Getting on with the business of general practice

Ruth Donde and Richard Tyler

Richard Tyler

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I'm interviewing Dr Richard Tyler, a general practitioner partner in a large Wellington practice, and well-connected medico-politician. My first question to him concerns the most critical business areas in general practice today. Dr Tyler's immediate response to this is *'Whatever you do, don't mention the word "Marketing" – it's the last thing we're interested in – we just want an afternoon off.'*

Workload

General practitioners have more work than they can cope with and they are struggling to meet the needs of their practice populations. They feel dumped on, 'under siege'; there is less job satisfaction and, most importantly, that feel good factor – the reason that many GPs go into practice in the first place – is no longer.

GPs are inundated with administration and this is not getting any better. It seems that all and sundry see the GP as gatekeeper. Not only do the PHOs require more information and more time spent consulting those with the highest need, but also other organisations are asking GPs to do more. There are WINZ and sickness benefit forms and then there is ACC which has introduced a new plan to get its patients back to work faster. Part of this new process involves the GP liaising with the employer. Even the NZ Immigration Service has decided that prospective immigrants need more comprehensive medicals that are more time consuming. It doesn't always help to up the dollars. There are still only 24 hours in a day. Dr Tyler says that some GPs have decided that they are no longer going to offer Immigration Medicals as a service. It has all become too hard with increased workload pressures for little reward.

There is no doubt, however, that most GPs became better off when the government started putting money into general practice. GP fees increased by 12% in the first six months according to the government. That was accepted. There is tension now over the fees policy with Treasury, opposition parties and Grey Power (amongst others) concerned that this increased funding is going into GPs' pockets.

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Hand in hand with this picture of general practice comes the fact that it is no longer such an attractive profession. Doctors are in short supply – more often, you can't get locums or sell your practice. Young doctors don't find general practice appealing and those that do, prefer the more competitive overseas market. Young doctors are also not looking to buy into general practice. Who will be the owners in 10 years time?

Nurses are doing more and more and there is a shortage of them too. Practice nursing may also become less attractive as the latest NZNO MECA with the DHBs has resulted in pay rises of 20–30% for hospital nurses.

New capitated funding environment

A major challenge is the way in which practices organise themselves in the new capitated environment. *'Some practices have moved from receiving a quarter to a third of their income from the government to receiving two-thirds to three-quarters under capitation.'* There is still no ideal model that takes into account work rates and earning capacity. It is easier to find a fair remuneration system for locums and associates based on a percentage of revenue from patients seen or, becoming more popular, a sessional fee. You hear of some practices that have reorganised and are doing well in the new environment. The majority are still looking for the answer.

The question really is how to balance the remuneration system for those doctors that are able to work faster, and perhaps see more children or ACC type patients compared to those who work as many

hours but attract the longer consultations such as the elderly and psychiatric.

A formula is needed that copes with the variations above, takes into account practice styles and structures and includes a method to split profits. Giving each GP his/her capitated funding stream and associated patients does not allow for a collaborative working arrangement, and this is made worse in practices that have adopted intra-practice clawbacks. This also moves the financial risk from the practice to the individual doctor.

Inter-practice clawbacks, looked over a practice population and period of time is just swings and roundabouts, says Dr Tyler. *'You need to look at the picture overall and you'll see that the ins and outs are more or less the same.'*

Managing the challenges

There is no doubt that the larger practices are in a better position to manage the challenges. Although there is a place for the boutique type practice, where patients may wait longer to see their GP, amalgamation of practices makes good business sense.

So many costs can be shared by a larger number, rooms can be kept occupied, part-timers can be accommodated and partners can have time off. From a patient perspective, there is a larger choice of doctors, longer hours and quicker service. With the employment of locums and part-timers, the practice is able to continue to generate income in the absence of the partner. The key to success according to Richard Tyler is *'to focus on income and not expenses. A low percentage of expenses is not because of low costs but almost always because of greater income.'*

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A larger practice is usually more attractive to new graduates and female doctors because it can accommodate flexibility of hours, has a more collegial environment and caters for different kinds of doctors with a variety of skills and interests.

'It's easy to say amalgamate, but large practices also feel the pressure. Information and technology demands are great. Our system is often crashing as new enhancements or programmes to extract information are added.' Practice managers do offer a solution. Large practices, which are more complex, need management skills, especially for staffing and work flow. Doctors' time is better spent consulting than dealing with human resource issues and filling in claim forms. Dr Tyler is still concerned with the variability in the quality of practice managers. In many cases there is a lot of room for improvement. There is also a need to see the advantages of working on the business, working together and exploring how a practice can do things in different ways.

And, Dr Tyler's last words – *'We are in a business that deals with people, feelings and impressions. GPs need to be happy, to have a happy health care environment and for the health service to flourish. What we need is the return of that feel good feeling.'*