

GPs - Industry Specialisation Package:

Industry Overview

The General Practice Medical Services industry has grown healthily over the past five years. General practitioners (GPs) are the first point of contact in the medical system, providing direct treatment to patients or diagnosing their problems and referring them to a specialist or a general hospital. People can access GPs for a variety of reasons including short-term illnesses, preventive health practices and management of long term health conditions. It is therefore important that people are able to access a GP in a timely manner and receive care that meets their needs, both in terms of ease of access and the care provided.

General Practice is extremely challenging for the very reason that one must be able to diagnose and manage the problems of any patient who walks through the door. These can range from tonsillitis to pulmonary oedema, from broken bones to psychotic depression, from skin rashes to bowel cancer – sometimes all on the one day. It is the GP's job to detect the life threatening causes among the non-specific presentations and to refer appropriately when needed. Specialists receive the cases already sorted out by GPs. GPs in rural and remote areas often have the opportunity to maintain procedural skills such as obstetrics and anaesthetics.

GPs receive Federal Government assistance through Medicare, which covers a schedule fee for each consultation. Bulk-billing, which involves GPs charging just the schedule fee, has climbed to cover over 80.0% of all GP consultations over the past five years. This has largely been due to an increasing number of retirees visiting their GP, as pensioners are more commonly offered bulk-billing than working-age adults. Strong demand for GP services has resulted in industry revenue rising by an estimated compound annual rate of 2.9% over the five years through 2014-15, to reach \$11.0 billion. The age profile of Australia's

population is a strong determinant of demand. Australia's population is ageing rapidly as the baby boomer generation has begun to reach retirement age. Population ageing drives industry growth because older generations are more susceptible to disease, chronic illness and minor ailments.

Introduction

Doctors and nurses play a pivotal role in the delivery of medical care in Australia. Having an adequate supply of highly trained health professionals is vital not only to the health of the population, but also Australia's social and economic well-being.

Although the health workforce has been growing at a faster rate than the population, increased demand for health services has put pressure on the sector. One of the main contributors to this pressure is Australia's changing demography, particularly an ageing population and an ageing health workforce.

Providing health services across Australia's vast land mass creates additional and complex challenges, with access to health care in regional and remote areas being an ongoing issue. Australia's current health workforce is highly reliant on immigration for doctors and nurses and while the recruitment of international medical graduates from overseas has helped with shortages ensuring that Australia becomes more self-sufficient in the provision of qualified health professionals is important for the future of the workforce.

Most people aged 15 years and over accessed a GP during the previous year. The graph below shows that GPs were the most common health service accessed in 2013-14, with eight out of ten people (82.2%) seeing a GP at least once in the previous 12 months. Dental professionals were the second most common

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health service accessed (49.7%), followed by medical specialists (36.2%). These patterns have remained steady across the five cycles of the survey (2009 to 2013–14).

The proportion of people who saw a GP in the previous 12 months has remained relatively stable over the last five years. As in previous years, in 2013–14, a higher proportion of females than males saw a GP in the previous 12 months (87.3% compared with 76.8%). The proportion of people who saw a GP generally increased with age. Seven in ten (72.0%) people aged 15–24 saw a GP compared with over nine in ten (94.9%) people aged 65 and over.

Visits to GPs were also related to health characteristics, with people who rated their health as fair or poor being more likely to see a GP than those who rated their health as good, very good or excellent (94.8% compared with 80.4%). Further to this, people with a long term health condition were more likely to see a GP (93.6%) than those without a long term health condition (71.4%).

Key Success Factors

General practice is a competitive business. To be successful, a practice must be able to demonstrate its ability to beat competitors at the same time provide services to patients they value.

How well a practice succeeds can be related to the industry key success factors listed below. The degree to which a practice achieves these key success factors is a clear indicator of the future success of the practice.

- **Provision of appropriate facilities**
 - Establishments should be attractive and welcoming. The location should be easy for people to access and notice. Parking should be convenient.
- **Having contacts within key markets**
 - GPs should target areas of high demand and work at gaining a good rapport with patients and referrers.
- **Ensuring pricing policy is appropriate**
 - Prices should reflect patients' capacity to pay.

- **Economies of scope**
 - Product differentiation, by providing a range of services or co-location with other medical service providers, can promote competitiveness.
- **Production of premium goods and services**
 - The quality and success of advice or treatment is important to patients. Professional education programs should be in place.
- **Must comply with government regulations**
 - To practice medicine, it is necessary to be licensed through state medical boards. In addition, further qualifications are required to receive maximum Medicare rebates.

Business of the Future

Corporatisation

The corporate model has pros and cons. At its best it can provide financial security and lifestyle benefits for doctors, improve efficiency through and reduce costs, and provide patients with access to inexpensive medical services in a conveniently located "onestop shop" environment.

At its worst, inefficiencies and substandard procedures may not be addressed if they don't affect the bottom line, patients may not have the opportunity to build a rapport with their doctor of choice, unprofitable patients could be marginalised, and doctors may face competing incentives to do the best for their patient, or the best for their company.

Workforce

A changing workforce

The increase in female participation in the medical workforce in Australia – particularly in general practice – is a well-documented phenomenon. It is well known, for instance, that female GPs work approximately 70% of the hours worked by their male colleagues. What is less well understood however is the increasing tendency for male GPs to also reduce the average hours they work per week. This trend is not isolated to

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general practice - it reflects what is happening across all medical specialties.

The current GP workforce is ageing and younger GPs have less interest in investing in and owning a practice. A combination of HECS debt repayments, rising housing costs (especially in capital cities), and a generational preference for greater flexibility and work / life balance have all led to this reluctance to commit to practice ownership. These same drivers have also resulted in an increase in younger GPs becoming locums. GPs are increasingly working in group practices and as members of primary care teams. They work with practice nurses and a host of allied health professionals, including diabetes educators, podiatrists, physiotherapists and social workers. This is more marked in some areas, but is an increasingly discernible trend. GPs are also less likely to work as GP proceduralists and more likely to work in niche specialist areas such as skin clinics, sports medicine, and sexual or women's health.

The Government have sought to address any current and future GP shortages through additional funding of training places and through incentives for GPs to practice in certain areas (such as rural areas). In addition, Commonwealth and State Governments have encouraged the recruitment of international medical graduates and have allowed them to practice on concessional terms, as long as they do so in districts of workforce shortage.

The number of full-time workload equivalent GPs is expected to grow by 1.8% annually in the five years through 2012-13, compared with population growth of about 1.4% per year.

The skills of Australian GPs encompass prevention, pre-symptomatic detection of disease, early diagnosis, diagnosis of established disease and other clinical problems such as injury, management of disease and injury, management of complications, rehabilitation, palliative care and counseling.

To maintain recognition as a GP it requires ongoing professional development accredited by the two main GP Colleges either the Royal Australian College of GPs (RACGP) or the Australian College of Rural and Remote Medicine (ACRRM). These programs are continually evaluated and improved based on

feedback from the profession. Effective continuing professional development is currently understood to be educational activity that results in quality improvement in clinical practice. A minimum of 130 Quality Improvement & Continuing Professional Development (RACGP-QI&CPD) or 100 Professional Development (ACRRM-PD) points must be obtained every three years to ensure a GP is eligible for vocational registration which attracts higher Medicare rebates for the care provided to patients. These programs encourage GPs to participate in education that is likely to maintain and improve patient care standards.

Burning Questions

As the Primary Health Network reforms advance, we are reminded that Medicare is spending over \$6.3billion on general practice services. Over the past ten years, this represents a \$2.1billion increase. Whilst the overall costs of healthcare are rising to unsustainable levels, this investment represents only 6% of the total expenditure on healthcare.

GP visits and primary health care represents good value for money and are comparatively less expensive than other parts of the system. Furthermore, early intervention and preventative care delivered by GPs, nurses and allied health staff saves specialist cost further down the line. 85% of Australians visit a GP each year whilst around 15% of us are admitted to hospital. The spend on hospitals and specialists represent a far greater proportion of health funding by federal and state governments, together with private health funds and patients themselves. GPs supply the bulk of care to the population, so general practice is where our investment should be.

Australia's ageing population is living longer. Technology and medical advances offer more options to prevent and treat conditions, raising health consumer expectation. More Australians are overweight or have life styles that put them at risk for chronic conditions. We are more likely to live with several chronic conditions as we get older.

Interventions like the co-payment seek to moderate demand and access. There are other ways to develop cost-effective health care. Reducing spending on

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primary health care is a potential risk to health and the efficiencies elsewhere in the system.

2013/4 Bettering the Evaluation and Care of Health (BEACH) Report reveals that over 65s' visits to the GP have increased by 17million on figures ten years ago. Overall, there are 35million more visits to the GP, requiring ten million (up 66%) more procedures and 12 million more treatments, counselling, advice and education compared with a decade ago. Consequently, consultations are longer, representing an increase in clinical time of 43% or ten million hours.

Patients with chronic disease use more resources and often have fragmented care due to the number of health professionals involved. General practice plays a critical role in coordinating the care of patients with multiple chronic conditions, reducing costly unnecessary hospitalisations.

The average cost for a GP visit was \$47 from Medicare with a \$5 patient fee. Private specialist visits costs Medicare \$82 plus a \$38 patient contribution. Attendance at an Emergency Department costs considerably more. Providing care and treatment in primary care is undoubtedly and effective and economic option to address increasing demands on our health system.

Across the world, governments are investing more in primary health care as a cost effective way to improve the population's health. Opportunity do exist to create better efficiencies and economies, whilst improving quality, by addressing unwarranted clinical variation and improving integration and coordination of care. Tactics like the co-payment are criticised for reducing access and costing governments more in the long run. Primary health care and general practice need to be better resourced to capitalise on these opportunities, rather than crudely restricting access.

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Australian Government – Department of Health

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