Strategies to keep general practices sustainable and boost income

Responses to questions from attendees

Webinar details

Date:	Thursday 15 September 2022
Time:	7.00 pm – 8.00 pm AEST
Facilitator:	Dr Emil Djakic
Presenters:	Dr Bernard Shiu Dr Emma Keeler Dr Rachael Sutherland
Recording:	Click here to view.

General comments

The Royal Australian College of General Practitioners (RACGP) supports specialist general practitioners (GPs) and general practices to determine billing policies and consultation fees that enable them to provide high-quality general practice services. GPs and their teams should determine a fair and equitable fee for their services to ensure their practice's sustainability.

Visit the RACGP website to read our position statement on billing for general practice services. Please note this document is currently under review.

The RACGP has developed several resources to support members to manage their billing. All resources are available via a central page on the RACGP website. We encourage you to bookmark this page for easy access. A new resource outlining the key considerations when moving towards a mixed billing model is currently being developed.

Thank you to everyone who attended this webinar and submitted questions. We have prepared written responses to questions that were not answered on the night. For ease of reading, some questions have been grouped together under common themes. If you have further questions about billing or the business of general practice, feel free to email the RACGP's Funding and Health System Reform team via healthreform@racgp.org.au.

You might also want to consider joining the RACGP's Business of General Practice Specific Interests Group. For more information, contact RACGP Specific Interests via gpsi@racgp.org.au.

Responses to questions

Billing practices

- *Should we bulk bill concession or health care card holders who have some medical conditions?*
- *If I want to privately bill patients with a health care card or pensioners a few times a year (eg 3–4 times), how do we go about this? Is it a good idea?*

Billing is a personal choice and there are many factors that may influence how a GP bills, including patient demographics, practice location and desired income. Whether GPs are able to privately bill some, or all patients will depend on these factors. However, the only Medicare Benefits Schedule (MBS) items that must be bulk billed are COVID-19 vaccination items.

You may choose to bulk bill certain patient groups, such as children, concession card holders and/or pensioners. If this is not viable, do not be afraid to branch out and start privately billing these groups. If parents value the care you provide, they may not mind paying a fee. While it might be difficult to start charging patients who you have historically bulk billed, sometimes you will need to make these decisions to ensure your practice remains viable.

You should bear in mind that bulk billed consultations with concessional patients qualify for Medicare bulk billing incentives. If you see patients who qualify for incentive payments, this may influence how you choose to bill them. Rebates for MBS bulk billing incentive items for general medical services range from $6.60 in Modified Monash Model (MMM) 1 areas to $12.70 in MMM 7 areas.

- *What advice would you give practices that employ non-VR doctors about mixed billing?*

Patient rebates for services provided by non-vocationally registered (non-VR) doctors are often lower than for services provided by VR GPs. Non-VR doctors may therefore consider mixed billing to be a profitable option. All doctors working in a general practice and their teams should determine a fair and equitable fee for their services to ensure their practice's sustainability.

Both VR GPs and non-VR doctors who are independent contractors rather than salaried employees should be free to determine their own billing policy, even if other doctors in the practice exclusively bulk bill. If you are experiencing backlash from others, talk to the practice owner/s about your intention to move away from bulk billing and your rationale for this.

If you have strong views on mixed billing but other doctors in your practice do not feel the same way, they are not obligated to follow your direction and change the way they bill.

Payment for services

- *When you privately bill telehealth, does the patient pay before the consult or after?*

Patients should be charged after a telehealth appointment rather than before. Doctors cannot be 100% sure what service they will be providing before they have seen the patient. Although a telehealth consultation may seem straightforward, the patient may have questions and the consultation could run longer than anticipated.

Some practices may experience problems with patients not attending appointments, in which case they want to ensure GPs are still remunerated for their time. Sometimes practices might charge patients who miss an appointment a fee, but this would be done after the missed appointment. GPs should be transparent about any out-of-pocket costs their patients may incur at their practice, including any missed appointment/cancellation fee.

Paying the gap only

- *Is it reasonable to ask Medicare to allow practices to charge the gap only? I work in skin cancer, and it is really intimidating to ask patients to pay $800–$1000, even if they are only paying a $100–$200 gap.*

Unlike other forms of health insurance, current legislation prevents patients from paying the difference between their benefit (patient rebate) and the total fee for the service. Instead, privately billed patients are required to pay the whole fee and subsequently obtain reimbursement for their benefit from Medicare. The *Health Insurance Act 1973* provides the legislative framework for the payment of Medicare benefits. The RACGP is continuing to look into this matter to ensure that Medicare billing is as administratively simple as possible.

It is important that practices clearly advertise their fee policy so that patients understand the need to pay in full on the day of the consultation. Medicare Easyclaim allows patients to have their rebate paid into their bank account instantly through your practice's EFTPOS terminal.

Recommended fees

- *What is everyone's practice gap fee for consults, procedures and follow-up appointments?*

We understand this question was directed towards other webinar attendees, however please note the RACGP does not recommend specific fees for services. Our view is that it is up to individual GPs to determine what their desired income is and what they need to charge patients to achieve this.

Our billing calculator can help you to meet your financial goals. It is designed to demonstrate the mechanics of fee-for-service and help you understand how practice billing may affect your income and the lifestyle you wish to achieve. The calculator will help to guide you on setting an appropriate consultation fee, as well as the number of services you would need to bill to meet your goal. Experimenting with different calculations will help you determine how many sessions, individual consultations and thus the number of clinical staff your practice will need to meet your ideal financial goal.

The Australian Medical Association (AMA) Fees List is a schedule of items and fees for over 5000 medical services. The Fees List is a resource provided for free to AMA members and as a paid annual licence for non-AMA members. The Fees List is updated regularly in response to the changes arising from the federal government's MBS Review. It is used by medical practitioners for guidance on determining appropriate fees for medical services. It is also used by state health departments, state and federal workers' compensation schemes and health insurers as a resource to determine fees they may pay to medical practitioners under their respective jurisdictions and schemes. Further information on the AMA Fees List is available via the links below.

Fees List website
Demonstration YouTube video
Contact email address: feeslist@ama.com.au

When several GPs agree to change their billing policy, care needs to be taken in setting fees to ensure compliance with the *Competition and Consumer Act 2010*. The Australian Competition and Consumer Commission (ACCC) authorises GPs that practise in defined business structures to set intra-practice fees and to collectively bargain as single practices in relation to the provision of Visiting Medical Officer services to public hospitals and with Primary Health Networks (PHNs). You may need to seek advice from a legal practitioner to confirm whether your practice is covered by the ACCC determination regarding intra-practice price setting.

Benchmarking

- *'Benchmarking' is a new buzz word with accountants. Has anyone ever done this? Maybe the RACGP should have a metro and rural benchmarking tool with things such as nurse to doctor ratios and award rates – metrics*

showing how many people pay above award rates or what percentage wages and consumables should be as a proportion of your income.

The RACGP does not hold specific benchmarking data currently, however there is some information regarding average fees for Level B consultations as well as average bulk billing rates and types of services/patients bulk billed in our 2022 Health of the Nation report. The RACGP can break this down further, for example by location, practice type, GP gender and age. Please contact healthreform@racgp.org.au to find out more about this data and what we can provide to help you in your billing considerations.

The RACGP is currently meeting with several software vendors. We have been hesitant around using data for benchmarking as this could be seen as measuring performance which could then be linked to funding. However, members are becoming more interested in benchmarking, particularly in relation to workforce incentives. Current practice software systems are limited in that they cannot transfer patient records from practice to practice, so comparing other practice data in these systems is likely a long way off. Some of the PHNs do provide benchmarking using data from POLAR and PEN CAT which is dependent on data provided by practices.

Payroll tax

- *Anyone want to comment on the looming spectre of payroll tax?*

Payroll tax is an issue that is front of mind for the RACGP, and we fully appreciate that some members will be concerned about the implications of recent court decisions concerning payroll tax liabilities. We are assisting members to clarify the impacts of this issue and we encourage members to seek their own comprehensive medico-legal and accounting advice.

As part of our *Improving the sustainability of your practice* webinar series, the RACGP hosted a webinar about payroll tax on Thursday 27 October 2022. The session provided advice on what practice owners can do to mitigate their risks, covering key issues in determining whether GPs are employees or contractors. The webinar also featured case studies and provided advice on available supports and resources.

Grant funding

- *Where can you get professional help to submit a grant application?*

The Australian Government's Community Grants Hub website provides guidance on how to prepare a grant application and effectively address selection criteria.

The RACGP is currently developing information for members to assist them with submitting grant applications. This will be widely promoted to members once available and will be housed on our billing resources webpage.

Independent contractor earnings

- *What percentage of billings paid to contractors is considered viable? It seems to have increased as a result of needing more GPs on staff.*
- *Are you able to share the average sustainable service fee percentage paid to associates?*

The RACGP does not advise on an industry standard for contractor GP remuneration due to the different factors that influence this. Earnings are highly variable depending on the billing model of the practice and the individual doctor and the services provided to the doctor by the practice.

- *Is there a resource outlining the percentage of PIP payments paid to contractors (eg after-hours, teaching)?*

The RACGP is not aware of any such resource. The distribution of Practice Incentives Program (PIP) payments to independent contractors is a matter for individual practices to determine.

Staffing / Workforce

- *What is an optimal number of GPs for smaller practices?*

The RACGP does not have advice on an 'optimal' number of GPs, as this will depend on business factors such as building space and tax requirements, as well as the needs of patients in your local area.

The RACGP's most recent Health of the Nation report revealed that, on average, GPs reported working with 3.8 full-time and 4.8 part-time GPs at their main practice. Corporate group practices are on average slightly larger than other group practices and have more full-time GPs. See Figure 17 on page 20 of the report for more information.

The distribution of GPs varies across Australia. Overall, there are 119.6 GPs per 100,000 people in Australia; however, the difference in GP numbers differs significantly by state and territory, ranging from 126.9 GPs per 100,000 people in Queensland to 92.2 GPs per 100,000 in the Northern Territory. See Figure 14 on page 17 of the Health of the Nation report for more information.

Practice software

- *Dr Shiu, I am interested in Stream Deck. Could you please share some information on which model it is and how you link it to the software (I use Medical Director)?*

The following response has been provided by Dr Bernard Shiu.

I use Stream Deck XL, but even Stream Deck Mini will do for most of the day-to-day functions. It really depends on how many combination functions one desires. The reason I bought the XL was purely for the various combos for the COVID and flu vaccination clinics. It should in theory work on Medical Director, but most of us use it with Best Practice and even cloud-based Best Practice works quite well.

The YouTube videos below provide a demonstration of how Stream Deck works.

Stream Deck in General Practice
Stream Deck in General Practice – Updated 2022

Practice costs

- *How does everyone cover the costs of dressings and nurse time?*

Wound care

If you bulk bill a patient for a service, no additional costs can be passed on to the patient for that service. Doing so automatically precludes bulk billing or any use of bulk billing incentives. If you find that the costs of dressings and other consumables are prohibitive, consider privately billing the patient to cover your expenses. You might choose to privately bill the patient at the rate of the rebate, meaning the patient would get their full payment back from Medicare and would not incur out-of-pocket costs.

As part of the federal government's MBS Review, the Wound Management Working Group recommended that the restriction prohibiting practitioners from charging patients for the cost of a wound dressing applied during a bulk billed consultation be removed. The RACGP supported this recommendation in our 2020 submission. The Working Group also recommended that a Commonwealth-funded wound consumables scheme be developed to ensure patients have access to appropriate wound care products with reduced out-of-pocket costs. Both recommendations were endorsed by the MBS Review Taskforce but are yet to be implemented. The RACGP will update members with any progress observed on this issue.

Nurse time

The Services Australia website contains information on how to claim services provided by a practice nurse on behalf of a medical practitioner. GPs are able to bill items for:

- follow-up services provided to Aboriginal and Torres Strait Islander people who have received a health assessment (items 10987, 93200, 93202)
- services provided to patients with chronic disease (items 10997, 93201, 93203)
- haemodialysis for a patient with end-stage renal disease in a MMM 7 area (item 13105)
- antenatal services provided in a RRMA 3–7 area (items 16400, 91850, 91855)
- telehealth patient-end clinical support (item 10983)
- COVID-19 vaccine suitability assessment services (items 93660, 93661).

In some instances, both the medical practitioner and the nurse may need to see the patient. If this is the case, you can claim both a practice nurse item and an attendance item. The duration of an attendance item doesn't include the time a patient spends with the nurse.

Nurses can also assist medical practitioners to perform services such as health assessments and chronic disease management. See MBS Notes AN.0.36 and AN.0.47 for more information.

Peak bodies

- *Do you think part of our problem is that the AMA is too specialist oriented, to the detriment of general practice?*

The RACGP is not able to comment on the strategic objectives or advocacy priorities of other organisations. However, we do engage frequently with the AMA, often engaging in join advocacy activities, jointly attend meetings with key stakeholders and give evidence as part of public inquiries.