average, 30% of their consultations were virtual over the past 12 months.

Another dimension is using digital platforms and communications channels to ensure it's easy to find the practice. With 37% of patients selecting a practice via search engines, 27% through practice websites and 20% using online directories, it's vital to attracting new patients and creating a positive patient experience from the outset.



Fastest growing areas of technology adoption

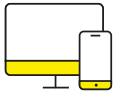
Technology and communications channels most likely to be introduced over the next two years



Digital check-ins for patients when entering the practice



Ability for GPs to monitor patient health using remote devices



GPs using smart devices during consultations



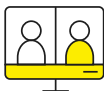
Data analytic solutions to help practices monitor operational and financial performance metrics



Patients can engage with the practice via digital channels



Patients can engage with the practice via social media



Effective and secure telehealth consultations via video

Already introduced	Will introduce within 2 years
32%	27%
19%	26%
45%	25%
53%	24%
52%	17%
30%	17%
69%	17%

Case study: Ausdocs Holdings Group



Ausdocs Holdings Group was established in 2018 by Dr Ali Issapour and has grown rapidly by acquiring existing practices. In only a matter of years, the business has expanded from one to 11 practices, with more than 100 staff and 80 partner doctors.

Dr Issapour is the sole director focused on the strategy of the Group, supported by a consulting board and a CEO who leads the business. In growing and managing a large practice network, Dr Issapour has unique insights into strategies adopted in single practices or across the network.

Balancing the Group's objectives with those of a diverse practice mix relies first on preserving the different brands, operating rhythms, and cultures. Having shared management, marketing, and clinical knowledge then brings an advantage that's out of reach to individual practices.

Optimising technology adoption

The use of technology is key to ensuring streamlined operations across the Ausdocs practice network. Dr Issapour says the business reviews emerging technology opportunities to drive efficiencies, deliver a better experience for staff, and increase patient convenience and professionalism.

"One of our practices has been working with the Australian Digital Health Agency as part of Provider Connect Australia. The program aims to reduce the amount of paper in the administrative workflow. Practice managers and management teams are also investigating the benefits of improving online booking platforms."

Dr Issapour says the recent advancements in data analytics solutions like Cubiko are a significant step forward for the industry and the business. He says it gives practices access to real-time reporting and payments analytics features alongside business and patient care

metrics, which supports efficiencies and better decision-making at a practice and Group level.

“We trained all our doctors, nurses, practice managers, and operational managers. They’re using Cubiko to maximise operational visibility and efficiency. We are also seeking to integrate systems, bringing our practice management and financial platforms and data closer together.”

According to Dr Issapour, it is also essential to ensure that highly sensitive data and payment records are secure. “Not only do we have to take all reasonable steps to protect patient’s information, but we also need to prepare response plans so we can act quickly should a cyber threat emerge,” he says.

Retaining valued workers

Due to its focus on improving the experience for everyone involved with the practice, Ausdocs enjoys outstanding loyalty and retention among its patients and staff. However, finding and attracting new people is fiercely competitive, prompting creative strategies.

For example, when Ausdocs acquires practices, it also focuses on retaining doctors rather than finding new ones for the newly acquired practices. “When we have acquired practices, we work proactively and

collaboratively with the medical staff, Dr Issapour says.

“We encourage them to talk to previous doctors who sold us their practice or doctors who worked for us after we took over. We reassure them that the culture will not change, we don’t touch the individuality of the practice, and if there are any changes, it mainly occurs behind the scenes.”

From bulk to mixed billing

The current economic environment presents more significant challenges than retaining and attracting staff, says Dr Issapour. Especially for medical practices that still service patients who rely solely on access to bulk billed consultations.

Dr Issapour says the medical rebate needs to catch up with increasing interest rates, labour, and overhead costs. He says this is forcing many practices to revisit the viability of bulk billing.

“Currently, the Medicare Benefits System doesn’t consider the business side of general practice. It still operates under the assumption that a \$40 charge for 10 minutes of a doctor’s time means a doctor has to see six patients an hour, which isn’t realistic or designed to produce the best health outcomes.”

“This current model doesn’t consider that doctors have to pay themselves a percentage of the rebate, along with rent, staff wages, utility bills and supplies for the practice. This provides the practice with little margin to put aside for other business needs.”

Patient education and transparency

Ausdocs has been transitioning a couple of its practices from bulk billing to mixed billing services. However, the business has maintained transparency with patients to help them fully understand and appreciate why this is happening.

“Many practices are moving to a varied fee schedule, and the population’s awareness of inflationary conditions is high. Our experience is that patients are appreciative of the reason behind the move. Still, part of that is being proactive in explaining and communicating with them about the changes,” added Dr Issapour.



www.ausdocsgroup.com.au

Spotlight on Aboriginal and Torres Strait Islander health



1 in 3

Practices are involved in Aboriginal and Torres Strait Islander health, and more than one in two for regional practices



65%

Of practices involved are familiar with culturally appropriate care programs to support Aboriginal and Torres Strait Islander health



70%

Of practices involved view culturally appropriate care programs as effective, but only 19% say they are very effective



82%

Of practices involved believe they have enough support to deliver culturally appropriate care programs, but only 24% strongly agree



Practice viewpoint

"We conduct cultural awareness training to ensure staff can engage and educate all patients. Our team is diverse, so we can effectively connect with the communities we serve. We've seen the number of patients within our practices increase because it's a supportive and safe environment."

"We offer specialised appointments and have resources and funding to proactively support Aboriginal and Torres Strait Islander peoples. There's funding available for comprehensive health assessments, which we use to understand First Nations patients' health status upfront. We find once somebody feels comfortable and we've given them time and energy, they're happy to engage in future."

Dr Peter Gianoulis,
Townsville and Suburban
Medical Practice

For Aboriginal and Torres Strait Islander peoples, being healthy goes beyond avoiding disease or illness. A wide range of cultural, socio-economic, and living conditions contribute to health outcomes. According to the Australian Institute of Health and Welfare⁶, the burden of disease for First Nations Australians is 2.3 times that of non-Indigenous Australians. Added to that is the challenge of accessible healthcare in regional and rural areas.

One in three practices nationally are involved in supporting Aboriginal and Torres Strait Islander patients, and of these most are at least moderately familiar with the support programs available. While practices support the effectiveness of these programs and generally agree they have support to deliver them, with fewer very strong proponents, it suggests there is still a lot more to be done.



Practice viewpoint

“With the recent changes in the Closing the Gap registrations, we are using our database to check which patients are of Aboriginal or Torres Strait Islander heritage. These patients are also registered on the Closing the Gap Pharmaceutical Benefits Scheme Co-payment, which gives them access to affordable and accessible medications.”

“We also ensure that if any services apply to the group, we will reach out and make sure that we offer that service. In our clinic, most of the nurses and the majority of the doctors have been through cultural training. We want to provide a service that makes people feel culturally safe.”

Kim Ling Ching,
Northeast General Practice Services

Conclusion

Most practices are intent on navigating the challenges of the current operating environment. Despite changing practice economics, they are pursuing growth to ensure that the sector can sustainably scale up to meet the challenges of escalating patient demand. To achieve this goal, many are forced to do things differently, whether reviewing how they bill patients, optimising processes or putting the experience of their people and patients ahead of the practice.

This report joins a chorus of voices from across the healthcare industry recognising that a thriving future for general practice relies just as much on healthy patients as it does on healthy doctors, practice staff and primary health businesses. The research shows that currently, practices are taking responsibility for both through their focus on:



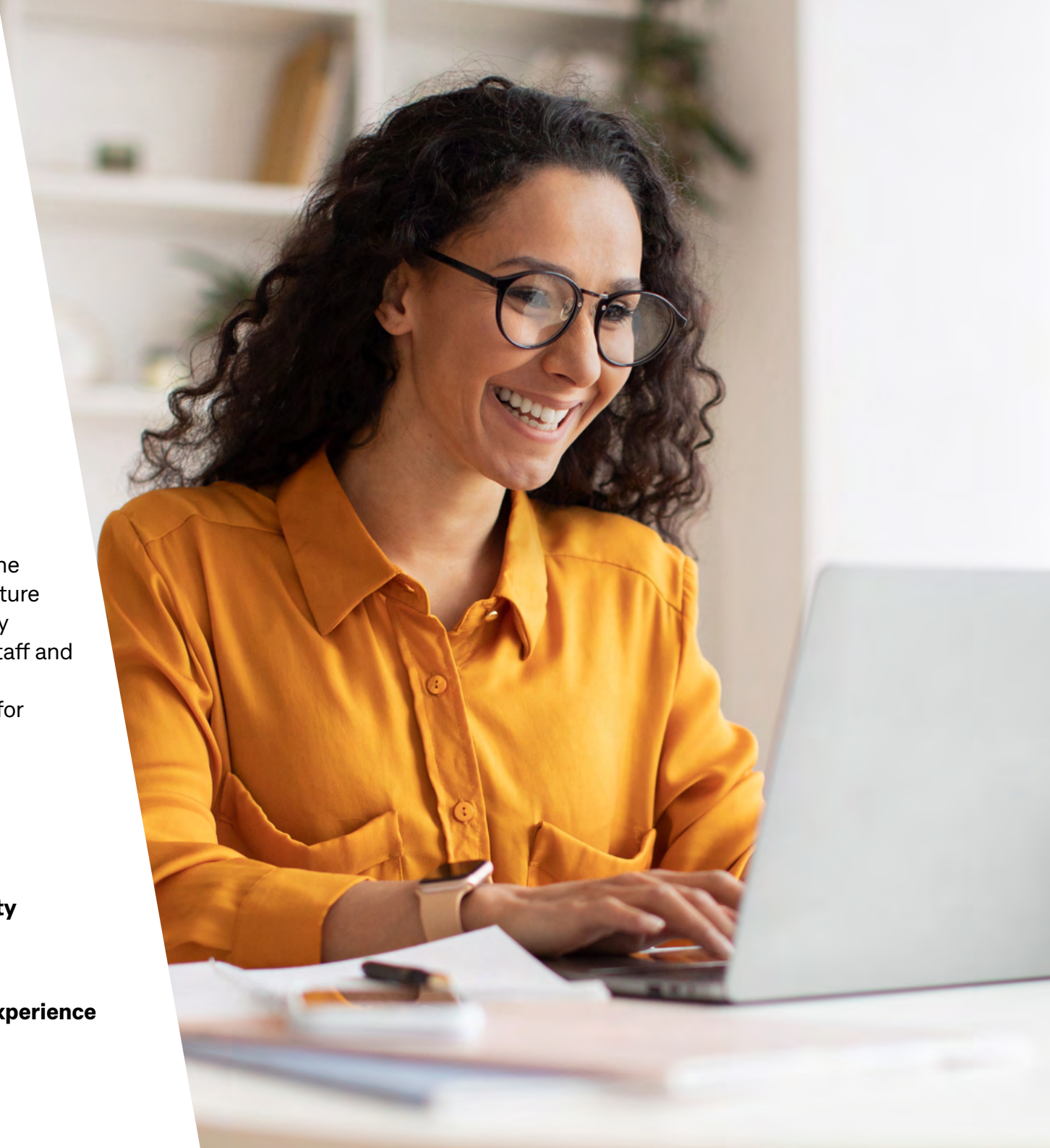
Sustainable billing models



Putting people first to expand capacity



Enhancing the patient and practice experience





Location-based insights

Views from across the industry

Metrics to help practices in different locations evaluate their performance, strategies, and outlook.

Benchmarking dashboard (metropolitan vs regional practices)

Business confidence in the next 12 months

	Average	Metro	Regional
Very confident	25%	27%	18%
Quite confident	50%	52%	41%
Not very confident	25%	20%	39%
Not at all confident	1%	1%	2%

Practice priorities in the next 12 months

	Average	Metro	Regional
Change billing models to reduce proportion of bulk billing	60%	61%	59%
Increase the number of healthcare professionals	43%	42%	45%
Reduce or restructure operational costs and debt	35%	33%	41%
Expand the range of services offered by GPs	32%	33%	27%
Expand the range of services offered by other practitioners	26%	27%	25%
Invest in new IT systems or integration	25%	25%	22%

Approach to business in the next 12 months

	Average	Metro	Regional
Concentrating on growth	54%	58%	45%
Maintaining revenue	40%	39%	41%
Downsizing or closing	6%	3%	14%

Top practice challenges

	Average	Metro	Regional
Medicare schedule fee not keeping up with practice running costs	69%	72%	59%
Increasing costs	59%	59%	59%
Attracting and retaining qualified GPs	50%	48%	57%
Attracting and retaining qualified support staff	45%	45%	43%
Protecting GPs from work overload	41%	42%	39%
Inability to keep up with demand from new or existing patients	29%	25%	41%

Changed in billing to reduce bulk billed services

	Average	Metro	Regional
Have reduced	56%	55%	61%
Considering reducing	25%	28%	18%
No plans to change	19%	18%	22%

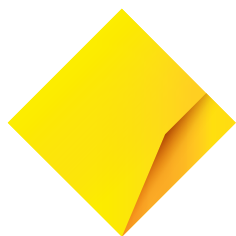
Offsetting rising costs

	Average	Metro	Regional
Change billing models to reduce proportion of bulk billing	61%	60%	63%
Charging patients more	57%	59%	49%
Reducing overheads and debt, restructuring operational costs	36%	39%	29%

Sources

- 1 Royal Australian College of General Practitioners. Health of the Nation Report. September 2022.
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- 2 Medicare is the claiming channel that helps practices lodge Medicare bulk bill and patient claims.
- 3 Royal Australian College of General Practitioners. Health of the Nation Report. September 2022.
www.racgp.org.au/getmedia/8abdd63a-9f5b-4650-892e-3c456d30a01f/Health-of-the-Nation_1.pdf.aspx
- 4 Cubiko Practice Intelligence Platform is operated by Cubiko Pty Ltd ACN 640 999 391. Cubiko are a subcontractor of the Commonwealth Bank and are not part of the Commonwealth Bank Group. Additional details are available at CBA Newsroom 'CommBank Smart Health launching practice insights powered by Cubiko' article'
- 5 Australian Medical Association. November 2022. The general practice workforce: why the neglect must end
www.ama.com.au/ama-rounds/25-november-2022/articles/ama-report-projects-staggering-gp-shortage
- 6 Australian Burden of Disease Study 2018: key findings for Aboriginal and Torres Strait Islander people.
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