Restoring practice vitality

CommBank GP Insights 2024

Contents

Foreword from CommBank Health

Welcome to the 7th edition of CommBank Health's annual *GP Insights report*. CommBank Health is committed to supporting the healthcare industry navigate through challenges and capture opportunities for growth and efficiency gains. Since 2018, this report has revealed insights into the top challenges faced by GPs and how practices are preparing to adapt.

After a hugely demanding period in which the healthcare industry, and the GP sector in particular, supported the Australian community navigate a once in a century pandemic, this year, we are seeing more optimism from the sector which is benefitting from implementation of many of the strategies signalled in previous GP insights reports. Recalibration of billing models which have helped offset higher costs, workforce optimisation, and use of technologies to help grow the business as well as capture workflow efficiencies are all key to future growth plans for GP practices.

This pleasing improvement in GP practice operator confidence in conditions for the year ahead, where many are expecting at least a modest improvement in profits, is allowing them to turn their attention to expanding teams, services, and patient numbers. Led by regionally-based practices, almost two in three are growth-focused.

However, practices remain realistic about the persistent challenges they face. As they strive for growth, navigating talent shortages, administrative hurdles, and elevated costs will be crucial. This is driving a renewed focus on strategies that can optimise the workforce, patient experiences, and practice operations, with implementing new payments technologies a key priority. Once emerging subjects like cyber risks, artificial intelligence and data driven decision making are now taking more centre stage in the priorities and strategies of GP practice operators. And whilst adoption of AI remains in its early stages, most are interested in how it could support activity from patient education to streamlining appointments. These themes are amongst the contributors to a rebound in technology investment intentions after a period of subdued intentions to grow spend on new technology solutions.

CommBank Health is delighted to issue this report which we hope practice decision-makers can use as one source of market intelligence as they chart a course of sustainable growth. This is achievable with stronger business foundations and improving conditions, which means more Australians can access the high-quality primary care to which they have become accustomed.

Albert Naffah
CEO CommBank Health
Commonwealth Bank of Australia

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About CommBank GP Insights 2024

This edition focuses on changing practice economics and billing, workforce issues and technology adoption and how this impacts the patient and provider experience.

The report is based on a quantitative survey of 204 decision-makers and senior influencers at general practices across Australia. This included 100 business owners and 104 practising physicians.

Fifth Quadrant conducted the general practice and patient surveys on behalf of CommBank Health in October 2023. All references to patients and general practices in this report refer to those participating in the surveys unless stated otherwise.

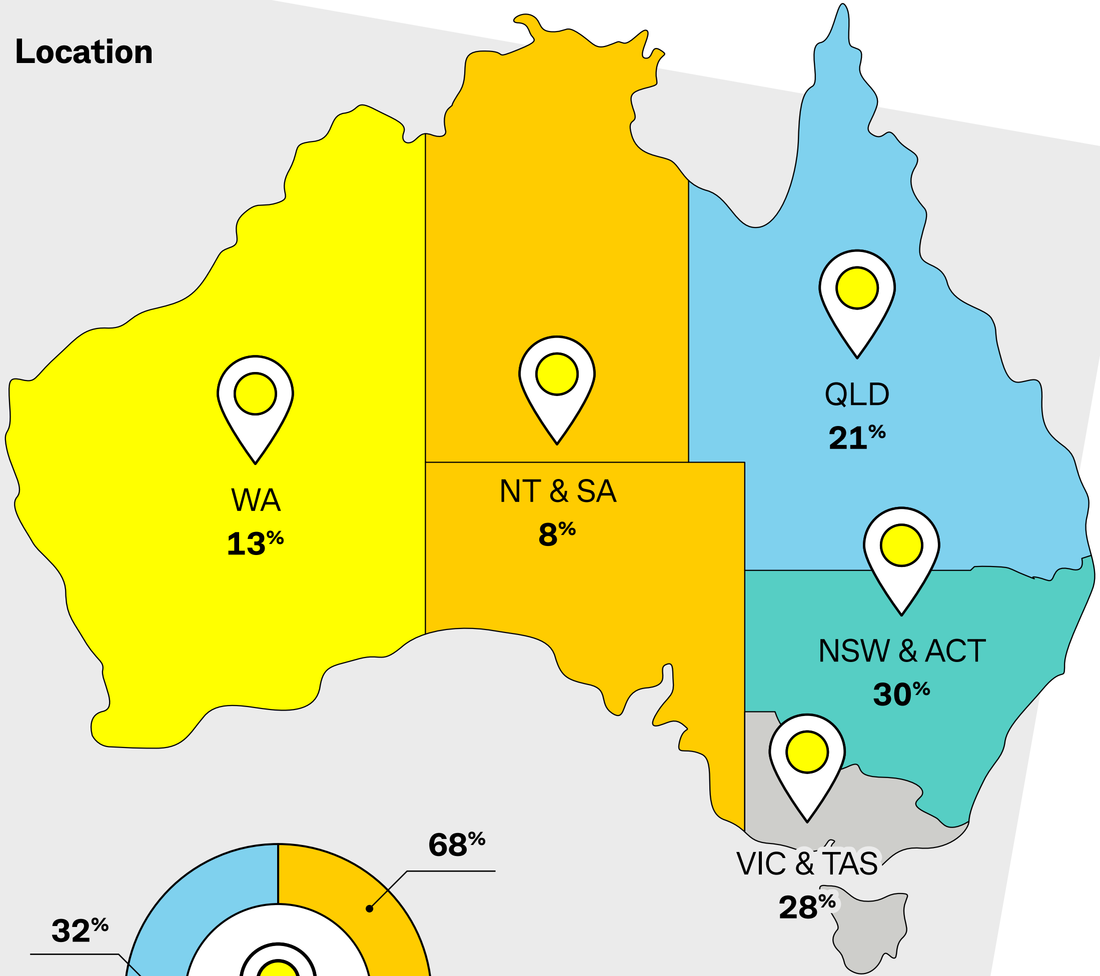
About CommBank Patient Experience Insights Report

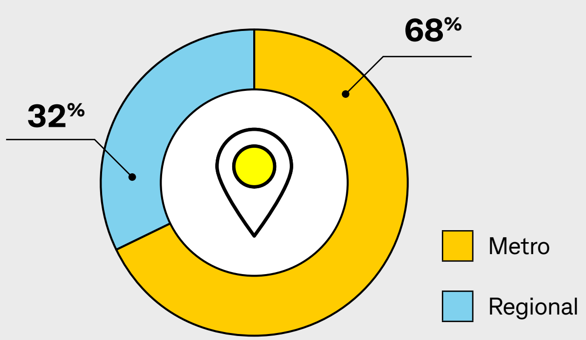
The inaugural edition of CommBank Patient Experience Insights focuses on the experiences and preferences of Australians when engaging with the healthcare system. The insights are derived from an online quantitative survey of 1,127 respondents completed in October 2023 and conducted by Fifth Quadrant on behalf of the Commonwealth Bank.

All respondents consulted with at least one of either a general practitioner (90%), dentist (62%), medical specialist (56%), or allied health provider (42%) in the past 12 months.

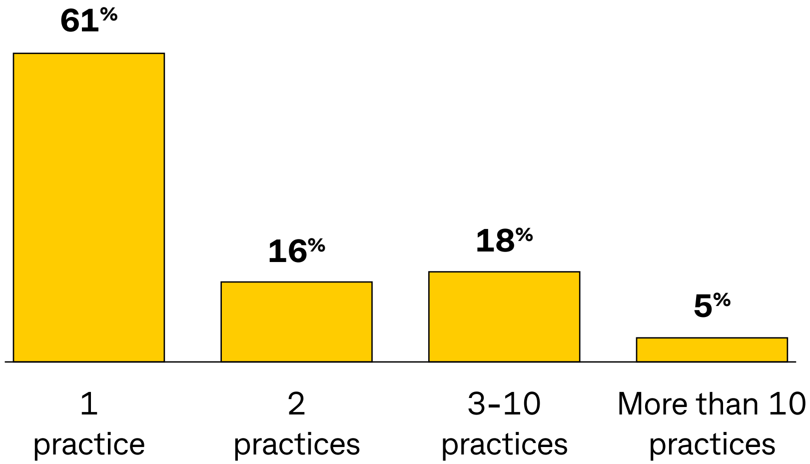
Respondent profile

Location

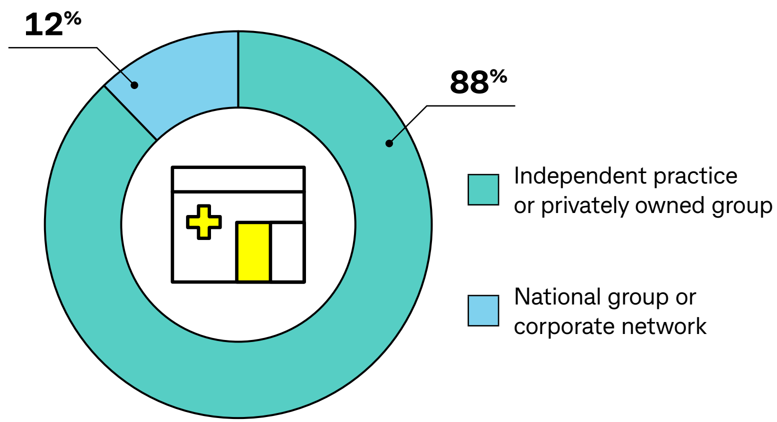




Number of practices operated



Type of practice



Key insights

The *GP Insights* findings suggest some challenges that have tested practice viability may begin to ease. In fact, amid the ongoing shift in billing models for many practices, and a broad focus on optimising the workforce and operations, confidence is improving. Most practices are targeting growth in the year ahead and pursuing pathways to expand capacity, meet patient demand, and drive efficiencies and productivity.

Operational and financial drivers

Performance outlook

Most practices see moderately higher patient numbers and revenue, while fewer expect costs to keep rising. As a result, more practices anticipate strengthening profitability in the year ahead. This is supporting confidence among almost eight in ten practices.

Top challenges

While there is some expected easing, persistent challenges relating to operating costs and attracting and retaining GPs and staff remain of most concern. These factors are prompting a focus on driving efficiencies and capacity to capture growth opportunities.

Opportunities to improve performance

Costs

66%

of practices are changing billing models to reduce bulk billing in direct response to higher costs

To offset higher costs, practices are changing their billing approaches, restructuring costs and debt and targeting more efficient operations.

People

50%

of practices plan to expand the number of healthcare professionals in the next 12 months

Most practices are navigating ongoing shortages, and are prioritising flexibility and workplace culture to attract and retain doctors and staff.

Patients

59%

of practices plan to expand the services offered by GPs and other healthcare professionals

Practices are adopting different strategies to find and keep patients, including meeting demand for services and making it easy to find, book, and pay for appointments.

Technology

74%

of practices plan to increase technology investment in the next 12 months

Practices are aiming to modernise legacy technologies and adopt new digital tools to ensure the patient and practice experience continues to be optimised.

Practice performance and outlook

As practices move through the recalibration of billing models and optimise operations, stronger foundations for growth are emerging.

Early signs of a turning point as outlook improves

The recent CommBank *Patient Experience Insights report*[1] showed that 90% of a representative sample of the Australian population had visited a GP in the past year. With almost everyone turning to a GP, it confirms the vital role of primary care in supporting the nation's health and as a gateway to the broader healthcare system.

That nearly all Australians needed access to GPs underscores the importance of practices' financial viability and sustainability. In recent years, the economics of running a general practice have shifted, with rising costs and lagging incentives prompting changes to billing models and a focus on practice efficiency.

According to the GP Insights survey, even as most practices experienced an uplift in patient numbers and revenue in the past 12 months, this was largely modest. As Figure 1 shows, most also catered to increased demand with the same number of GPs or less.

At the same time, costs rose significantly for many, and practices continued to invest in improving operations and premises. As the report will later explore in more detail, even with additional government incentives to bulk bill patients, margins remained under pressure. For the majority, profit either held steady or declined.

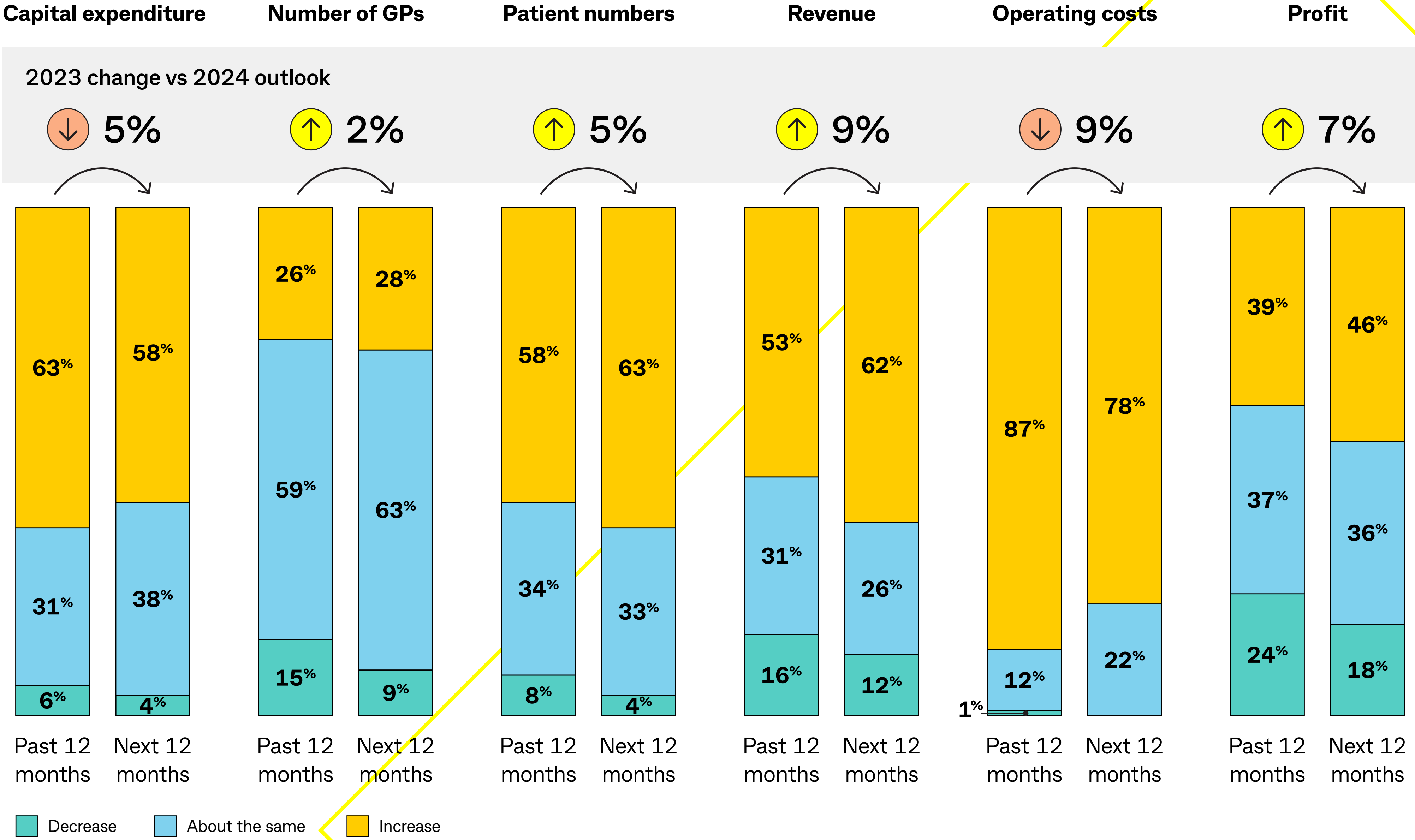
Looking at expectations over the next 12 months reveals signs of a welcome shift in operating conditions. Compared to reported annual changes, more practices are now expecting higher patient numbers and revenue. Fewer practices are also anticipating cost increases in the year ahead and, in turn, some relief for margins.

As we will see shortly, this moderate improvement in expected performance also arrives as the multi-year shift from bulk billing to mixed and private billing continues to slow. This suggests that as this runs its course and practices shore up their viability, they can again look at growth opportunities.

1 CommBank Patient Experience Insights 2024.
commbank.com.au/business/foresight/reports/patient-experience-insights-report.html

Figure 1. Drivers of changing practice economics

Performance by indicator in past 12 months and expected for next 12 months (proportion of all practices)



Rising costs drive ongoing billing model shift

The *GP Insights report* is the latest analysis to confirm that the average proportion of bulk billed consultations continues to decline. Practices say that 62% of appointments were bulk billed 12 months ago, 53% currently, and that 45% will be bulk billed a year from now.

Figure 2 outlines that for the 63% of practices that reduced bulk billing in the past year, rising costs are cited as a driver by 94%, compared to 77% that said the same in 2023. The second top reason was insufficient Medicare schedule fees, a trigger to reduce bulk billing among 90%.

This was down from 94% a year earlier, likely helped by initiatives such as the triple incentive. Generally, rising incentives enabled 44% of all practices to provide more bulk billed consultations and 52% for regional practices. Even so, 81% agreed rising costs outstrip incentives.

Meanwhile, improving GP satisfaction has also acted as a trigger for just over half of practices (53%). Given doctor shortages, 36% also see a billing model shift as supportive of their recruitment and retention efforts.

This movement in billing models is reflected in the *Patient Experience Insights report*[2], where 58% of patient respondents agreed it is now harder to make an appointment at a practice offering bulk billing.

However, while the proportion of privately billed consultations is increasing, the median charge for a Standard B consultation remained unchanged year-on-year at $80. Just over half expect this will rise to $85 by 2025.

Figure 3 also shows that the range of fees is widening compared to last year, with almost 19% charging less than $60, up from 14%. The proportion at the top range is also rising, with those charging over $100 rising from 2% to 7%.

This may suggest pricing is being set by some practices based on the demographics or need of different patients.

2 CommBank Patient Experience Insights 2024. commbank.com.au/business/foresight/reports/patient-experience-insights-report.html

Figure 2. Drivers of reduced bulk billing

Top five triggers (proportion of all practices that have reduced bulk billing)

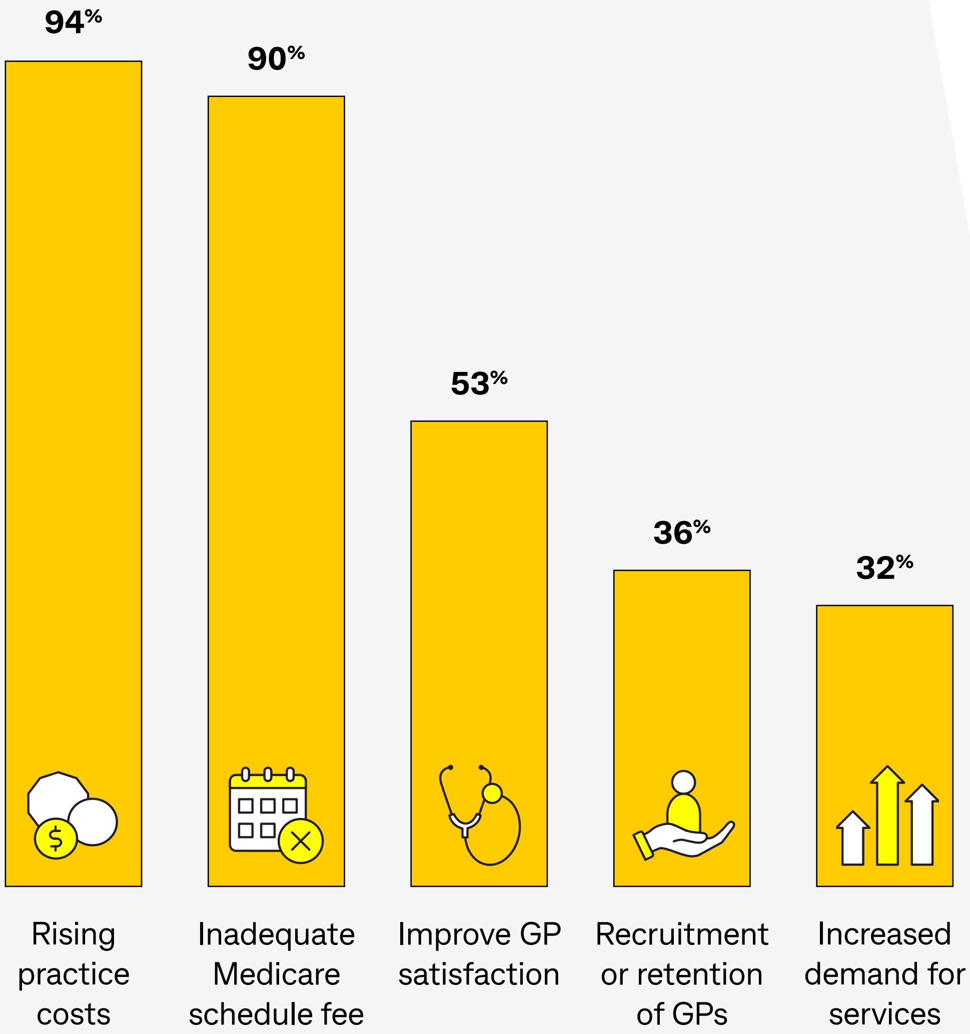
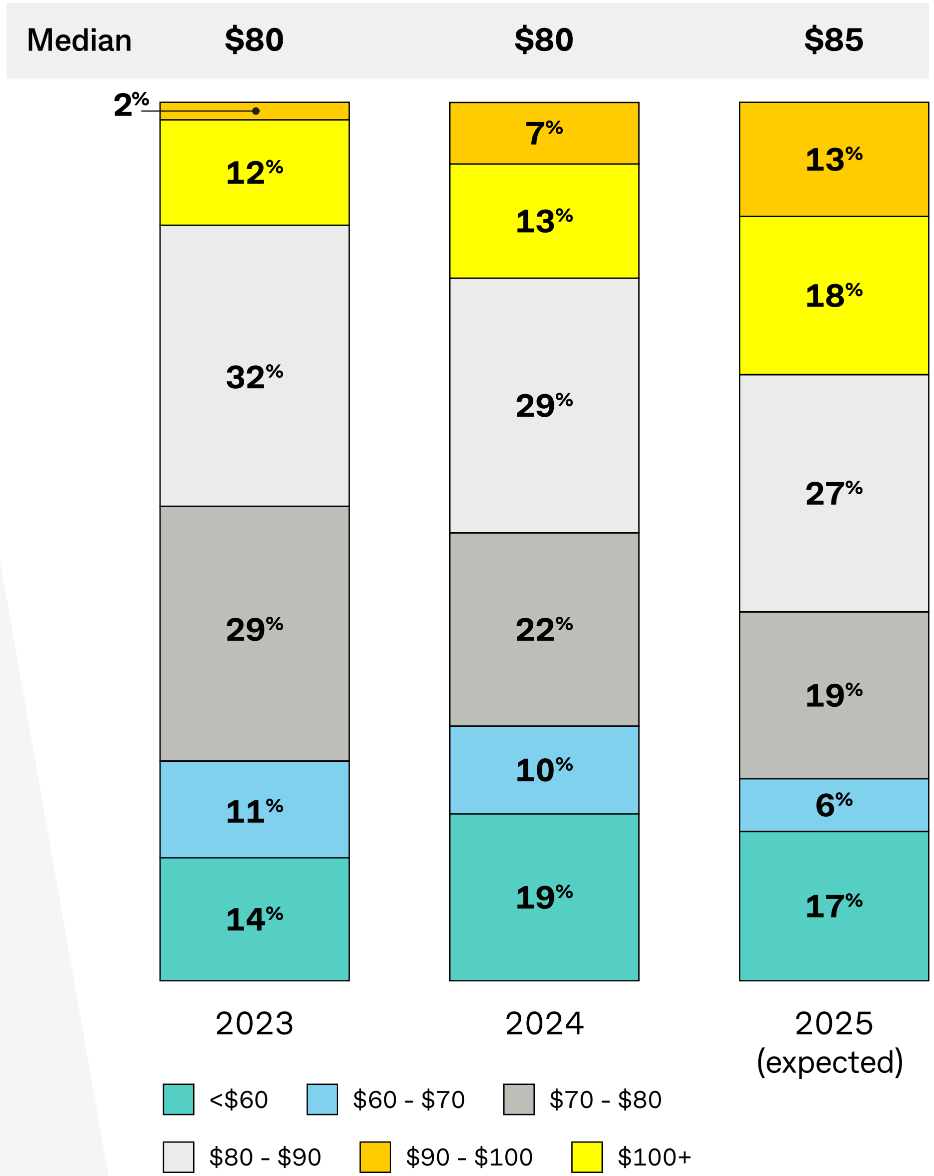


Figure 3. Fees for standard consultation

Fees in 2023, 2024 and expected for 2025 including rebates (proportion of all practices)



Capitalising on a growth mindset

As general practices move further through billing model shifts and with the rate of cost increases expected to ease, higher levels of optimism are emerging. Now, 79% of practices are confident in business conditions in the next 12 months, including 30% that are very confident. This compares to 75% that were optimistic 12 months ago.

Improved sentiment is also flowing through to practices' mindsets. Almost two in three are concentrating on increasing revenue in the year ahead, up from 54% 12 months earlier. In addition, 35% are seeking to maintain current revenue, and encouragingly, just 2% intend to wind back or close.

This sharper focus on growth is most prevalent among regional practices, with the number rising from 45% to 66%. For metropolitan practices, 61% are growth-oriented, edging up from 58% in 2023. Despite growing confidence, practices are realistic about the persistent challenges ahead.

As shown in Figure 4, the most common hurdles are cost-related, followed by attracting and retaining people. Managing patient expectations and preferences and issues relating to telehealth also feature.

To address these challenges, practices are planning a range of initiatives outlined as top priorities in Figure 4. Aside from billing model changes, some of the most widely cited are expanding the number of healthcare professionals and the range of services offered by GPs and other practitioners.

Many are also focusing on technology investment, including systems and integration, automation, data-driven tools, and upgrading cyber security to mitigate the risk of attacks or data breaches. In most cases, growth-focused practices are more likely to be planning activity in these areas.

Figure 4. Challenges and business priorities

Challenges to objectives and what businesses will do to achieve them in next 12 months (proportion of all practices)

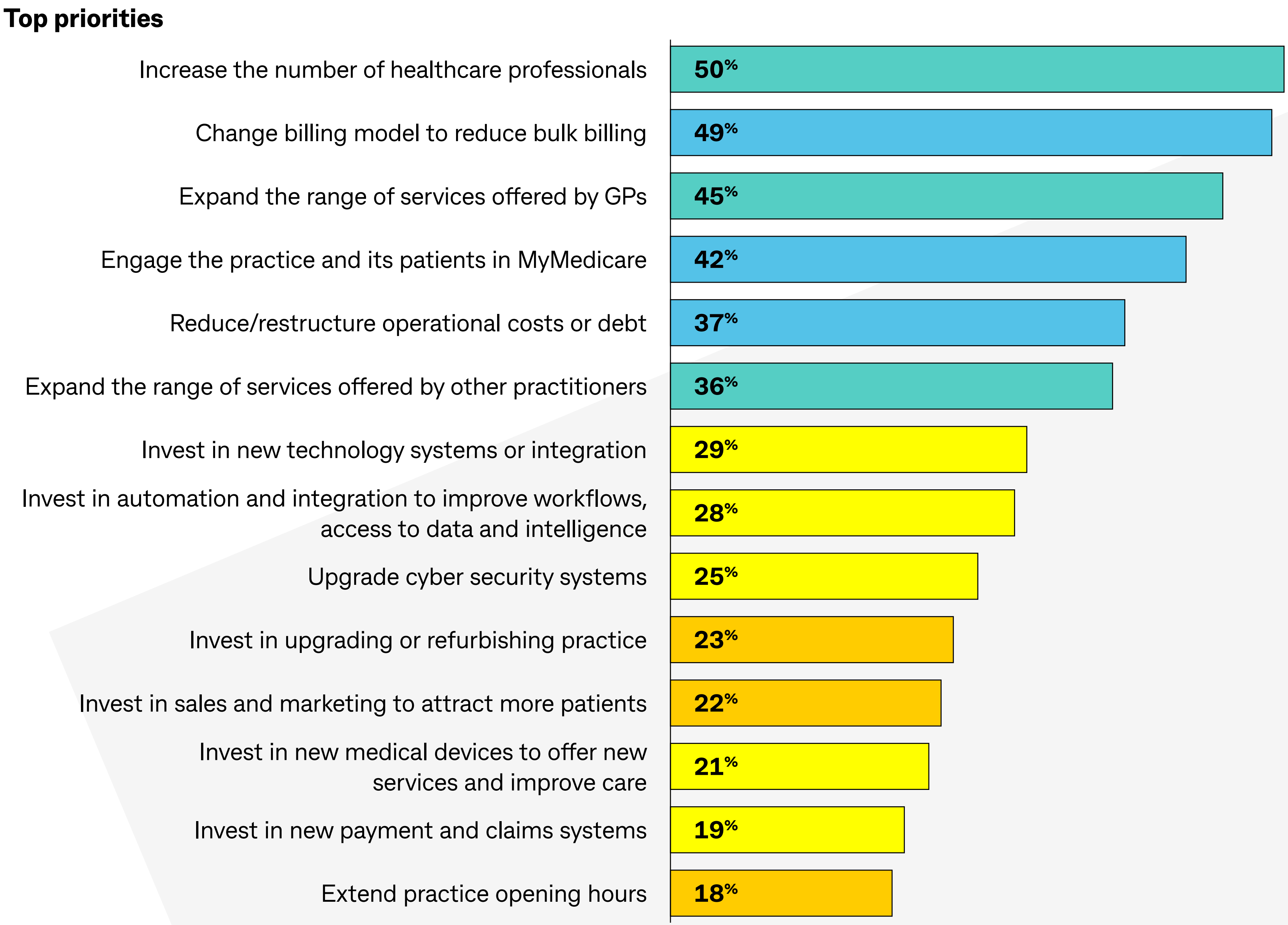


Figure 4. Challenges and business priorities *(continued)*

Challenges to objectives and what businesses will do to achieve them in next 12 months (proportion of all practices)

Top challenges

Costs	People	Patients	Technology
Increasing costs (73%)	Attracting and retaining qualified GPs (57%)	Overcoming patient objections about fees (44%)	Managing payments and issues with telehealth (27%)
Medicare schedule fee lagging running costs (68%)	Attracting and retaining support staff (57%)	Keeping up with patients' changing needs (38%)	Keeping up with new technologies and innovations (25%)
Issues associated with managing and paying payroll tax (42%)	Protecting GPs from overwork (50%)	Growing or maintaining patient numbers (29%)	Ensuring cyber security systems are effective (23%)

Case Study

Eastbound Medical Clinic

Eastbound Medical Clinic (Eastbound) is a GP-owned and operated association of independent doctors and allied health professionals in Bentleigh East, Victoria. Owned and run by Dr Justine Birchall and Dr Owen Latimer since 2016, its 13 doctors, along with allied health, nursing, and administration staff, conduct over 50,000 patient interactions per year.

According to Justine, the clinic has steadily grown in line with the community it serves. For Justine and Owen, the greatest challenge, as both clinicians and business owners, is finding the right balance between attending to patient care and running the practice efficiently and sustainably.

Navigating a challenging recruitment landscape

Justine readily acknowledges the challenges to finding and keeping GPs, given high rates of burnout and fatigue in the industry. While this is more evident in rural and remote practices, Justine says it's becoming increasingly widespread in metropolitan areas.

While being a teaching and training clinic is helpful in new GP recruitment, Justine says Eastbound genuinely enjoys supervising GP registrars and medical students. "We provide an environment that's well supported, collegial, optimistic and positive about the nature of our profession, so hopefully we show young GPs this is a great career choice, and a great career for them."

For Eastbound, carefully monitoring GP work capacity by tracking patient numbers, both quarterly and month-to-month, also aids recruitment decisions and optimises GP work satisfaction, while maintaining high standards of patient care.

The forces shifting practice economics

According to Owen, accelerating costs have seen the economics of running a practice significantly change. Expenses for consumables, labour, compliance, and insurance are among those that have increased the most.

Given the impact of steadily rising costs on all general practices, Owen is surprised that "the fall in bulk billing appointment volumes across the industry didn't happen sooner". While Eastbound predominantly uses private billing, it bulk bills some services and patients with the greatest need, typically older adults, and pensioners with chronic medical conditions.

Eastbound scrutinises quarterly expenditure now more than ever, with payroll, rent, IT and consumables comprising its top four costs. To better manage payroll expenses, Eastbound recently outsourced some back office tasks to an offshore team member, including outbound calls, digital appointments, and email management. Owen now plans to expand the offshore team, given the customer service quality and cost benefits it provides.

Justine also notes that a lack of clarity around the potential payroll tax rulings is one of Eastbound's greatest hurdles. Justine explains that if implemented in Victoria, Eastbound "would have to completely change how the practice operates", leading to higher patient fees and no bulk billing. Justine says the practice has taken steps to prepare by changing its billing model so patients pay GPs directly, but it's not enough to quell concern.

Harnessing data to track and enhance performance

Eastbound cultivates a knowledge-empowered environment, identifying efficiencies and driving performance using data analytics software. According to Owen, accessing practice data and gaining performance insights, both retrospectively and forward-looking, has "been a game changer".

Working seamlessly with clinical software, the practice's analytics platform tracks the nature and type of consultations, operations, staffing and revenue. A dashboard for each clinician monitors performance by patient numbers and wait times, aiding recruitment decisions and optimising patient and practice experience.

A central focus for the past 12 months has been helping GPs to optimise use of the Medicare Benefits Schedule. Principally to understand it better and use item numbers to provide higher value services and more affordable patient care.

Data analytics tools help assess the patients coming in each day, identifying those who would benefit from services such as health assessments, heart health checks, and care plans for patients with chronic conditions. As a result, Eastbound can provide more bulk billing services, making healthcare more affordable for the community.

Advancing social and environmental sustainability

Eastbound proudly reflects the community and patients it serves, recognising strength in diversity. It welcomes people of all backgrounds and celebrates staff's different cultural and religious heritage. Gaining a greater understanding of Indigenous and Torres Strait Islander cultures and needs is also a key priority, with plans to organise an awareness event with the Bunurong Land Council.

A focus on social sustainability extends to environmental areas too. While Justine believes the healthcare sector lags behind others in adopting sustainable practices, Eastbound implements a variety of initiatives.

For instance, installing solar panels making it more self-sufficient in its energy generation, purchasing reusable surgical equipment rather than single-use plastics, using recycled paper, recycling batteries and cartridges, and providing end-of-trip facilities for staff to encourage environmentally friendly transportation.

Eastbound
Medical Clinic

eastboundclinic.com.au

Managing people, patients and practice costs

To attract and retain patients and staff, and manage elevated costs, practices are focused on optimising culture and operations.

Expanding capacity to support doctor and patient wellbeing

Overcoming the long-running shortage of GPs is crucial to achieving priority objectives, alleviating pressure on doctors, and ensuring patient access and continuity of care. The recent *Patient Experience Insights report*[3] confirmed that long wait times to book an appointment are one of the primary reasons appointments are postponed.

In this study, 79% of practices confirm they are experiencing a shortfall of GPs. The impact is an increased workload for existing practitioners (58%) and overwork and burnout (56%). Available appointments and the ability to keep up with demand also suffer.

All these impacts are far more common for regional practices, where shortages are more pronounced. At those practices, 68% say burnout is an issue, and almost two in three (63%) see it constraining appointment spots for patients.

To bridge the talent gap, practices are using a range of tactics, with Figure 5 showing a focus on workplace culture first. This includes 61% offering flexible work arrangements, the top-rated initiative.

This flexibility is supported by telehealth facilities and virtual care options, which enable the delivery of services to patients from remote locations. This also can provide patients with appointment slots that may be more convenient.

In addition, 49% of practices say they are focused on nurturing a friendly and supportive work environment, while 30% run regular team-building events and social activities.

Given their different circumstances, regional practices are more likely than their metropolitan peers to pay higher salaries, recruit international graduates, and offer sign-on bonuses and relocation benefits.

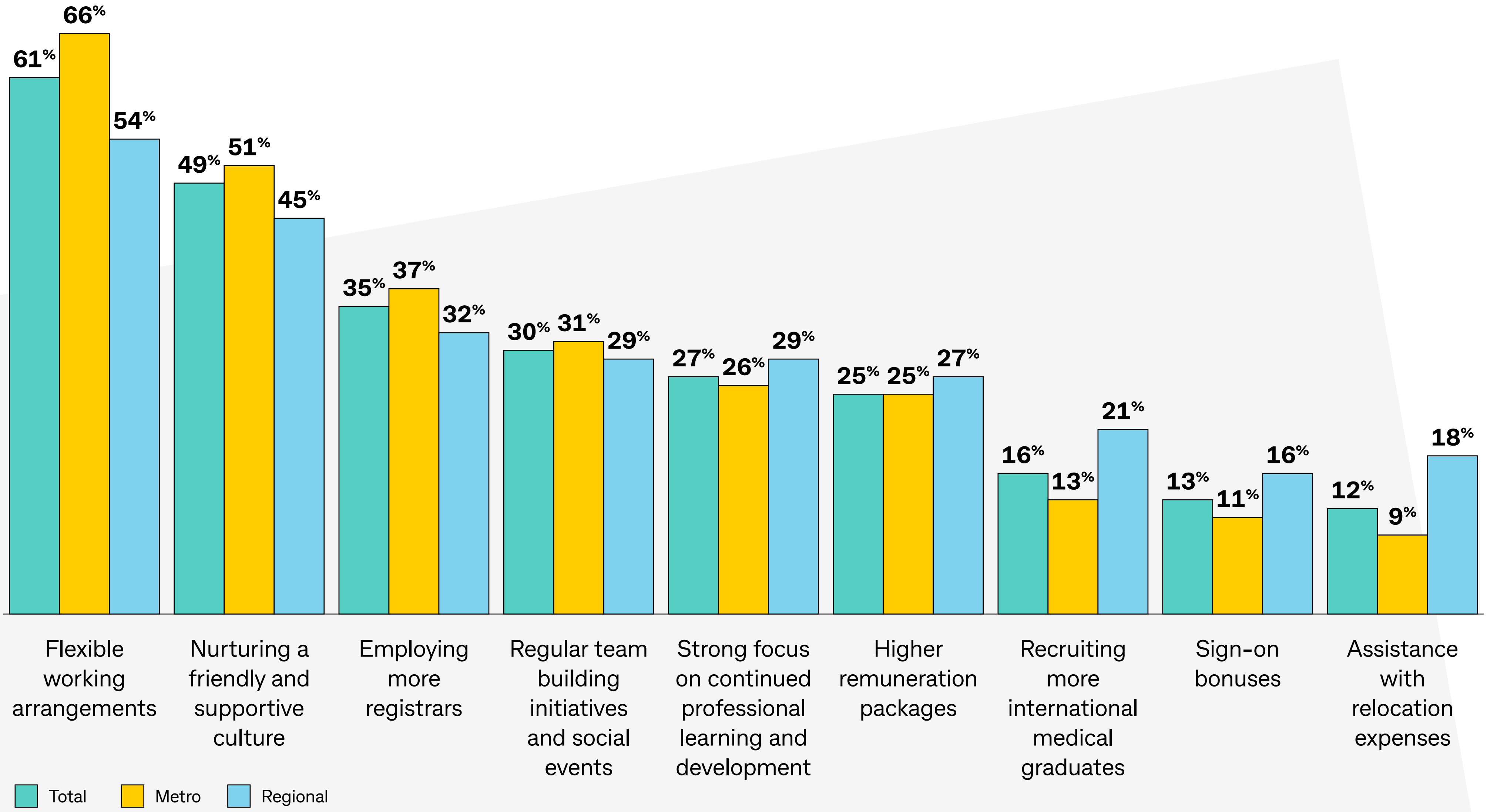
Advancing inclusive care

While almost 60% of GPs believe that Aboriginal and Torres Strait Islander Health programs are effective, few consider them very effective. Most also somewhat or strongly agree they have enough support to deliver effective, culturally appropriate care.

3 CommBank Patient Experience Insights 2024. commbank.com.au/business/foresight/reports/patient-experience-insights-report.html

Figure 5. Finding and keeping GPs

What practices are doing to attract and retain GPs amid a shortage (proportion of all practices and metropolitan and regional locations)



Enhancing patient experiences as the journey begins

To underpin growth ambitions and keep pace with changing patient needs, practices are seeking to enhance the patient experience. Most are active across a number of areas designed to make it easier and more convenient to find a GP and book or manage an appointment.

According to practices, and seen in Figure 6, some of these activities are more effective than others. Take referrals from friends and family, which 89% of GPs strive for, and 94% of those agree it is effective. A similar number say the same about periodic appointment reminders.

Practice websites are used by 88% and deemed effective by 87% of those practices. Other more effective digital avenues include online healthcare directories and booking services, as well as search engine optimisation.

The *Patient Experience Insights report*[4] shows that patients are broadly aligned with practices in the channels they use to find providers. Referrals from family and friends and practice websites were similarly highest, followed by search engines and online directories.

That report also revealed that many patients interact with information distributed by healthcare providers. Email newsletters and content via mobile apps were among the most popular. This research shows that related practice activity is relatively lower and applied with mixed success, highlighting an opportunity to enhance usage to meet patient preferences.

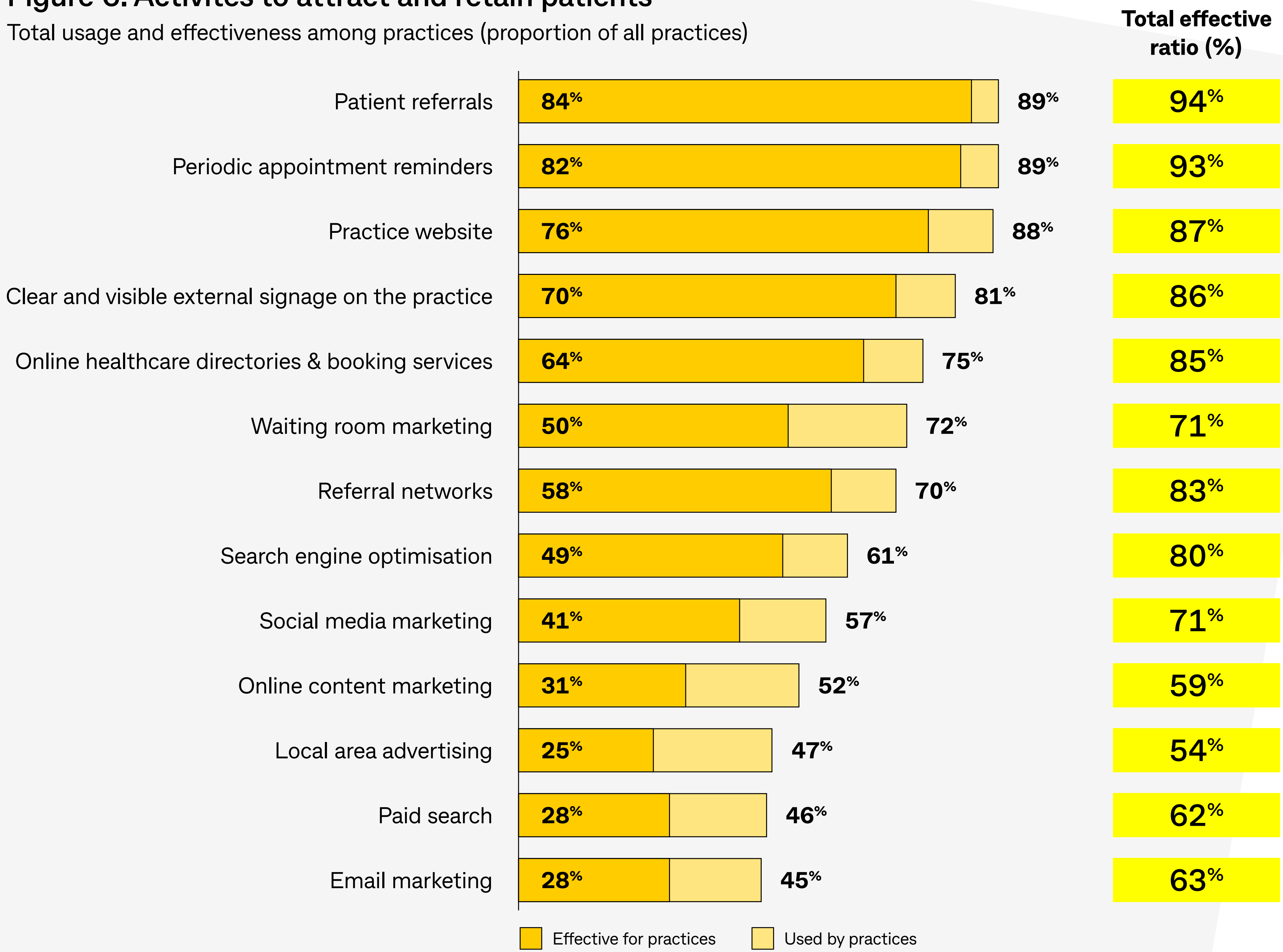
Industry divided on MyMedicare

Views on the benefit of, and readiness for, the Government's MyMedicare patient registration program are mixed. Just over one in four (28%) say it is good for the practice with a similar number believing they are well prepared. However, a focus on increasing engagement with MyMedicare is the strategic priority of choice for regional practices in the year ahead.

4 CommBank Patient Experience Insights 2024.
commbank.com.au/business/foresight/reports/patient-experience-insights-report.html

Figure 6. Activites to attract and retain patients

Total usage and effectiveness among practices (proportion of all practices)



Working through elevated costs

Above all other challenges, rising costs is the most widely felt. Practices have experienced increased expenses across their operations in the past year, most notably for technology. As we will see shortly, many plan to leverage digital tools to reduce costs.

Consumables and insurance expenses also continued their upward trajectory, consistent with recent years. In line with activity to attract and retain doctors and staff, practices also report higher payroll, nurse practitioner, and recruitment expenses.

Compared to 2022, practices are more actively seeking to control costs, now using an average of 3.8 measures, up from 2.9. As already established and shown in Figure 7, changing billing models (66%) and raising fees (65%) are the most common way to compensate for the higher costs of delivering care. Practices are also cutting costs and reducing debt (46%).

Improving efficiency is another common theme. Many practices are optimising staff rostering, using technology to reduce administration, and streamlining patient appointments.

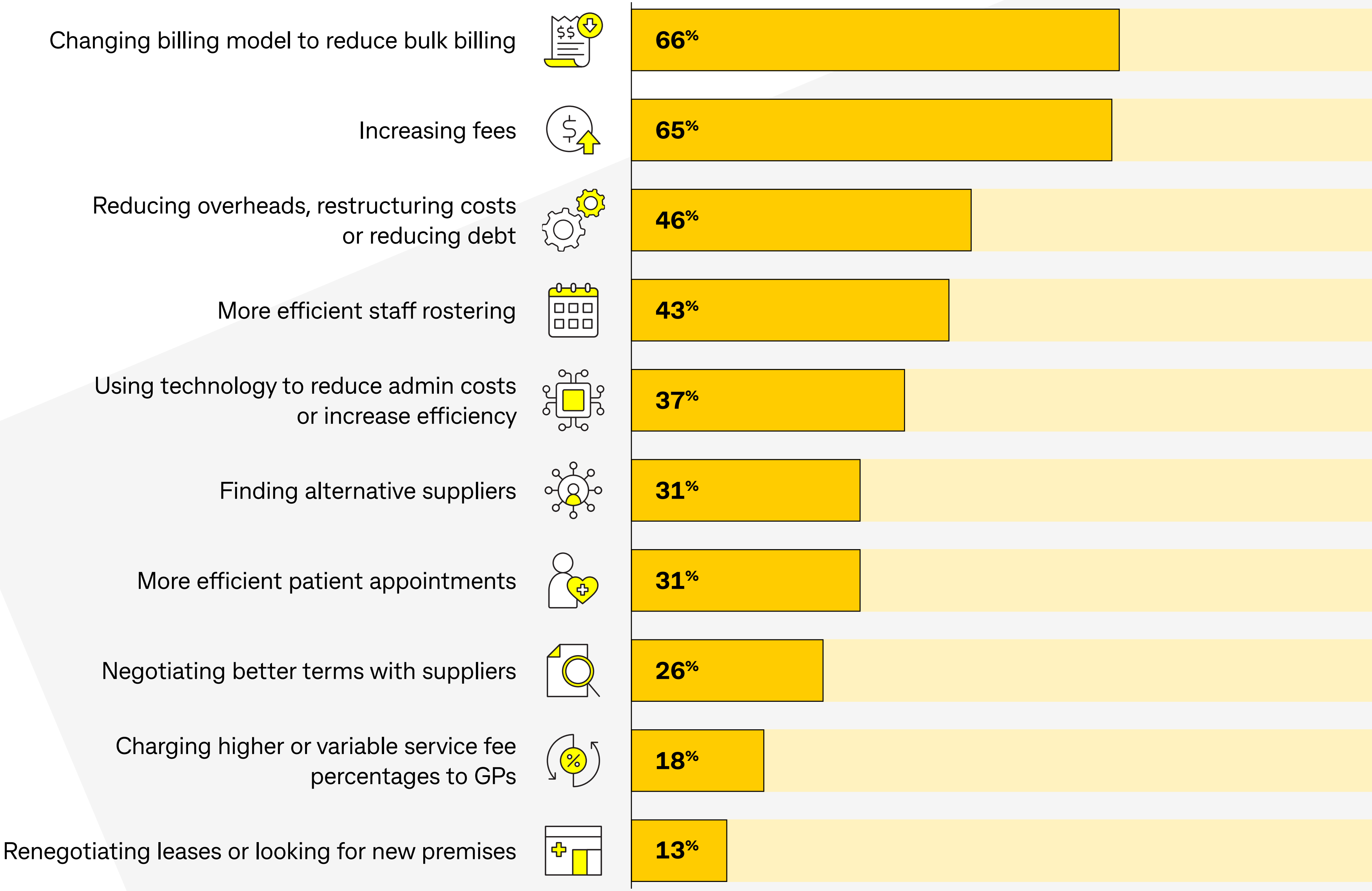
Spotlight on payroll tax obligations

Many practices express concerns amid existing and potential changes to payroll tax obligations. This includes a lack of clarity around the regulations (60%), time-consuming processes (52%), and unforeseen tax liabilities (48%).

As a result of recent rulings regarding employer and contractor agreements, one in two say they have, or will, introduce a model where patients pay GPs directly. However, those already changed models report more complex reconciliation processes (87%) and have to offer more GP support for receipts and payments (74%). In addition, Nearly two in three say cash flow has become more constrained.

Figure 7. Navigating rising operating costs

Activities undertaken to offset rising practice costs (proportion of all practices)



Case Study

East Corrimal Medical Centre

East Corrimal Medical Centre is a family-owned practice that has serviced the local community for over 75 years. Current owners, Dr Puja Mehrotra and Dr Rahul Mehan joined in 2013 and have worked hard to build it into a steady practice of five doctors, supported by a team of nurses and administrative staff.

As advocates for holistic and quality patient care, they have continually expanded the services the practice offers to meet demand. That now includes women and children's health, to men's health and aged care support, as well as skin checks, pathology and allied health services. As a dedicated teaching and training centre, its doctors also mentor GP registrars and University of Wollongong medical students.

In addition to their East Corrimal Medicare Centre, the owners operate a regional clinic with 22 GPs and staff known as the Kruger Medical Centre in the Murrumburrah – Harden township in New South Wales. That practice provides medical and allied health consultations and delivers localised services in Boorowa and Cootamundra.

Rising costs and staffing challenges are a constant

Despite operating a stable business, Rahul says that challenges are persistent, particularly steadily rising operational and wage costs, the latter escalating at a faster rate than the Medicare schedule fee. More recently, IT costs, particularly cyber security, have also weighed more heavily on the practice's budget.

Rahul explains that building East Corrimal Medical Centre into a five-doctor practice has taken hard work over many years. Like many practices, attracting and retaining staff is difficult, especially given the workloads and stress during Covid led to some doctor turnover.

According to Rahul, the difficulty keeping GPs tends to be heightened in Harden and regional branch clinics because, "most applicants for rural and regional positions are registrars and international medical graduates who stay for three to four years then leave, whereas city doctors typically settle for the longer term".

Cultivating a team-based, inclusive culture

Puja says that offering above average wages for nurses and admin staff, as well as lower facility fee rates for doctors, has proven successful in attracting and retaining talent to the practices. She points out that this also ensures continuity of care for patients.

"Fostering an inclusive and team-based culture has enhanced staff satisfaction," Puja notes, adding that weekly practice meetings strengthen connection and inclusion. "Creating a safe space where voices are heard builds rapport and addresses issues before they escalate. A zero tolerance for aggressive or inappropriate patient behaviour has also engendered a supportive practice culture."

Puja and Rahul are also passionate about supporting the future of general practice by encouraging younger doctors to join privately-owned GP practices where they can have a say in not only their future but also the future of the community they support.

Leveraging digital tools optimises the workplace

Rahul says that investment in digital tools has been a long-held strategy for the practice. Technology is applied to help streamline the administrative workload, and subsequently reduce administration and wage costs while increasing practice efficiencies.

For East Corrimal Medical Centre, self-check-in at reception, online bookings, and automated recalls and appointment reminders are just some of the digital options that help improve the patient experience and practice operations.

More recently, Telehealth and e-scripts have delivered efficiency gains for the practice and convenience for patients. Multiple other electronic platforms deliver time and cost savings, including secure booking and appointment management apps, software for patient video conferences and solutions that make claiming Medicare rebates easier for patients. Of course, investment in high-speed internet and cloud-based servers supports these digital technologies.

Puja adds that while digital tools afford significant benefits, training staff to use them must be a focus for the practice. She says this can be time-consuming and challenging given little training is offered by technology providers, but worthwhile to maximise its usage.

Focusing on practice growth continues

Retaining and building patient numbers is an ongoing work in progress. Puja and Rahul suggest the key to their growth has been continuity of patient care with regular doctors who build long-term relationships. Another factor is offering extended practice hours to cater to patient needs without putting too much strain on doctor and staff workloads.

In addition, finding the right approach to billing has been critical in offsetting higher costs and ensuring ongoing access for lower-income patients, as has offering service diversity to match the needs of patients and doctors' specialties.

Having managed the business for over 10 years, Rahul says there are certain attributes of independent practices that can aid sustainable growth. According to Rahul, the first is moving to mixed billing, which East Corrimal Medical Centre introduced in 2021, to ensure ongoing viability.

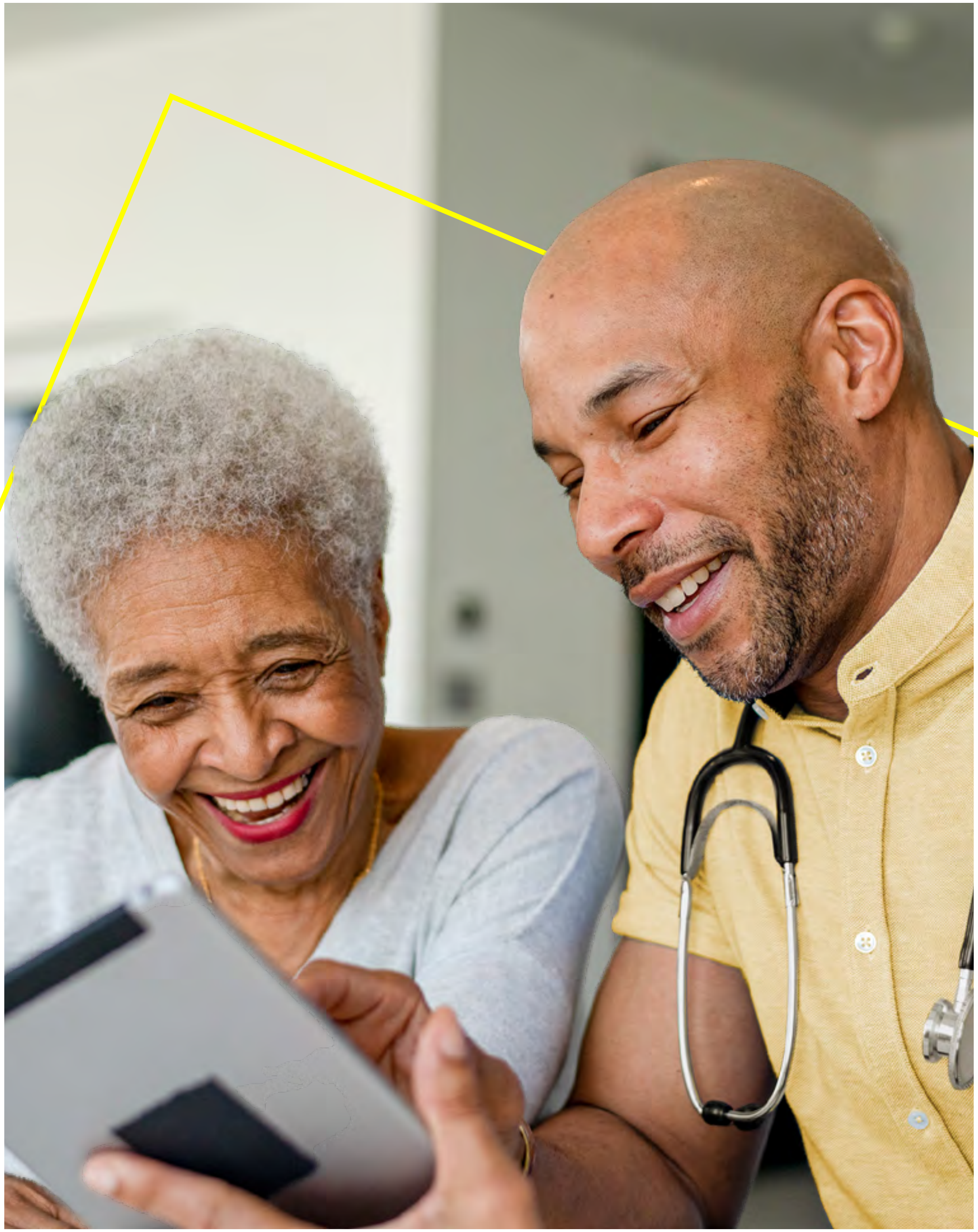
The second is running a multi-doctor practice with around five supporting GPs to enjoy the economies of scale across a larger patient book. And finally, owning the practice premises to help reduce rental costs and build equity in the asset for the longer term.

ECMC
East Corrimal Medical Centre

ecmc.net.au

Digital dividends

Investment technology is set to grow as practices search for efficiencies, insights and a better experience for patients and the workforce.



Technology investment intentions rebound

Between 2020 and 2023, the number of general practices lifting technology investment slowed from 81% to 66%. According to practices, that is set to rebound to 74% in the next 12 months as more strive for growth and the promise of greater efficiencies. Of these, 18% expect to significantly increase technology spend, double the 9% seen last year.

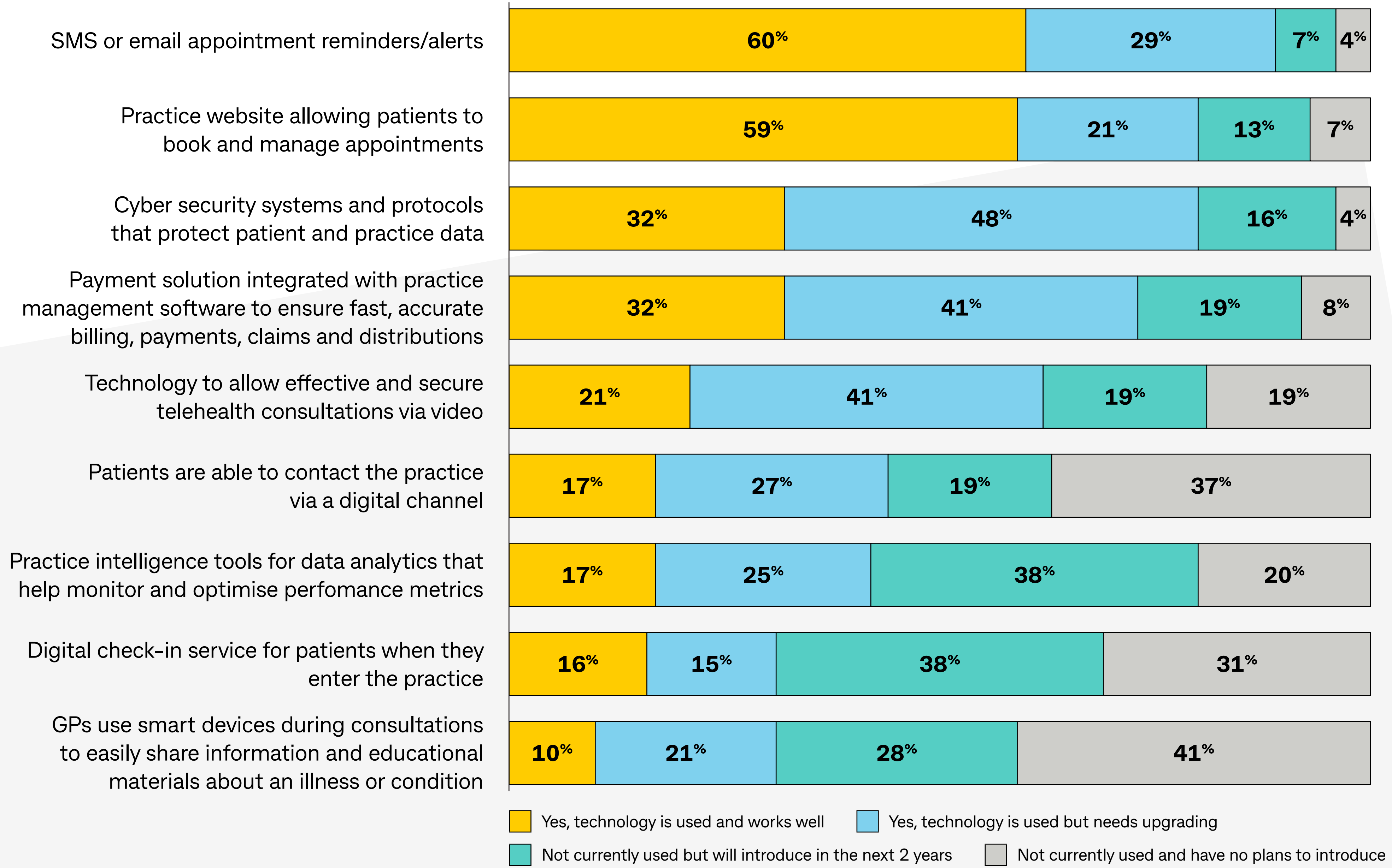
Across the sector, regional practices (78%) are set to outspend their metropolitan counterparts (72%) when it comes to technology and are leading the uplift from 2023. Those focused on growth are also more likely to be increasing technology investment (80%) relative to practices aiming to maintain revenues (66%).

As seen in Figure 8, practices are planning to direct investment towards new or upgraded digital tools in certain areas. The fastest-growing areas of expected adoption in the next two years include practice intelligence tools for data analytics to help track and improve operational and financial performance (38%) and digital check-in for patients visiting the clinic (38%).

Among the technologies that require modernisation and upgrades, cyber security systems and processes stand out (48%). This is followed by payment solutions that can integrate with practice management systems and make paying and claiming more accurate and seamless (41%) and technology to support telehealth consultations via video (41%).

Figure 8. Usage of technology and communications channels

Technology adoption and usage intentions (proportion of all practices)



Modernising the payments and claiming experience

The research suggests that plans to upgrade payment technologies are linked to other issues that are faced by practices. These include meeting patient expectations, supporting shifts in billing model changes and facilitating direct payments between patients and GPs brought on by payroll tax rulings.

This is highlighted by the factors comprising an optimal payment solution in the eyes of practices. Figure 9 outlines how many practices ranked each feature as their top-three. On this measure, 86% valued integration with practice management software. Next is the speed of taking a payment or making a claim (85%).

The *Patient Experience Insights report*[5] also showed that speed is essential to patients, with 78% now expecting on-the-spot processing of Medicare and Health Insurance claims. A similar number do not want to wait 24-48 hours for reimbursement.

More than half say a digital-first experience is important in a payment solution (56%). When comparing perceptions of decision-maker roles, more GPs (64%) say that digital payment options, such as via apps or SMS, are more important than practice owners (47%).

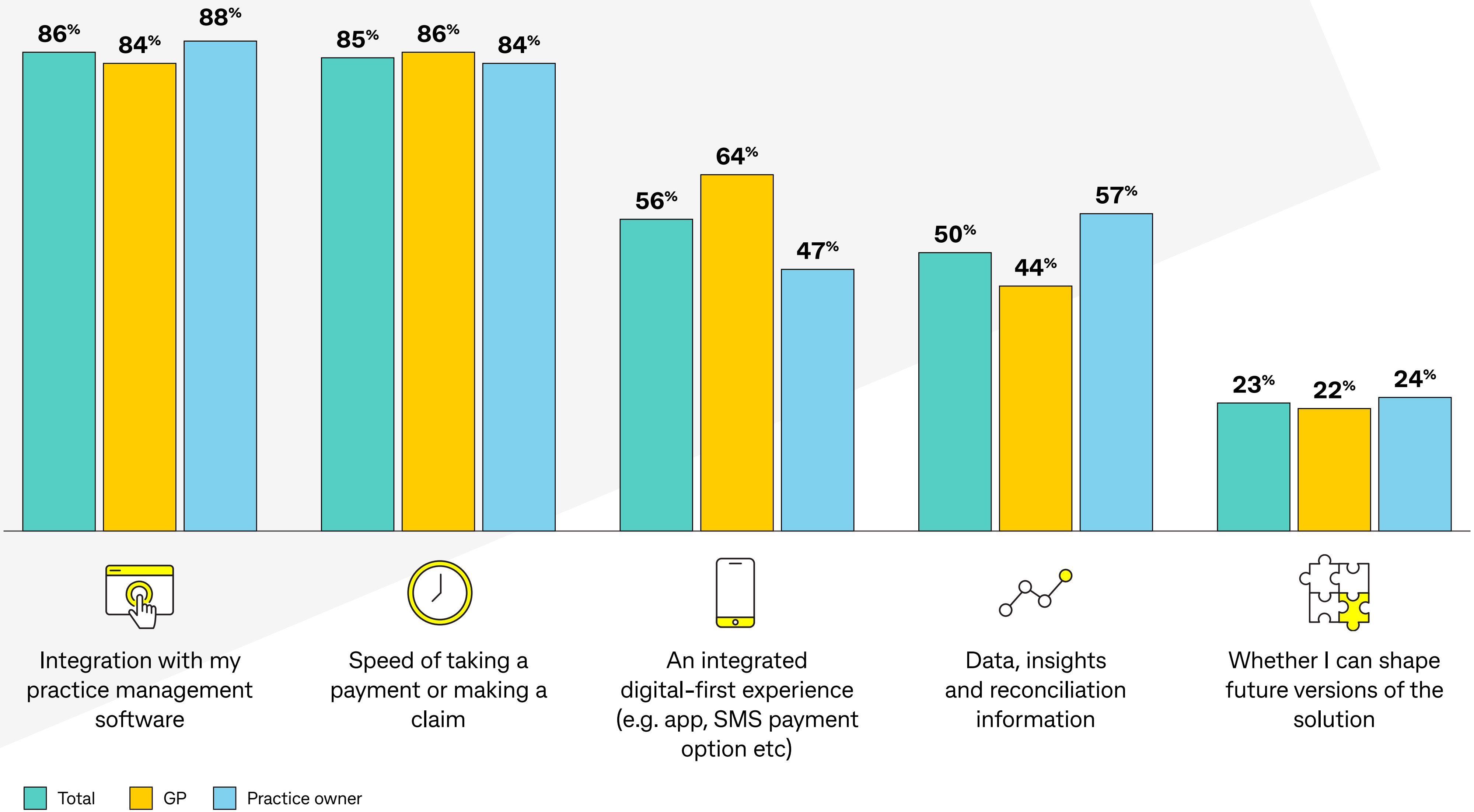
Practice owners, however, are more likely to value payment solutions that offer data, insights, and reconciliation information. This suggests they are interested in data as an indicator of practice performance, but it may also help as practices adapt to new payroll tax rules.

In fact, almost two in three say they want their practice's payment technology to automatically pay the billing GP directly to enable funds to flow more freely between patient and practitioner.

5 CommBank Patient Experience Insights 2024. commbank.com.au/business/foresight/reports/patient-experience-insights-report.html

Figure 9. Optimal features of payments solutions

Most to least important factors when considering practice payment and claiming solutions (proportion of all practices ranking feature in top three)



New frontiers for data-driven technologies

As practices navigate talent shortages and pursue greater efficiencies and productivity, many are using data sources from across the practice to track and optimise performance. Among all practices, 91% are using some form of data analysis.

This included analytics offered via practice management systems (74%), accounting software (35%), and specialised intelligence platforms (21%). Still, 15% use manual processes, and 9% don't analyse data at all.

Practices are also assessing data from multiple operational areas. As seen in Figure 10, most practices are already seeking insights from clinical data (75%), practitioner and staff performance (71%), and patient demographics (70%).

The areas practices would like to be more active in are external benchmarking (48%), monitoring practice operations and efficiency (39%), and evaluating appointment data (39%). Many practices also see merit in more analysis of payroll tax, which, alongside the in-demand areas above, suggests that adoption is likely to rise.

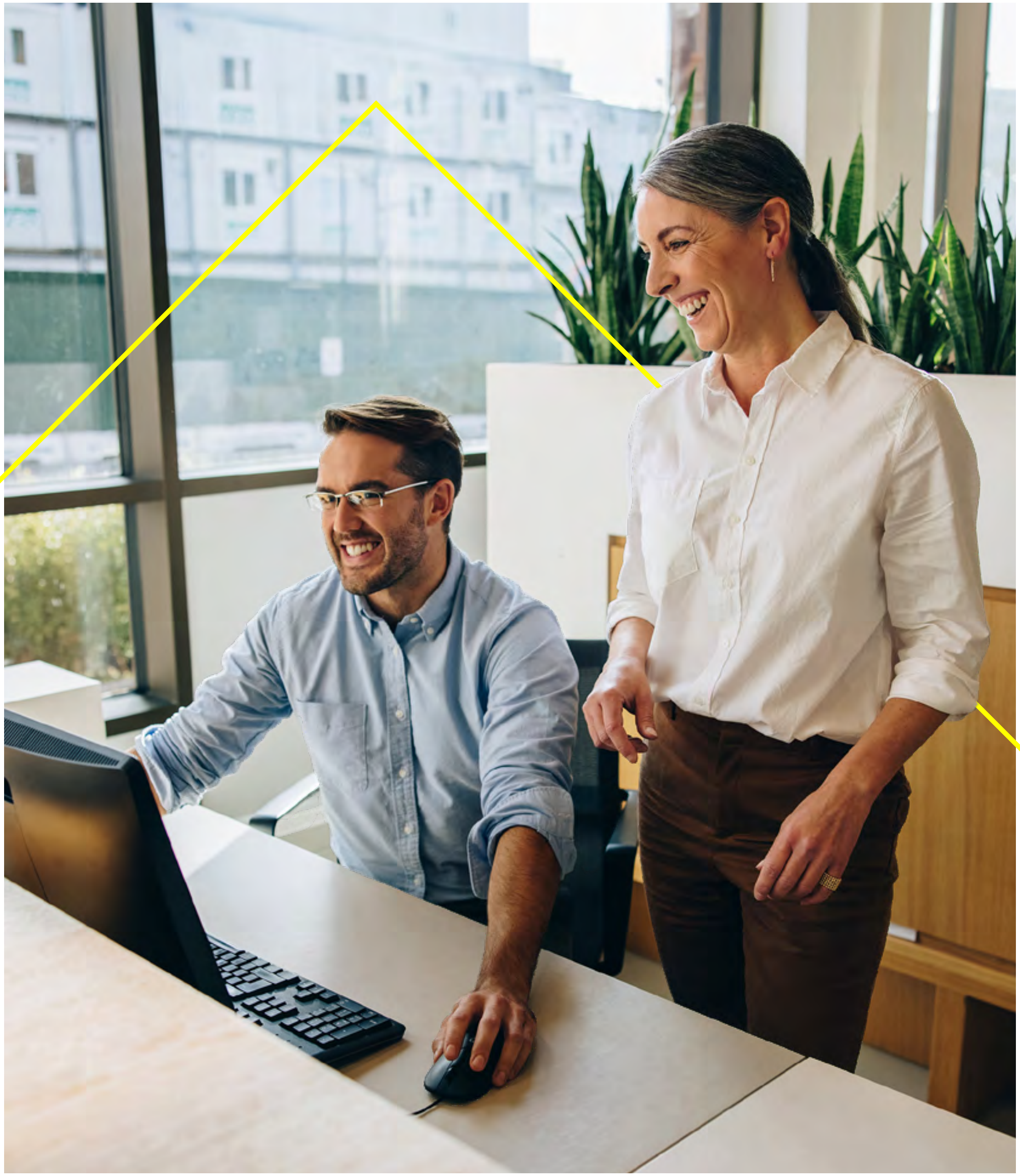
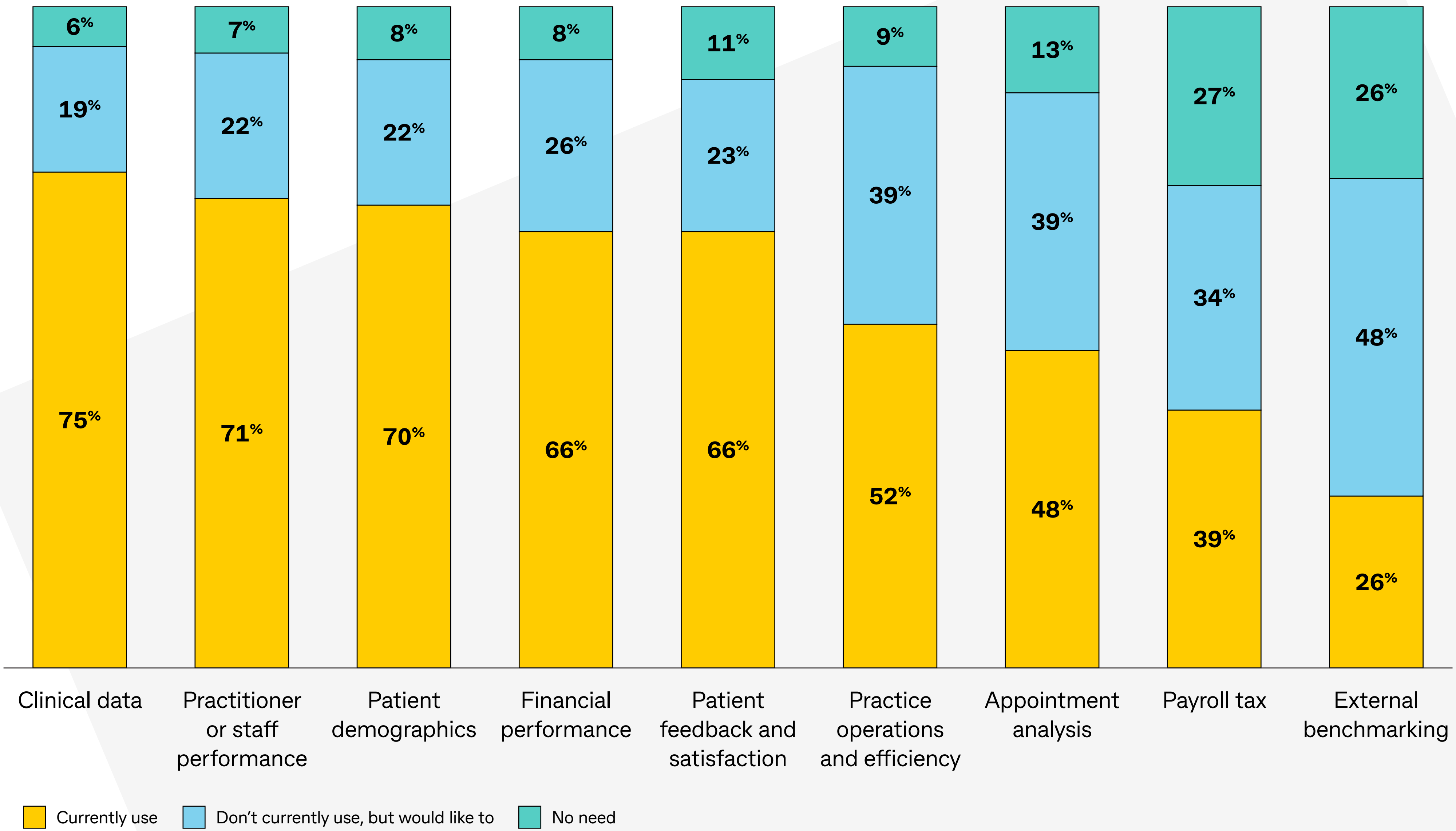


Figure 10. Use of data analytics among practices

Existing or potential analysis to assess practice performance and optimisation by area (proportion of all practices)



While artificial intelligence (AI) has long been part of some systems and tools used in primary care, AI technologies and applications are advancing more significantly. While AI offers the potential to increase efficiencies and deliver more inclusive and personalised care, it can also carry ethical and patient safety risks.

As the RACGP outlines in its position statement , a major impediment to the implementation of AI in primary care is a lack of trust in the technology. This may help explain why just one in five have used AI in their practice, and among the limited current uses outlined in Figure 11, feedback collection (9%) and patient education (9%) are the most common.

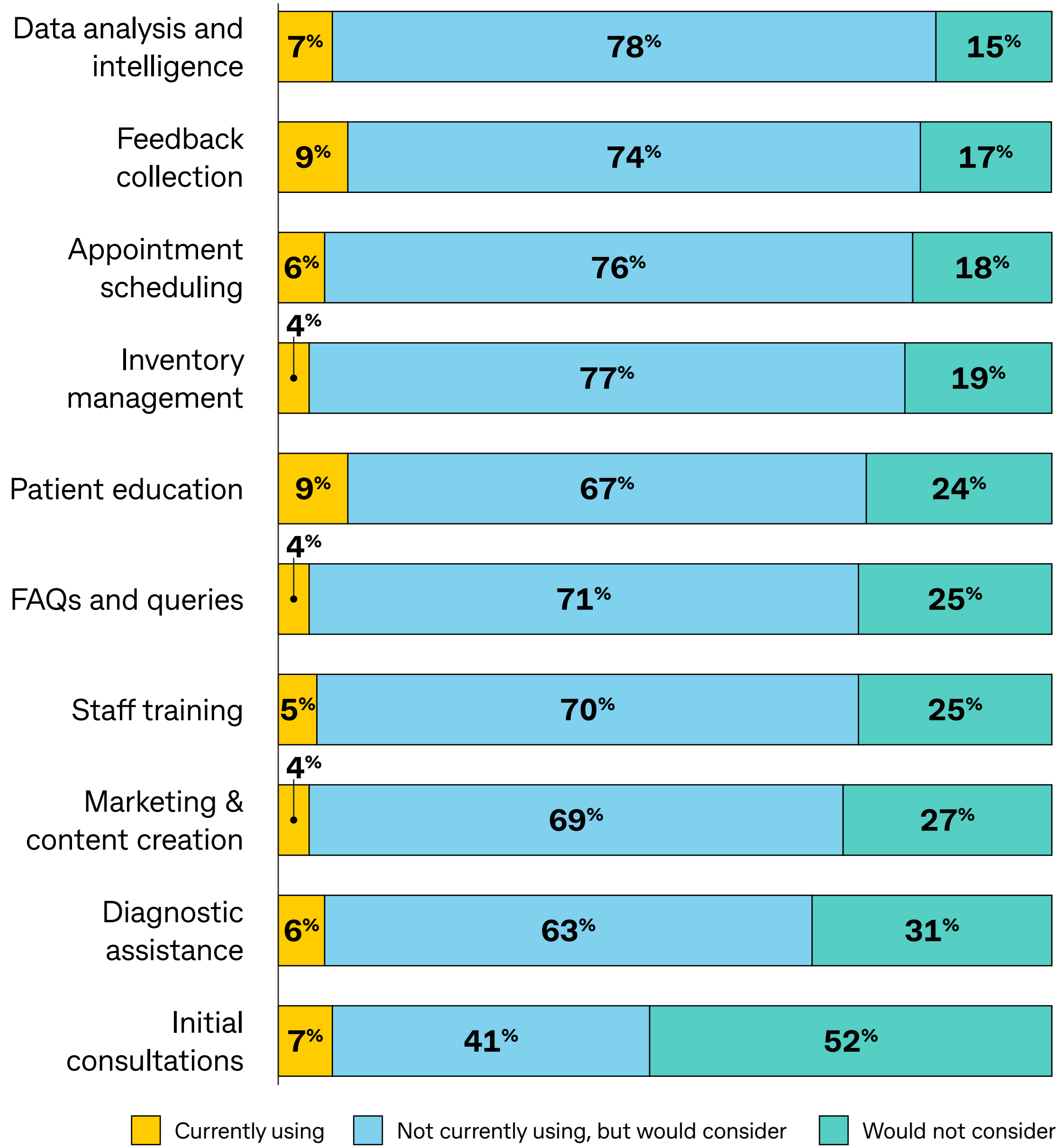
While the profession remains in the early stages of adoption, most would consider using AI tools. Practices are most receptive to the use of AI for data analysis and intelligence (78%), managing inventory such as consumables (77%), and appointment scheduling (76%). Conversely, practices are most hesitant to consider AI for initial consultations.

Across all AI applications in Figure 11, growth-focused practices are more open to adoption than those seeking to maintain revenue. They are also more likely to have employed it already, with 26% using AI in some form.

Given the interest in AI applications, and their role in supporting attractive areas of data analysis and more efficient workflows, the research suggests that AI is poised to become more prevalent.

Figure 11. Use of artificial intelligence among practices

Existing or potential use of AI by practice application (proportion of all practices)



Case Study

ProHealthCare

Pro Health Care is a network of family-based medical practices. Although these practices share the Pro Health Care name, each one is independently owned and operated by its practitioners.

Founded in 2007 by Managing Director John-Paul Chitti, a practising physiotherapist, and his father, Dr Franco Chitti, a practising general practitioner, Pro Health Care has grown from humble beginnings into a robust network of 12 medical practices.

Pro Health Care is structured around patients' broader health and wellbeing needs and focuses on delivering comprehensive services under one roof that address both physical and mental health.

John-Paul says that while each practice operates independently, they have a cohesive ethos and medical framework focused on collaborative reasoning and communication.

Service expansion to support patient care

In response to Australians' changing healthcare needs, Pro Health Care has continued to expand its suite of patient services, which now encompasses general practice and extensive multi-disciplinary care. John-Paul says this approach can make all the difference to patients' health outcomes.

"We find that broadening our services beyond general practice benefits patients. Given existing patients are already comfortable with the practice settings and clinics, we see less resistance to taking up beneficial care. We see evidence of better health outcomes as a result."

Pro Health Care has noticed a trend with general practitioners and a desire to offer more specialised services to patients, such as skin clinics. “More and more, we believe GPs will build up secondary and specialised skill sets,’ John-Paul says. “These will be incorporated into regular patient flows and be billed at different rates to other general services.”

Education is also vital to ensure that the availability of new and existing services is known among practitioners, staff, patients and the wider community. John-Paul says it is important to effectively share information and use its digital and in-person communication channels to raise awareness.

Prioritising people and culture

John-Paul says organisational culture is vital to Pro Health Care’s future growth aspirations, particularly given its people-centric approach and focus on attracting and retaining high-quality staff that share our ethos and core values.

“We prioritise looking after our people and providing both the operational and professional support they need. It’s important to how we work as a business and having the capacity to always deliver the highest standards of patient care,” John-Paul says.

This includes allocating time during work hours for team-based events where John-Paul says, “we take the time to connect and get to know each other”. He adds that offering workplace flexibility is crucial in today’s fast-paced world, as it significantly contributes to achieving a healthy work-life balance.

Continuous digital transformation

Pro Health Care is adopting technology in many operational areas. According to John-Paul, “we continue to invest in technology across the business, both in terms of CAPEX for clinical equipment and new tools that help the practice run more efficiently”.

John-Paul says that the return on investment in technology isn’t always immediate but accrues over time. He notes that Pro Health Care’s earlier investments in digital solutions are now starting to provide substantial benefits.

One area of focus is automation, which the practices use to support internal workflows and personalise patient interactions. John-Paul says that their Voice Caller ID tool is a good example, where reception staff are provided the caller details, and it instantly brings up patient files.

“With caller ID technology, our staff know who is calling, whether they are due for an appointment, and can discuss their personal needs without delay. Our focus on automation extends to patient recall and reminder messages and appointment scheduling,” John-Paul explains.

The case for AI-assisted efficiencies

As John-Paul points out, many of these automated tools already use AI, and he is open to the next generation of applications as the technology matures. “There is a big opportunity to use AI to make healthcare service delivery more efficient,” John Paul says.

He sees benefits for both the practice staff and patients, with the potential for AI to reduce routine administrative tasks and provide more time for patient care.

“We are watching the evolution of AI in healthcare with interest, including the integrations being developed by practice management software providers,” John Paul says. “This includes use cases like being able to have AI transcribe and file consultation notes.”

ProHealthCare

prohealthcare.com.au

Taking steps to strengthen cyber defences

Over the next two years, cyber security systems and protocols that protect practice and client data is expected to be the fastest-growing area of technology adoption.

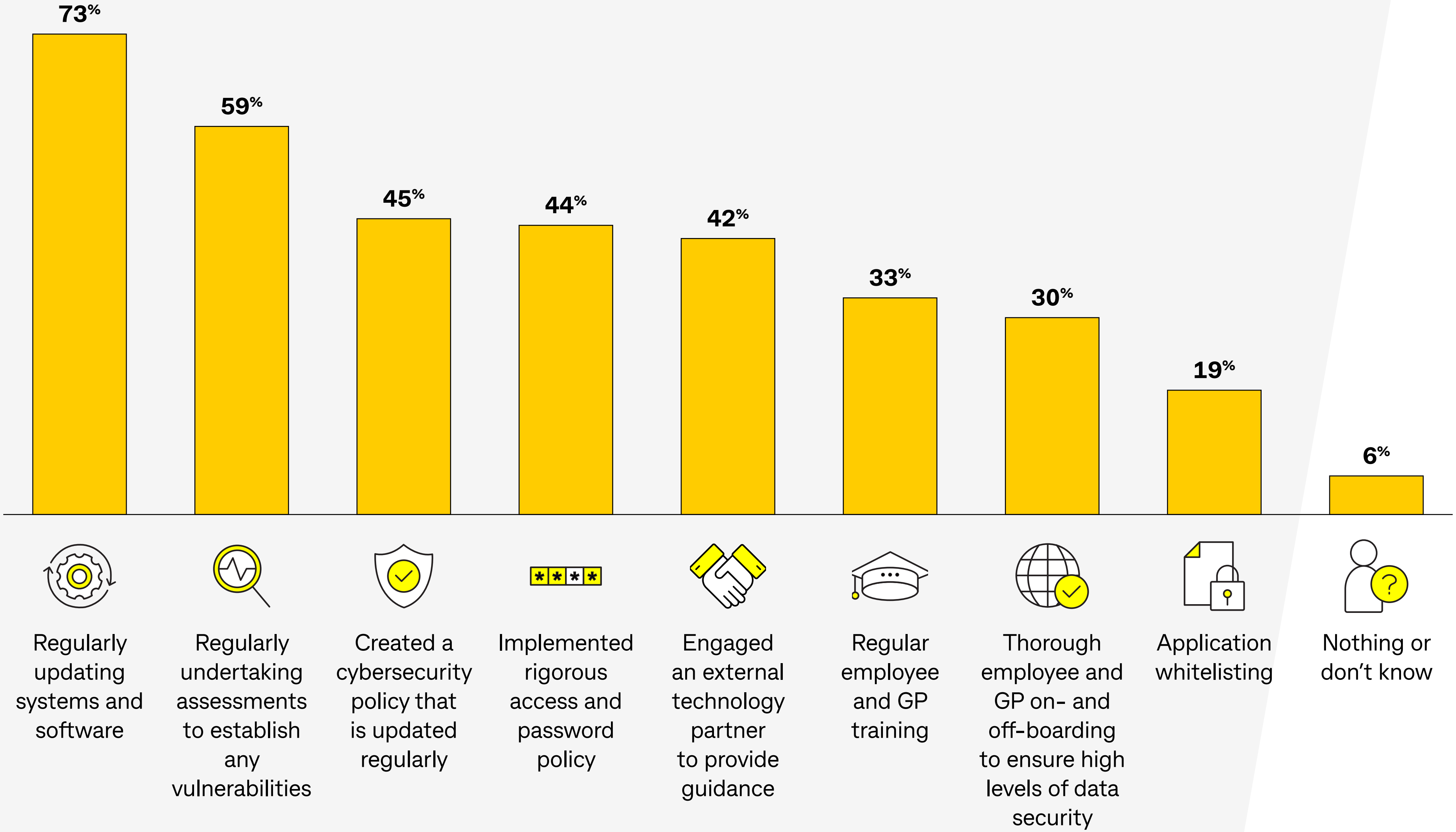
Further investment in data analytics and AI will likely extend the need for cyber security safeguards. This focus isn't unfounded, given that 70% of practices have undertaken activities that can heighten cyber risks.The most common is employees and GPs working remotely (61%); far behind that is 28% who use personal devices in the workplace. Both can present vulnerability to cyber compromise. Further, 21% say they run outdated hardware and software, and 17% have experienced malicious behaviour by external hackers.

To minimise the risks of an attack, the most popular measure is regularly updating all systems and hardware (73%), as detailed in Figure 12. Undertaking threat assessments (59%) and having cybersecurity and password policies are the next most common (45% and 44%).

Among the lesser-used tactics to defend against cyber vulnerabilities is GP and employee training and on- and off-boarding to ensure high levels of data security are being met. These are areas that, if adopted by more practices, can help reduce the possibility of a breach and protect the workforce even if they are distributed across locations.

Figure 12. Protecting against cyber security risks

Activities undertaken by practices to minimise cyber attacks and breaches (proportion of all practices)



Sustainability in focus

As more practices begin or continue their sustainability journeys, the prevailing sentiment among GPs is that the industry could be doing more to respond to the opportunities and challenges of sustainable healthcare. Just over one in three (35%) believe the industry is responding well, including only 4% that say extremely well.

That may be leading practices to pay more attention to sustainable healthcare within their practices, with 52% claiming to have a moderate or strong focus. A further 39% have a minor focus, and 9% have no focus.

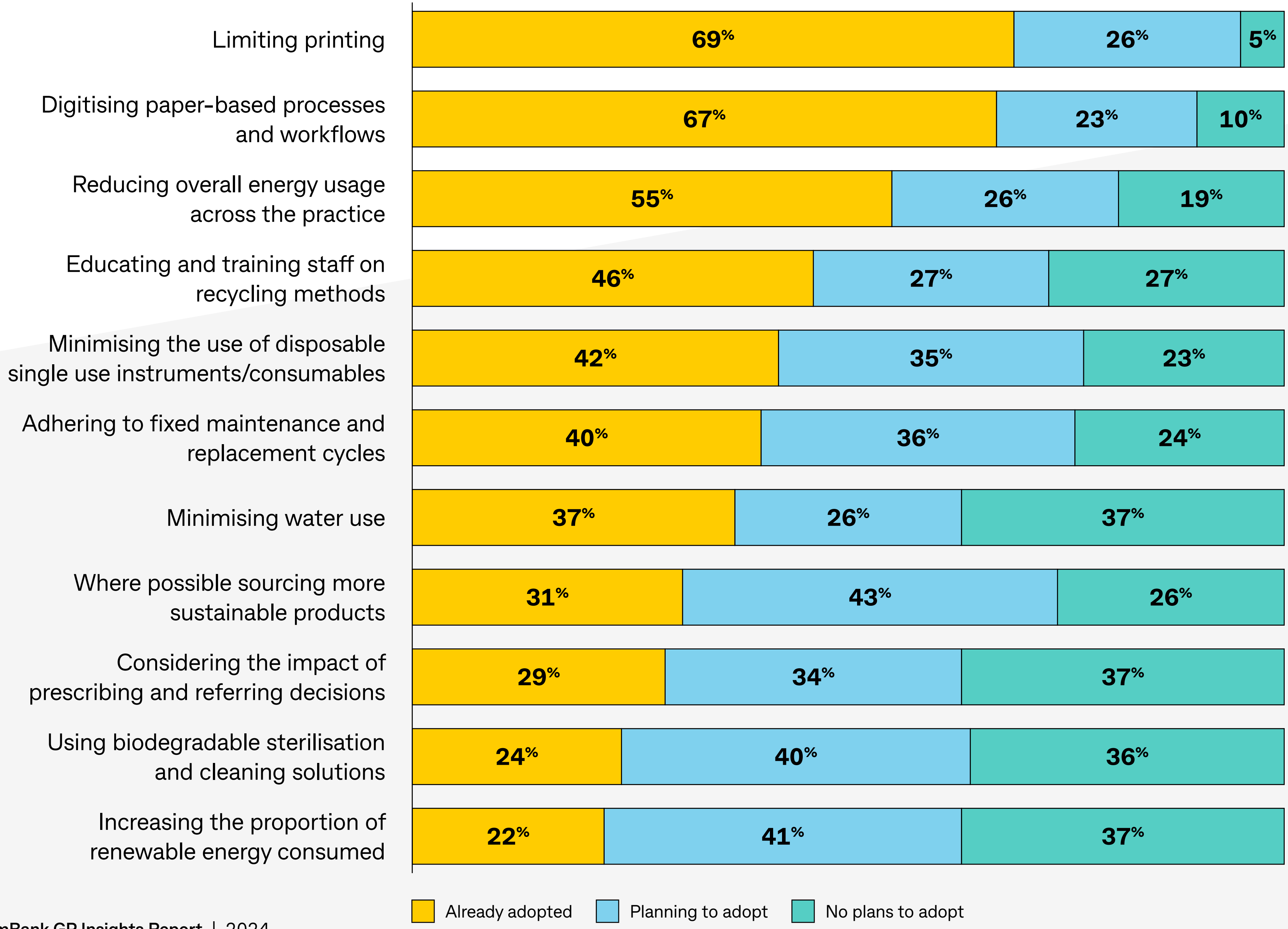
Continuing the trend established in recent years, many practices are progressing sustainability initiatives irrespective of their level of focus. Figure 13 showcases the most adopted initiatives, with limited printing, paperless operations, and reduced energy usage the most widespread. Many are also minimising waste, whether single-use items, teaching staff recycling methods, and reducing water usage.

Practices also have the strongest intentions to source more sustainable products (43%), increase the use of renewables (41%), and use biodegradable sterilisation and cleaning solutions (40%). One-third are also planning to move to fixed replacement and maintenance cycles for equipment.

Combining the extent of existing and planned adoption of sustainability initiatives suggests that the industry will move up the maturity curve. This will likely support improved perceptions about practices' ability to adapt to green imperatives.

Figure 13. The sustainability initiatives practices are progressing

Existing and planned adoption of sustainability initiatives (proportion of all practices)



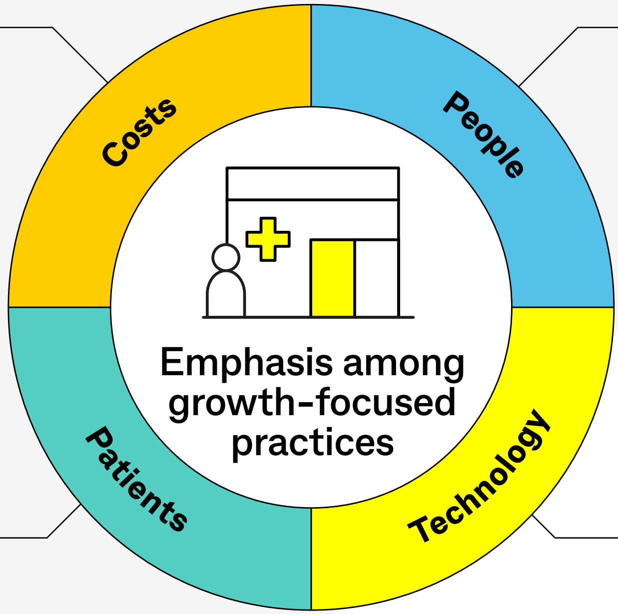
Summary

What sets growth-focused practices apart?

General practices focusing on growth in the next year are intently looking for ways to increase capacity in anticipation of rising patient numbers. They are more likely to be striving to meet broader demand, increase their practices' teams and services, and leverage data-driven tools to identify efficiencies and drive performance. Comparing their strategies to those seeking to maintain revenues reveals this emphasis, and can be instructive for any decision-maker.

- Focused on more efficient staff rostering
- Using technology to reduce administrative costs and/or increase efficiency
- Changing billing model to reduce proportion of bulk billing
- Reduce or restructure costs and debt

- Focusing on flexible working arrangements
- Conducting regular team-building initiatives and social events
- Seeking to increase the number of healthcare professionals



- Expanding services offered by doctors and other healthcare professionals
- Extending practice opening hours
- Investing in payments and claiming solutions
- Investing in sales and marketing to attract patients

- Planning to increase technology investment in the next 12 months
- Prioritising investment in automation and integration to improve workflows, data access and practice intelligence
- Analysing financial performance, patient feedback, appointments, and payroll tax
- Using some form of AI and interest in exploring others

Location-based insights

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

Benchmarking dashboard

(regional and metropolitan-based practices)

Practice performance expectations for the next 12 months

Proportion of practices expecting an increase

	Total (average)	Regional	Metro
Capital expenditure	59%	53%	61%
GP numbers	28%	29%	27%
Patient numbers	63%	60%	64%
Revenue	62%	63%	62%
Operating costs	78%	73%	79%
Profit	46%	44%	46%

Confidence in business conditions for the next 12 months

Proportion of practices by confidence level

	Total (average)	Regional	Metro
Very confident	30%	26%	32%
Quite confident	49%	55%	45%
Not very confident	20%	17%	22%
Not at all confident	1%	2%	1%

Practice approach to business in next 12 months

Proportion of practices by approach

	Total (average)	Regional	Metro
Focused on growing revenue	63%	66%	61%
Focused on maintaining revenue	35%	31%	37%
Winding back	2%	3%	2%

Benchmarking dashboard

(regional and metropolitan-based practices)

Priorities to achieve business goals in the next 12 months

Proportion of practices planning activity

	Total (average)	Regional	Metro
Increase number of healthcare professionals	50%	45%	53%
Change billing model to reduce bulk billing	49%	48%	50%
Expand range of services from GPs	45%	46%	45%
Engage practice and patients in MyMedicare	42%	51%	38%
Reduce or restructure costs and debt	37%	38%	36%
Expand range of services from other healthcare professionals	36%	25%	42%

People: Tactics to attract and retain GPs

Proportion of practices expecting an increase

	Total (average)	Regional	Metro
Flexible working arrangements	61%	54%	66%
Nurturing a friendly and supportive culture	49%	45%	51%
Employing more registrars	35%	32%	37%
Team building and social events	30%	29%	31%
Strong focus on professional learning and development	27%	29%	26%
Higher remuneration practices	25%	27%	25%

Benchmarking dashboard

(regional and metropolitan-based practices)

Patients: Tactics to attract and retain patients

Proportion of practices saying activity is effective

	Total (average)	Regional	Metro
Patient referrals through friends and family	89%	89%	89%
Periodic appointment reminders	89%	95%	86%
Practice website	88%	92%	86%
Clear and visible signage	81%	82%	81%
Online healthcare directories and booking platforms	75%	72%	77%
Waiting room marketing	72%	69%	73%
Referral networks	70%	71%	70%
Search engine optimisation	61%	48%	67%

Technology: Planned technology upgrades

Proportion of practices planning to upgrade technology within two years

	Total (average)	Regional	Metro
Cyber security systems and protocols	48%	38%	53%
Payment solutions	41%	34%	45%
Technology to enable telehealth via video	41%	45%	39%
SMS and appointment reminders	29%	18%	35%
Patient access to digital channels	27%	29%	27%
Practice intelligence tools	25%	28%	24%

Benchmarking dashboard

(regional and metropolitan-based practices)

Practice costs: Offsetting rising costs

Proportion of practices implementing activity

	Total (average)	Regional	Metro
Changing billing model to reduce bulk billing	66%	65%	66%
Increasing patient fees	65%	63%	66%
Reducing or restructuring overheads or debt	46%	49%	45%
More efficient staff rostering	43%	49%	40%
Using technology to reduce admin costs or increase efficiency	37%	40%	36%
Finding alternative suppliers	31%	26%	33%
More efficient patients appointments	31%	28%	32%

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