

# CommBank GP Insights Report.

Opportunities and challenges amid the pandemic recovery

**August 2021**



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# Foreword

The measures that general practices have taken to lift efficiencies, combined with their ongoing investment in technology, has enabled them to respond well to both the pandemic and the subsequent rebound in patient numbers. This is evidenced by high levels of patient satisfaction and a recovery in key satisfaction drivers that had dipped last year.

Among the myriad challenges the pandemic ushered in are the rapid rollout of telehealth consultations and the national vaccination campaign. Again, patient satisfaction with their telehealth experience and the vaccination process in GP clinics is very high. However, the impact of telehealth and the vaccination campaign on practice economics is mixed. With the continued rise in operating costs, it is therefore not surprising that almost 40% of practices report that profit is lower than before the pandemic. An increasing number of practices have therefore increased fees, which patients have noticed.

The pandemic has forced more activity online, and patients increasingly expect options that support digital interactions with their GP. Practices therefore continue to invest in technologies that will drive practice efficiencies, as well as improve communication

with patients and enhance the quality of care.

For example, the research finds a clear link between providing digital options to book and manage appointments and overall patient satisfaction. Practices recognise the potential return on investment and indicate they will continue to increase investment in technology.

Service diversification is another longstanding trend that has not been interrupted by the pandemic and where patient satisfaction has increased markedly. Perhaps that is one reason why practices now cite patient care and convenience as the main drivers for expanding their range of services, rather than to boost revenue and profits. As long as Australia's international borders remain closed, however, the ongoing struggle to recruit the staff that are required to offer new services will continue.

Nevertheless, more than 40% of practices expect revenue and profit to increase in the coming year and 51% are concentrating on growth. That is particularly the case among larger practices and those in regional areas. These practices also believe they adapted and responded to the pandemic best. This perhaps reflects the

financial strength and scale benefits of larger practices, and regional practices' early investment in technologies that have become more commonplace during the pandemic.

Where possible, this report examines the differences in approach between larger practices and smaller ones, between regional and metropolitan practices, and between those practices that are profitably administering vaccinations and conducting telehealth consultations and those that are not. The intention is to offer practices insights into better managing whatever challenges lie ahead.

**Albert Naffah**  
CEO CommBank Health

## About the CommBank GP Insights Report:

The 2021 CommBank GP Insights Report is based on a quantitative survey of 223 decision-makers and influencers at general practices across Australia and 1,021 patients who had consulted a general practice within three months prior to completing the survey. The general practice survey was completed by a mix of practising physicians, business owners and senior decision-makers, with 68% of the practices in capital cities and the remainder in other regions. ACA Research conducted the general practice and patient surveys online on behalf of the CommBank Healthcare team. The survey of general practices was conducted between 26 May and 13 June, while the patient survey was undertaken between 28 May and 6 June. The surveys were designed to track key metrics and to capture 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. The patient sample comprises a broad cross-section of survey participants by location, age and gender. Around half reported an ongoing or chronic medical condition. Pre-Boomers (76 years plus) represented 12% of the sample, Baby Boomers (57-75 years) are 34% of the sample, Gen X (41-56 years) are 25% of the sample, Gens Z/Y (18 to 40 years) accounted for the remaining 29%. For the patient sample, 65% lived in capital cities, and 35% resided in other regions. Percentages relating to some questions may not total 100% due to rounding.

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# Key insights

## The coronavirus impact

General practices have been faced with rising operating costs and falling revenue during the pandemic. This is driving the pursuit of new growth pathways as practices navigate the coronavirus environment.



# Patient perspectives



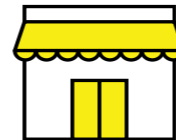
**38%**

of patients now rate their health as good or very good, down from 45% in 2020, and Australians are now consulting with their GP more regularly.



**97%**

of patients are satisfied or very satisfied with the way their practice has managed the pandemic, with older patients significantly more likely to be happy.



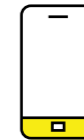
**54%**

of patients who had already received at least one vaccine dose had it at their preferred practice, and 56% of those not yet vaccinated intend to do the same.



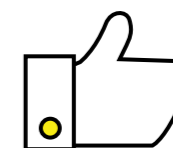
**98%**

of patients are satisfied or very satisfied with their process of receiving a vaccine, with the vast majority citing minimal waiting times, easy booking and appointment availability.



**59%**

of patients have had a telehealth consultation with a GP, up from 35% in 2020. Similar rates of adoption are seen across patients of different age groups.



**88%**

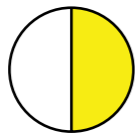
of patients who had used telehealth services are satisfied or very satisfied with their experience. Of these, 76% agree the government should continue its funding post-pandemic.

# Practice perspectives



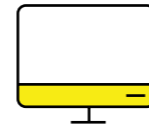
**71%**

of practices believe they adapted and responded well or extremely well to the challenges created by the pandemic.



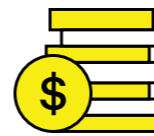
**51%**

of practices are now focused on growing revenues, down from 61% in 2020. This follows a mixed impact of the pandemic on practice revenues and profit.



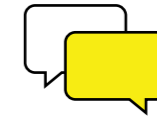
**53%**

of practices spent over-budget on technology amid the pandemic, with most expecting to maintain or increase technology investment in the coming year.



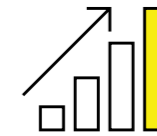
**35%**

of practices reported that telehealth appointments have negatively affected their profitability, and 28% said the same of vaccinations.



**23%**

of GP consultations are now conducted via telehealth facilities compared with 51% at the height of the pandemic and just 4% before the pandemic.



**72%**

of practices are currently administering the coronavirus vaccine, with a further 12% planning to do so.

# Emerging from the Pandemic

## Practice efficiencies bear fruit

Practices implemented numerous efficiency initiatives before and during the pandemic. These helped them adapt to the challenges, and offset growth in bulk-billed consultations and the continued rise in operating costs.



# Practices adapted well to the pandemic

In the 2020 CommBank GP Insights report, 55% of practices said they were unprepared for the pandemic. Nevertheless, 96% of practices surveyed this year believe they did a moderate to strong job of responding and adapting to the ensuing challenges. Almost 30% think they responded extremely well.

Of note, compared with smaller practices, more practices with an annual turnover exceeding \$1 million rate their response as well or extremely well. More practices in regional areas also claimed to have adapted well or extremely well than those in metropolitan locations, potentially due to fewer coronavirus cases in regional areas.

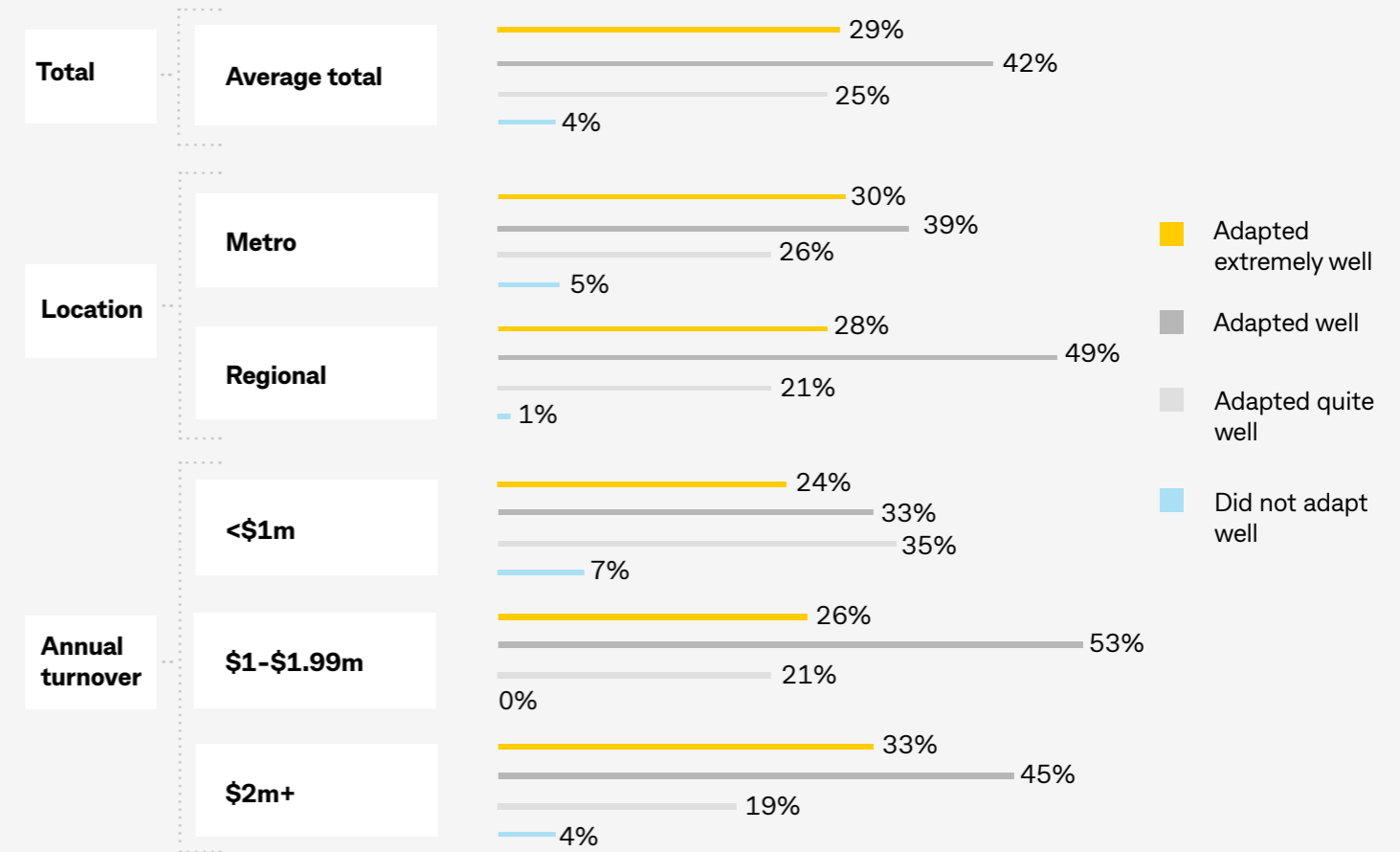
Among patients, 97% are satisfied or very satisfied with their practice's response, with Pre-Boomers and Baby Boomers far more likely to be very satisfied than younger generations. However, there is little difference between satisfaction levels of patients in regional areas (57% very satisfied) and those in cities (56% very satisfied).

The 2020 edition of this series also reported a dip from 2019 in key drivers of overall patient satisfaction, such as the quality of care the practice provides, and GPs acknowledging and respecting patient opinions. These have mostly recovered, more so among patients in regional areas. Again, satisfaction levels are higher among Pre-Boomers and Baby Boomers than younger cohorts.

It is worth mentioning that a higher proportion of patients than ever are very satisfied with the range of healthcare services available at their practice and with overall wait times. However, only 48% of patients are very satisfied with the level of fees their practice charges, down from 57% before the pandemic. We discuss these findings in more detail later in this report.

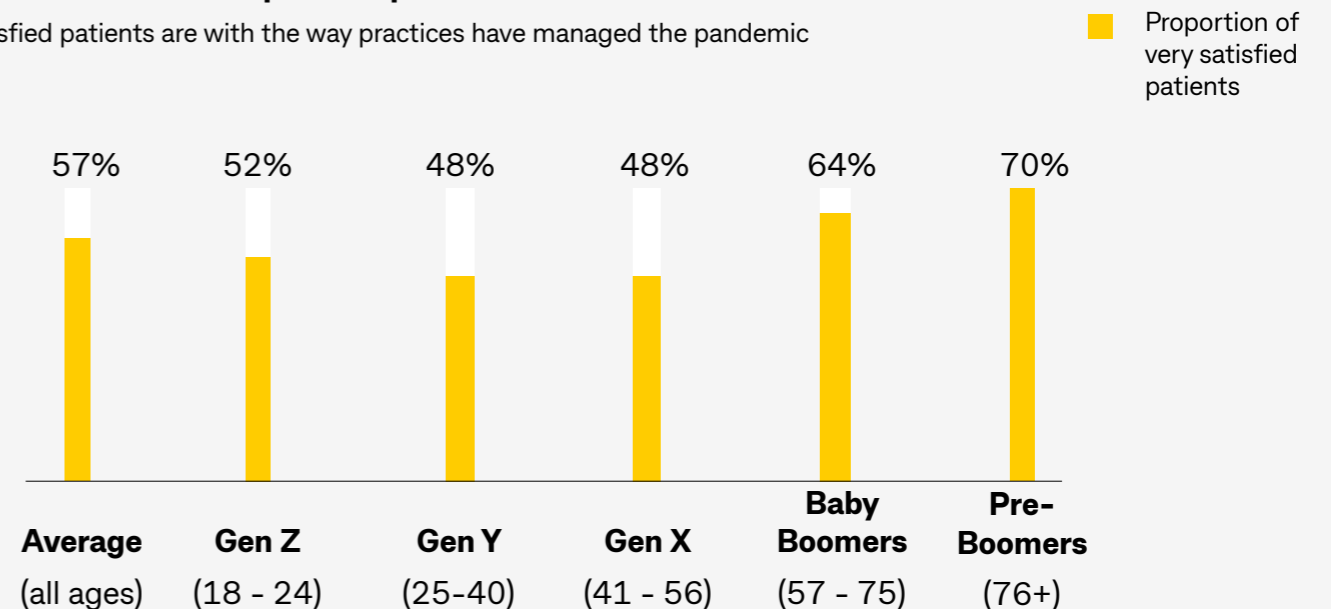
## Managing disruptions within the practice

How well practices have adapted to the challenges of the pandemic



## Patient satisfaction with practice performance

How satisfied patients are with the way practices have managed the pandemic





# Managing the rebound in patient numbers

In last year's research, 27% of patients claimed to have avoided appointments for fear of contracting the coronavirus. Consultations have rebounded strongly since, with almost half of patients indicating they will consult a GP at least every two months this year and 38% of practices reporting that patient numbers are up from pre-pandemic levels.

Offering telehealth has been the most popular practice response (83%) to the increased number of consultations. Many have also taken steps to improve efficiencies. These include reconfiguring the practice space (66%), improved appointment times and staff rostering (49%), and altering the mix of staff (31%). As noted earlier, practices continued to expand their range of healthcare services (39%) so that patients could access the care they needed.

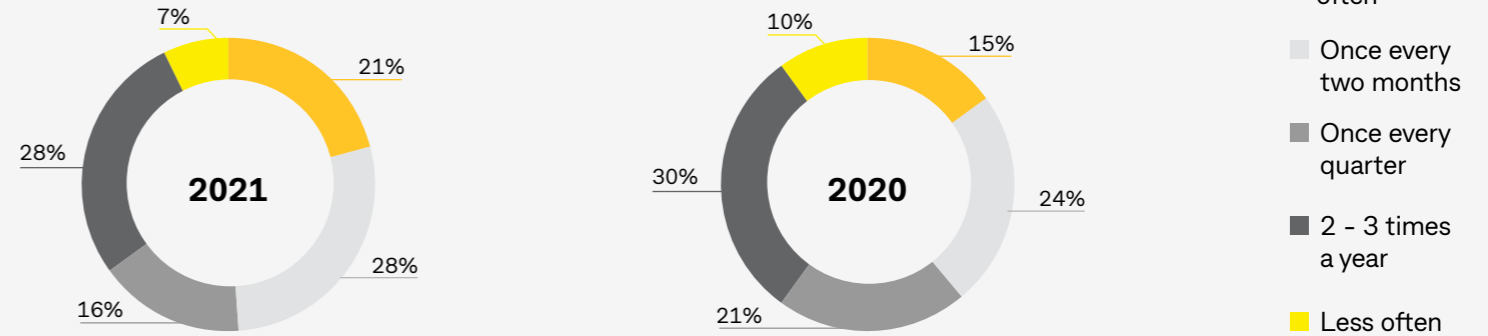
In general, practices that believe they managed the pandemic well were more likely to have implemented measures to manage the increase in consultations than practices that didn't adapt well. Likewise, practices in regional areas were generally more proactive than metropolitan practices. That is particularly evident in reconfiguring the practice space and adding new services and extending or changing practice opening hours.

*"Around one in four patients avoided the GP during the initial stages of the pandemic, so it's encouraging to see people now visiting more regularly. In response, practices are leveraging telehealth, driving process efficiencies, and reshaping their resourcing models."*

**Caitlin Wilson**  
 Director of Healthcare  
 CommBank

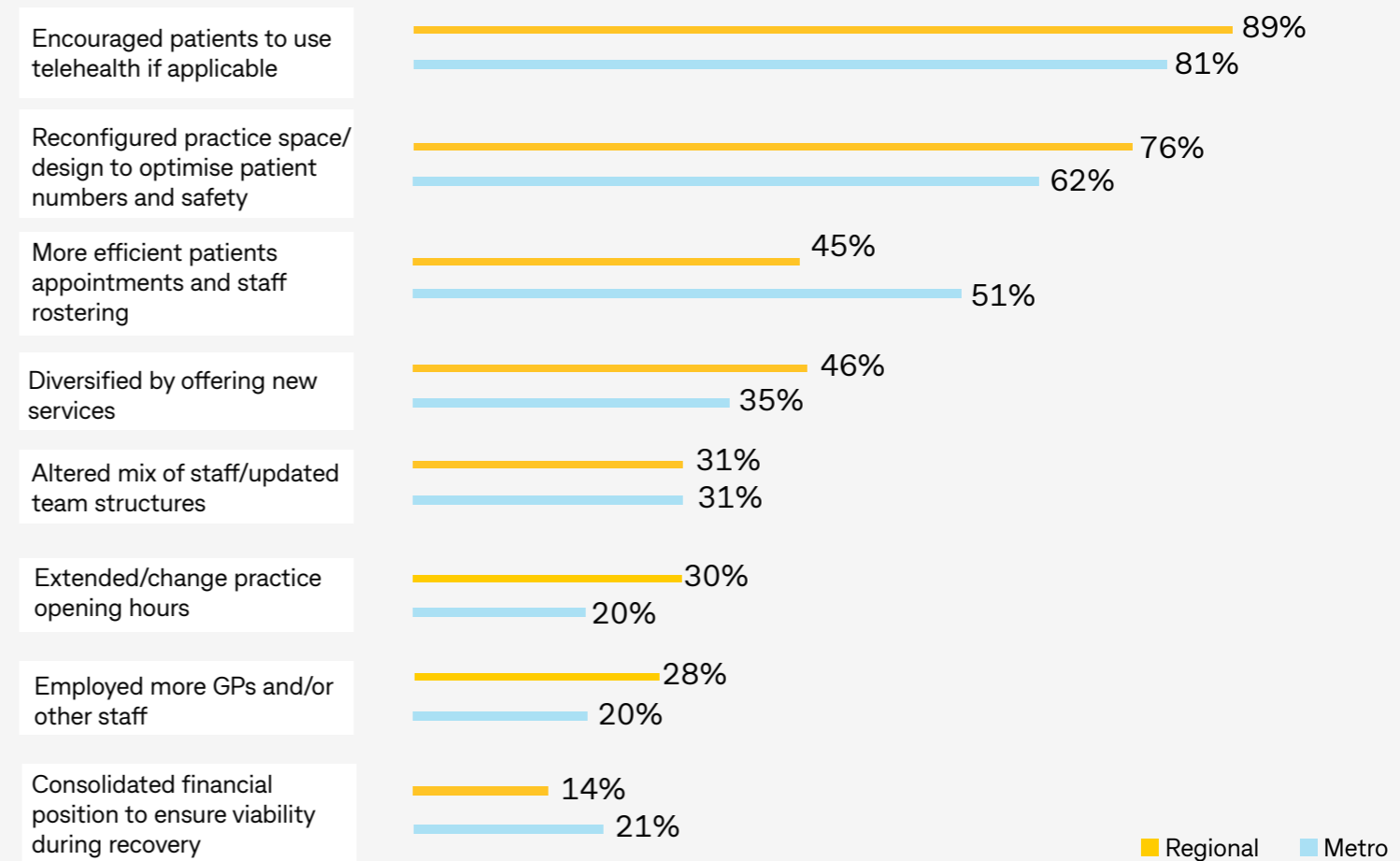
## Frequency of patient visits has increased

How often patients consult a GP each year



## Navigating increasing patient demand

Initiatives to manage the recovery in patient visits once initial lockdown receded



# Changing practice economics

The pandemic has had a negative impact on many practices' financial metrics. A third report that revenue is lower than before the pandemic versus 30% that indicate revenue is higher. Profits have fallen for 39% of practices and only risen at 26% of practices. Telehealth consultations and administering vaccines have also had differing impacts on practices' profitability, something we examine shortly.

Generally, despite more practices reporting an increase in patient numbers than not, the rising proportion of bulk-billed consultations associated with the adoption of telehealth and the continued rise in operating costs are hurting practice economics.

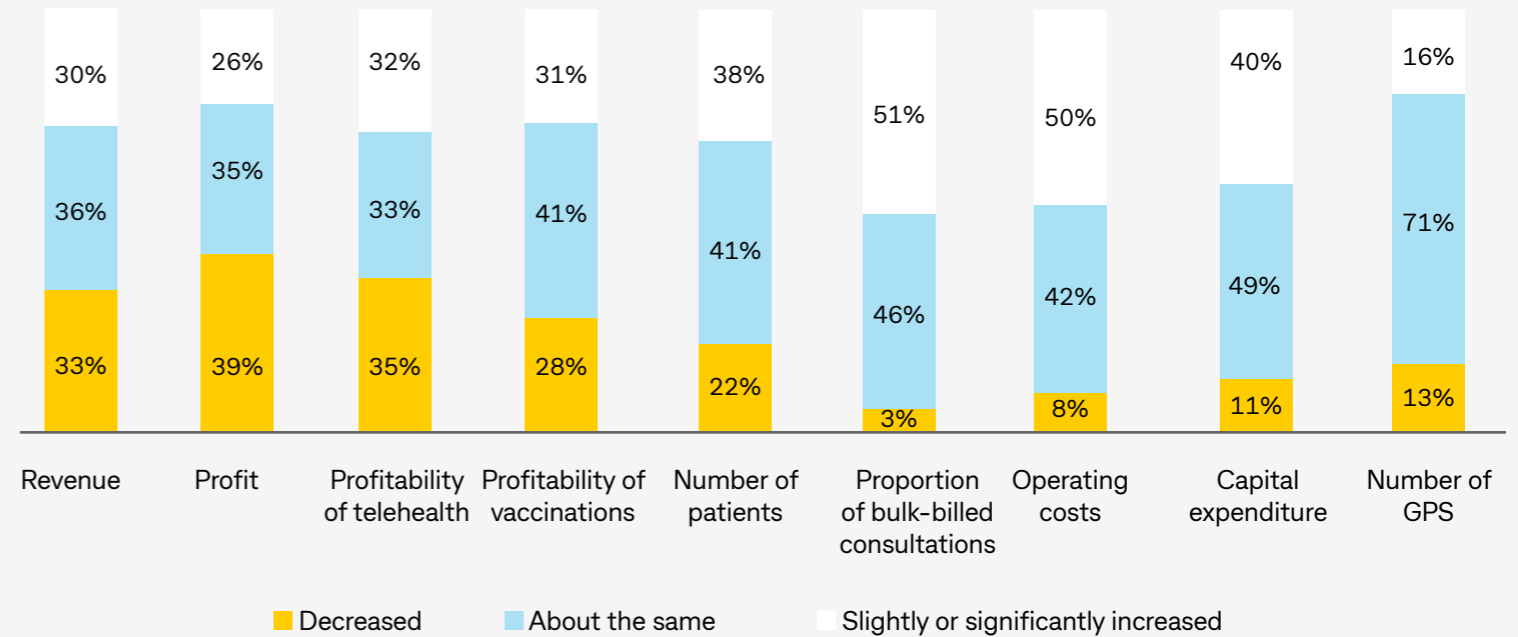
Revenue and profit are holding up better in regional practices than metropolitan ones, helped by a significantly higher proportion of practices reporting an increase in patient numbers and better managing the profitability of telehealth and vaccinations. Likewise, larger practices are more successfully growing revenue and profit than smaller practices, again supported by growth in patients.

Operating costs continue to rise, particularly consumables (84% report an increase), professional and business insurance (75%), technology (72%), staff payroll (71%) and recruitment costs (63%). To help offset these costs, as noted previously, practices are implementing efficiencies around patient appointments and staff rostering. Finding alternative suppliers and renegotiating leases are other popular strategies, along with increasing consultation fees. Accordingly, 33% of patients report that fees have increased. This explains the earlier finding that patient satisfaction with fees charged has fallen.

Some 31% of practices plan to lift fees in the coming year. This would see the average charge for Standard B consultations rise by 1.5%, from \$75.20 to \$76.30.

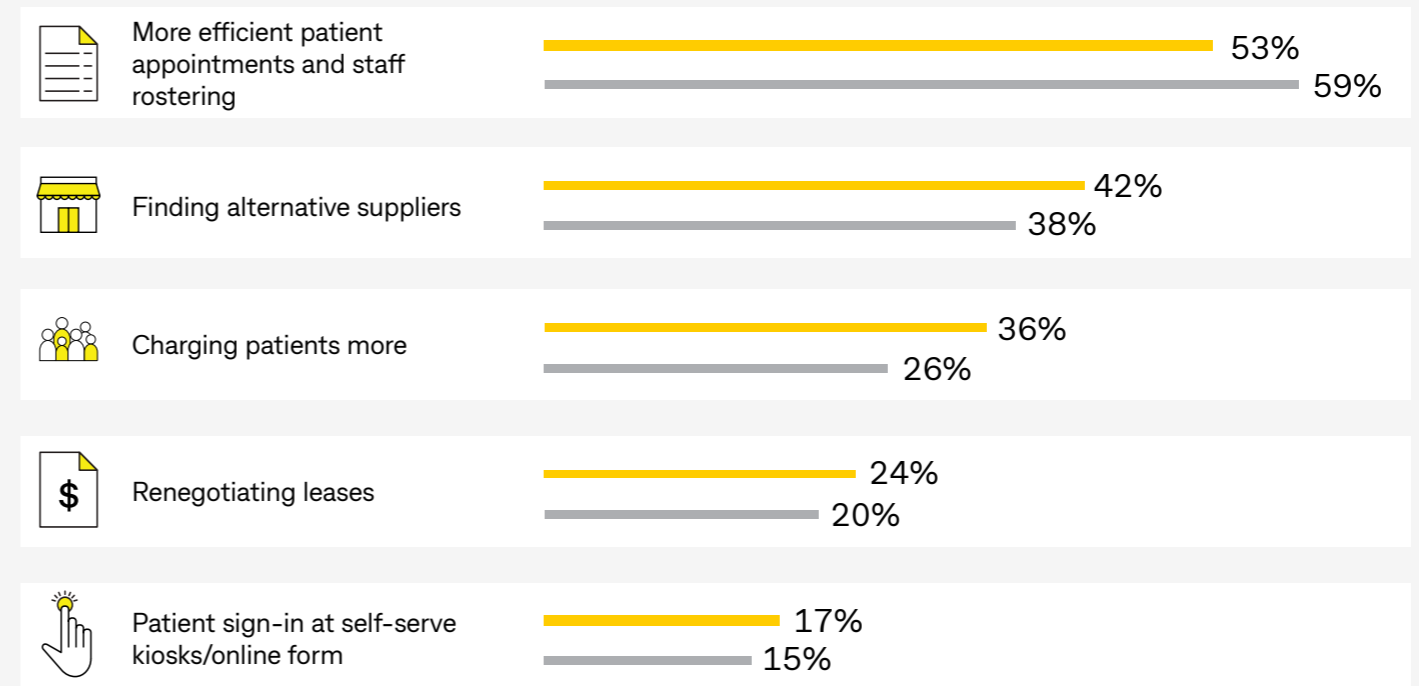
## Indicators of practice performance

Comparing indicators at the practice to before the pandemic



## Managing costs pressures

Initiatives to offset operational costs increases



■ 2021 ■ 2020

# The financial impact of telehealth and vaccines

The rapid rollout of telehealth consultations has had a negative impact on many practices' profitability. Of the practices responding to the survey, 35% say that telehealth is reducing profits versus 32% indicating that profits are up. However, while a net 3% of regional practices report that telehealth is lifting profits, a net 6% of metropolitan practices reporting a negative impact on profits. The difference in profitability may reflect that some practices are not doing as many private billing consultations while others experienced an increase in the number of total consultations.

As a group, 84% of practices and 76% of patients who have had a telehealth consultation, agree that the government should continue to fund the service after the pandemic.

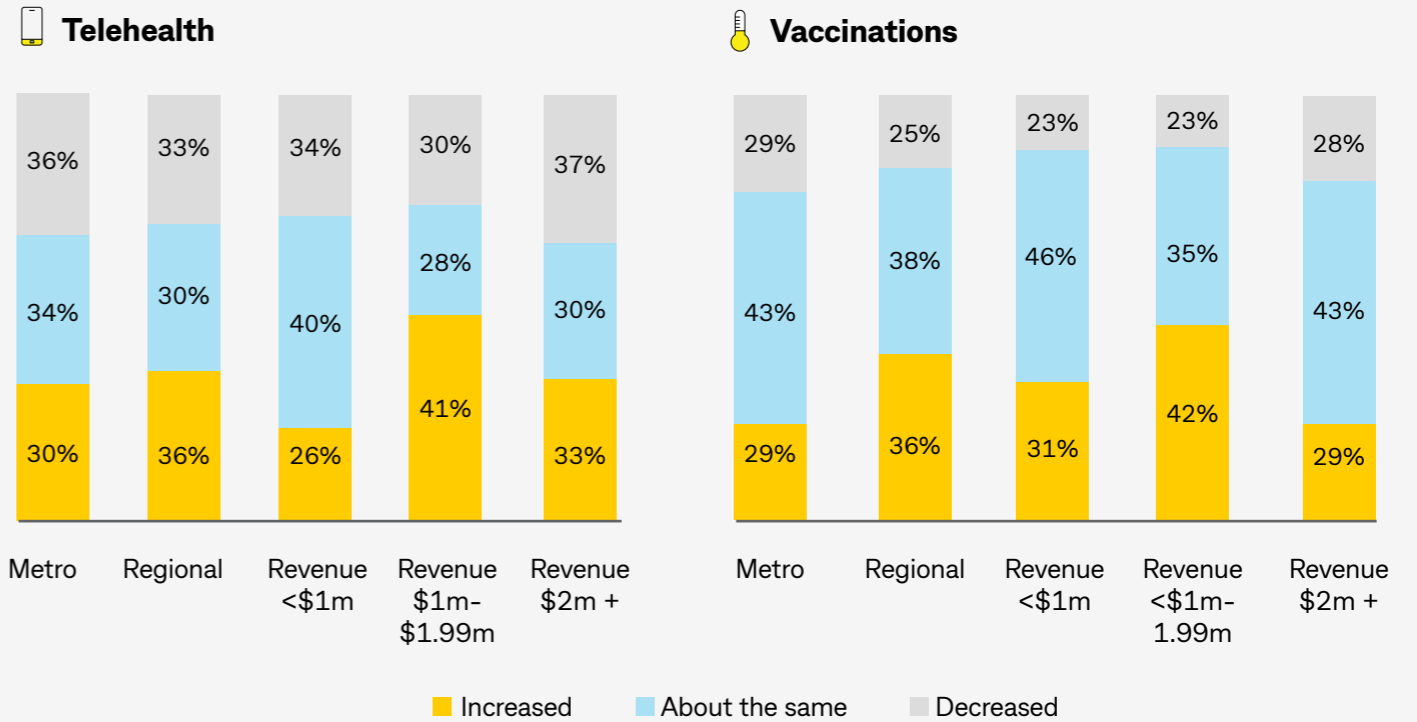
The coronavirus vaccination campaign is also adversely affecting the profits of 28% of practices, although 31% report higher profits from vaccinations. Some 64% say the rebate does not cover their costs.

Again, the regional practices are managing this issue better than practices in metropolitan locations.

The research finds that the practices deriving increased profits from vaccinations are more likely to have allocated a dedicated vaccination space in the practice and distributed educational material to encourage vaccinations. Additionally, they are far less likely to have purchased extra equipment or facilities to store the coronavirus vaccine, or to have rostered or hired extra support staff.

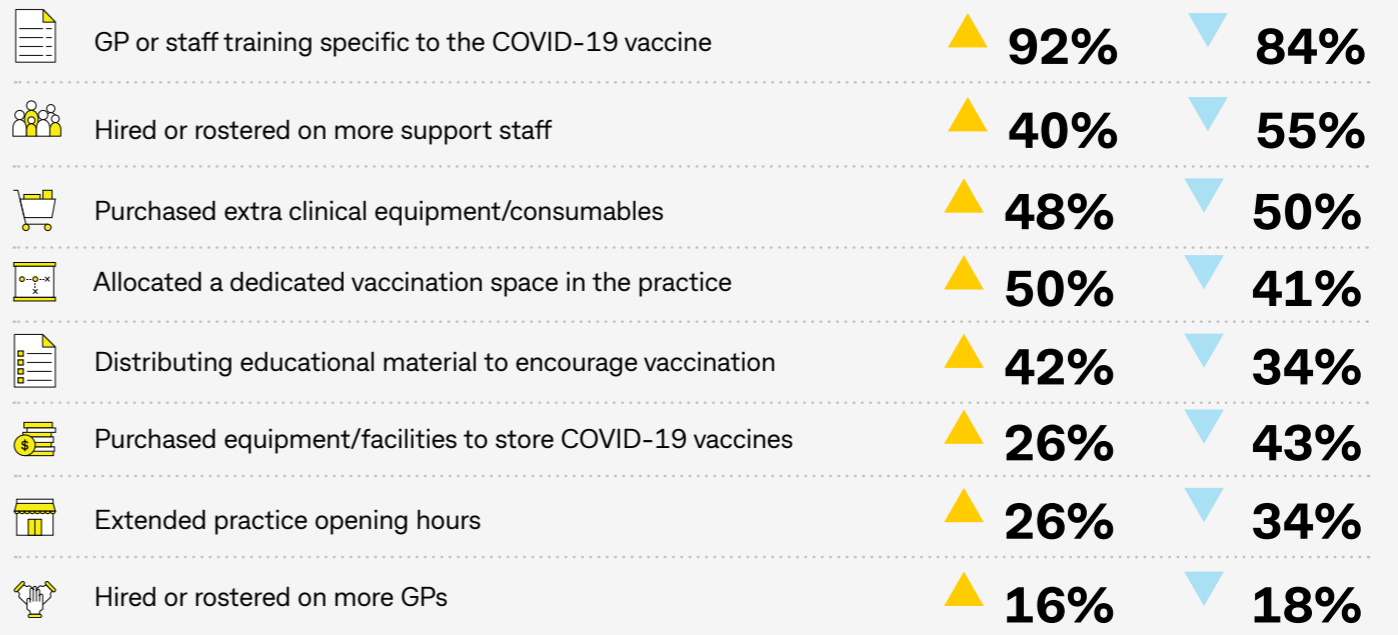
## Mixed impact of telehealth and vaccinations

How the profitability has been impacted by telehealth and the vaccination roll out



## Supporting the vaccination campaign

The changes practices have made to accommodate the coronavirus vaccine rollout



■ Practices with increased profitability

■ Practices with decreased profitability

*"GPs are at the front line of the increasingly urgent campaign to vaccinate Australia and are doing a tremendous job. The impact that's having on practice economics is mixed, as is the ongoing use of telehealth consultations."*

**Caitlin Wilson**  
Director of Healthcare  
CommBank

## Expert View: Scale My Clinic

Together, Dr Todd Cameron and Dr Sachin Patel have 35 years of experience working in general practice. They established Scale My Clinic two years ago to address the problem of underperforming businesses in privately held clinics. Dr Cameron says, "people give a lot of time, money and resources to these enterprises without much coming back. Our goal is to give them their lives back."

GPs' selflessness has been evident during the pandemic. Many practices reported a drop in revenue and profit while most drivers of patient satisfaction rebounded. Todd says the higher proportion of bulk-billed consultations that practices reported partly reflects GPs bulk billing to support people hit hard by the pandemic. "It is the altruism of doctors. They just chipped in for their community," Dr Cameron says

More generally, the pandemic increased people's appreciation of the work that general practices do, translating into greater tolerance of waiting times. Another factor supporting the notable climb in patient satisfaction with waiting times is telehealth. It is easier for patients to continue with their work while at home or in the office than in a practice waiting area. The greater frequency of telehealth consultations has also caused patients to "feel a bit more appreciated and understood, and they appreciate being bulk-billed," Dr Cameron says.

While telehealth is great for patients, it is not necessarily so for practices. Some 35% of practices report profit is now lower from telehealth than before the pandemic. Dr Cameron adds that front desks are being overwhelmed by calls and requests flowing on from telehealth consultations.

Meanwhile, operating costs continue to rise. According to Dr Cameron, practices must therefore charge higher fees or aggressively attack their cost base by cutting anything no longer fit for purpose, such as accumulated software subscriptions. Dr Cameron recommends having suppliers bid for work, repricing power and insurance arrangements, and negotiating rent reductions.

With staff being a significant cost, Dr Cameron sees potential in technology and outsourcing. "Automation is one mitigation strategy, plus directing low-value work to distributed teams outside the practice. That is possible in the gig economy." Dr Cameron explains that the patient

experience and quality of care would be better if they weren't waiting for front house staff to finish answering incoming calls.

"It would also be positive for practice culture and staff retention. This is increasingly important amid border closures, less movement of qualified staff, and workers being dragged into other services like mass vaccination hubs. In combination, they are exacerbating the longstanding shortage of GPs due to fewer graduates from medical school," Dr Cameron says.

Having more resources explains why larger practices could respond better to the pandemic, says Dr Cameron. "Smaller clinics would have adopted a business-as-usual approach and hoped to ride it out. At larger clinics, the threat is bigger, more is at stake, and the consequences of making a mistake bigger, so there would have been a multitude of suggested responses."

Retaining and recruiting qualified staff is also central to practices further expanding their service offering to meet patient demand. Dr Cameron says another motivating factor is that practices want to diversify away from MBS services given funding remains inadequate.

For this reason, he suggests practices' forecasts for growth in revenue and profit will only be realised if they take decisive action as the cost of delivering services continues to climb. "There will have to be a move towards more private billing, simply because some of those higher costs are uncoverable," Dr Cameron says.

Technology is also essential to practices' growth aspirations. "You can now have a work from anywhere GP," Dr Cameron says. "That dramatically changes the systems you would set up for a GP. Additionally, patients' telehealth experience during the pandemic has altered their expectations."



# Top operational issues facing practices

## Navigating persistent challenges

The pandemic has heightened patients' expectations around digital interactions, supporting ongoing investment in technology. Practices are being further tested by the rapid take-up of telehealth and the national coronavirus vaccine rollout.



# Technology investment picks up pace

The pandemic has forced more activity online, and patients increasingly expect options to interact digitally with practices. Hence, the pandemic led 53% of practices to invest more in technology than initially budgeted. The percentage is higher among regional practices and those with revenue exceeding \$2 million per annum.

Technology investment during the pandemic had two primary objectives: to improve efficiencies and enhance communication between GPs and patients. Examples include SMS or email appointment reminders and alerts, digital check-in services, the use of smart devices during consultations to facilitate sharing information and educational materials, and digital channels for patients to contact the practice for advice and questions. Regional practices are leading the adoption of many of these technologies.

The investment is expected to continue, with 68% of practices indicating their technology budgets will increase in the next 12 months. The focus remains on lifting efficiencies, such as digital check-in services and enhancing patient care and engagement. This includes remote monitoring of patient health through mobile devices, practice portals where patients can view medical records and test results, and GPs using smart devices during consultations.

The research finds that patients value the technologies and would use them. For example, 16% of patients would stop booking and managing appointments by phone or in person if other options were provided, and 20% would prefer websites and mobile apps to manage appointments if available.

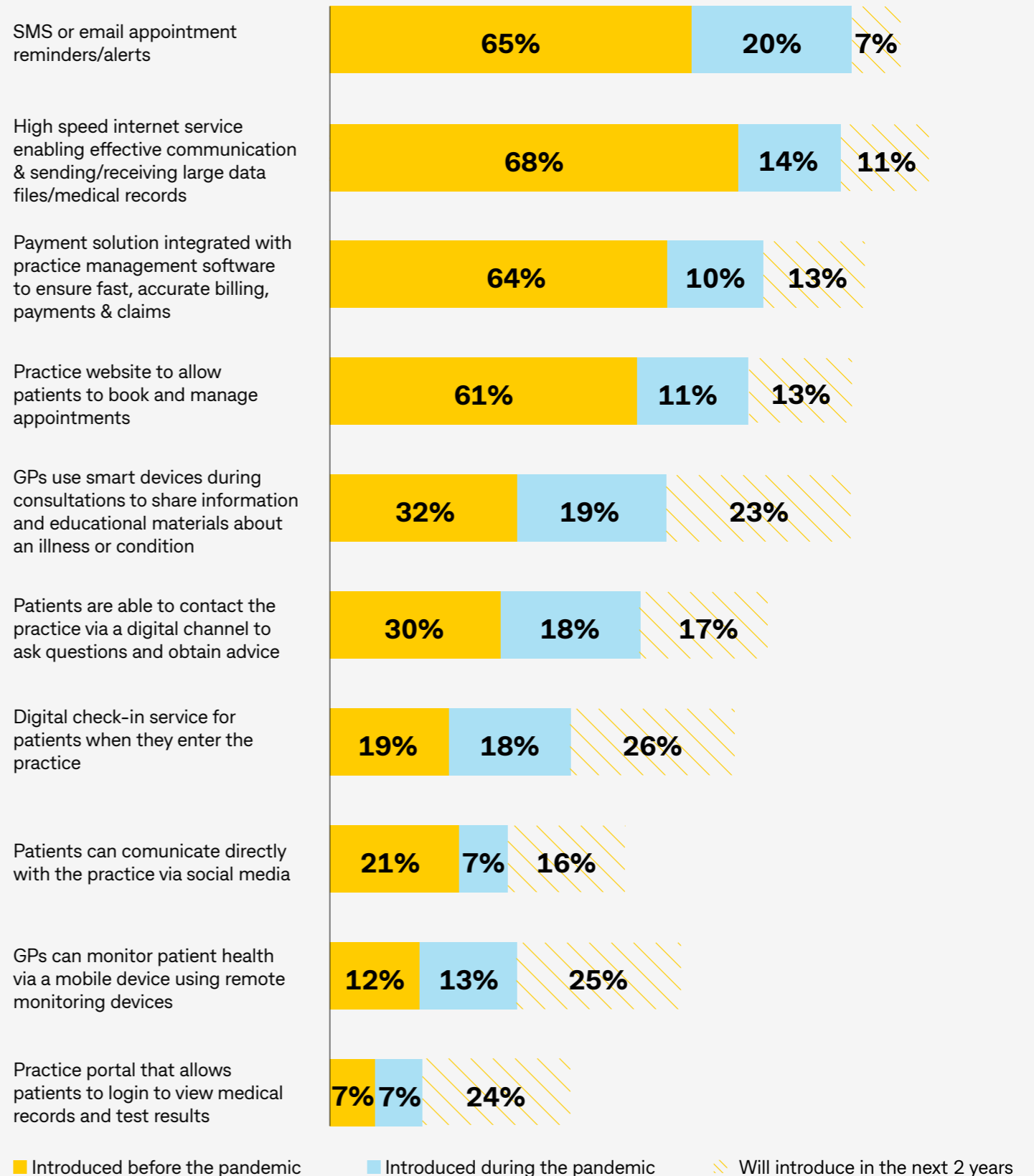
Of the 38% who currently manage appointments through websites or apps, 56% agree that these channels effectively improve their overall experience. They are also far more likely to be very satisfied with their practice's overall experience, demonstrating the return on investment for practices.

*"The rising expectation among Australians for digitally-assisted interactions to enable safe and convenient interactions meant practices needed to accelerate investment to keep pace."*

**Belinda Hegarty**  
National Head of Healthcare  
CommBank

## Prior, current, and future technology adoption

The technologies that practices have, and intend to, introduce



# Telehealth has been a success

Before the pandemic, on average, just 4% of consultations were conducted by telehealth. The percentage peaked at 51% on average last year and now sits at 23%. As a result, 59% of patients surveyed for this report had experienced a telehealth consultation, up from 35% in June 2020. A further 16% are interested in telehealth consultations.

However, 93% of telehealth consultations are conducted by phone rather than video. Some 60% of GPs say that patients and GPs alike prefer the phone because of privacy and security issues around video. Additionally, not all patients have the technical skills, and not all practices have the right technology to facilitate video consultations.

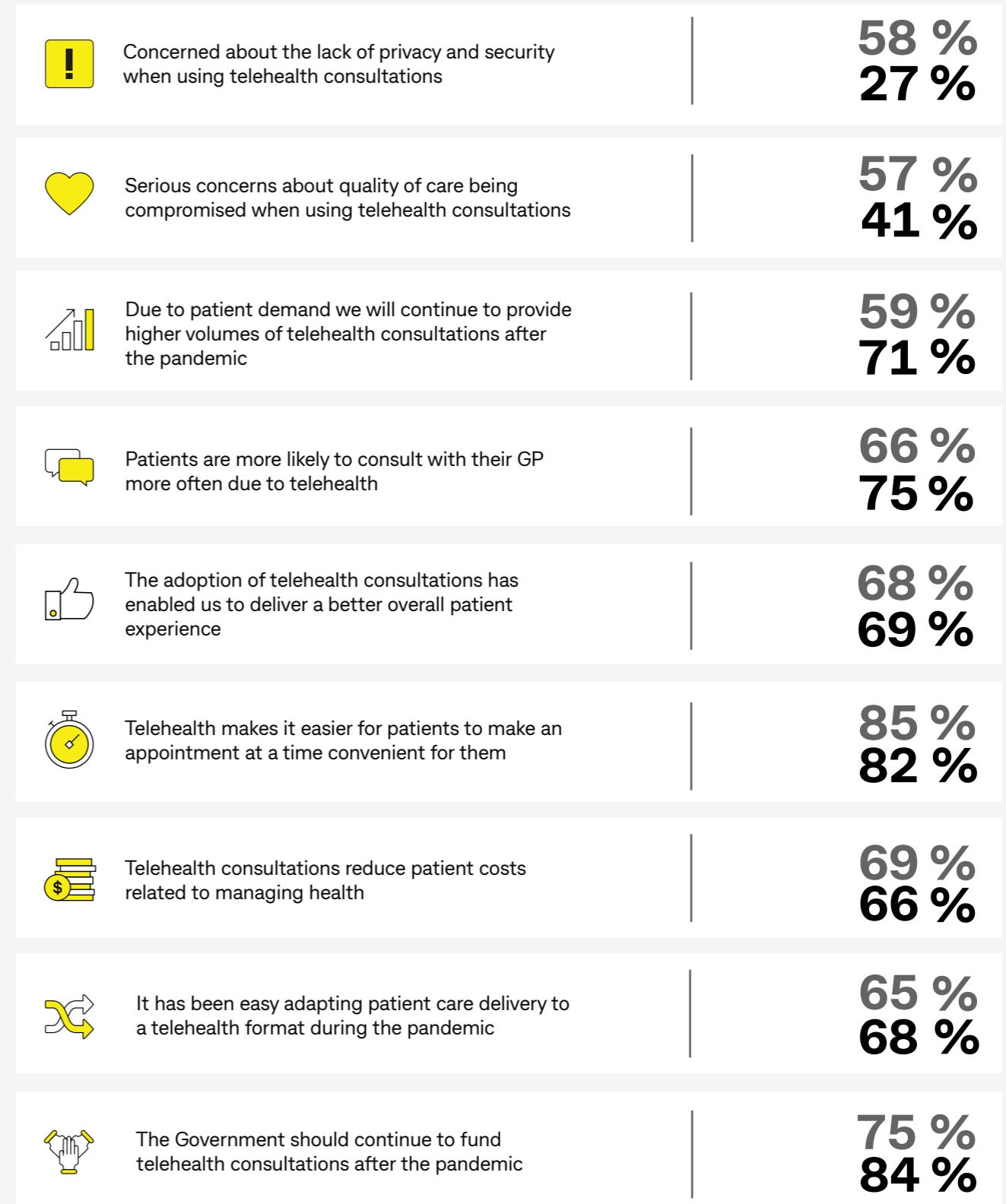
Interestingly, a quarter of GPs see no need for video. Nor is there any difference in satisfaction with telehealth between patients who have only had consultations by phone and those who have had video consultations.

Nevertheless, GPs and patients' perceptions of telehealth have become more positive over the past year. Around 88% of patients are satisfied with their telehealth experience, and 69% of GPs agree that telehealth helps them provide a better patient experience.

GPs' concerns around the quality of care and security and privacy issues have eased. Additionally, patients who have had a telehealth consultation are less likely to harbour those concerns than patients who haven't experienced telehealth. A growing percentage of GPs will continue to offer telehealth after the pandemic to meet patient demand, and more now agree that patients will consult them more often if telehealth consultations are available.

## Practices' perceptions of telehealth

The views among practices of the implications and efficacy of telehealth



■ 2020

■ 2021

# The vaccination challenge

General practices are central to Australia’s rollout of coronavirus vaccinations. At the time of our survey, 72% of GPs responding were already administering the vaccine and a further 12% intended to become involved. The majority of patients who have either had the vaccine or plan to do so indicate their preferred GP as the location of choice. However, as discussed earlier, 28% of practices have lower profits as a result of vaccinating patients and the associated changes needed to accommodate the rollout.

In addition to the financial impact, there are operational challenges, notably around reassuring patients about the vaccine’s safety (cited by 67% of practices), the influx of vaccine-related calls to practices (59%) and undersupply of vaccines (53%).

Practices that are not making a profit from the vaccinations are struggling with the undersupply of vaccines and keeping abreast of changes in government information and health advice, as well as with training staff and storing the vaccine appropriately. Compared with metropolitan practices, regional ones are also finding staying up to date with information, as well as vaccine storage, more difficult. They also cite the productivity of front-house staff being impacted by the influx of vaccine-related calls.

For all these challenges and the financial burden that some practices are bearing, practices can take comfort that 98% of patients are satisfied with the vaccination process, particularly with how practices made it easy and convenient. This may help allay the concerns of some patients who are hesitant about getting the vaccine.

## Top vaccination satisfaction drivers among patients

**76%**  
Minimal waiting time at practice or clinic

**75%**  
Easy booking process

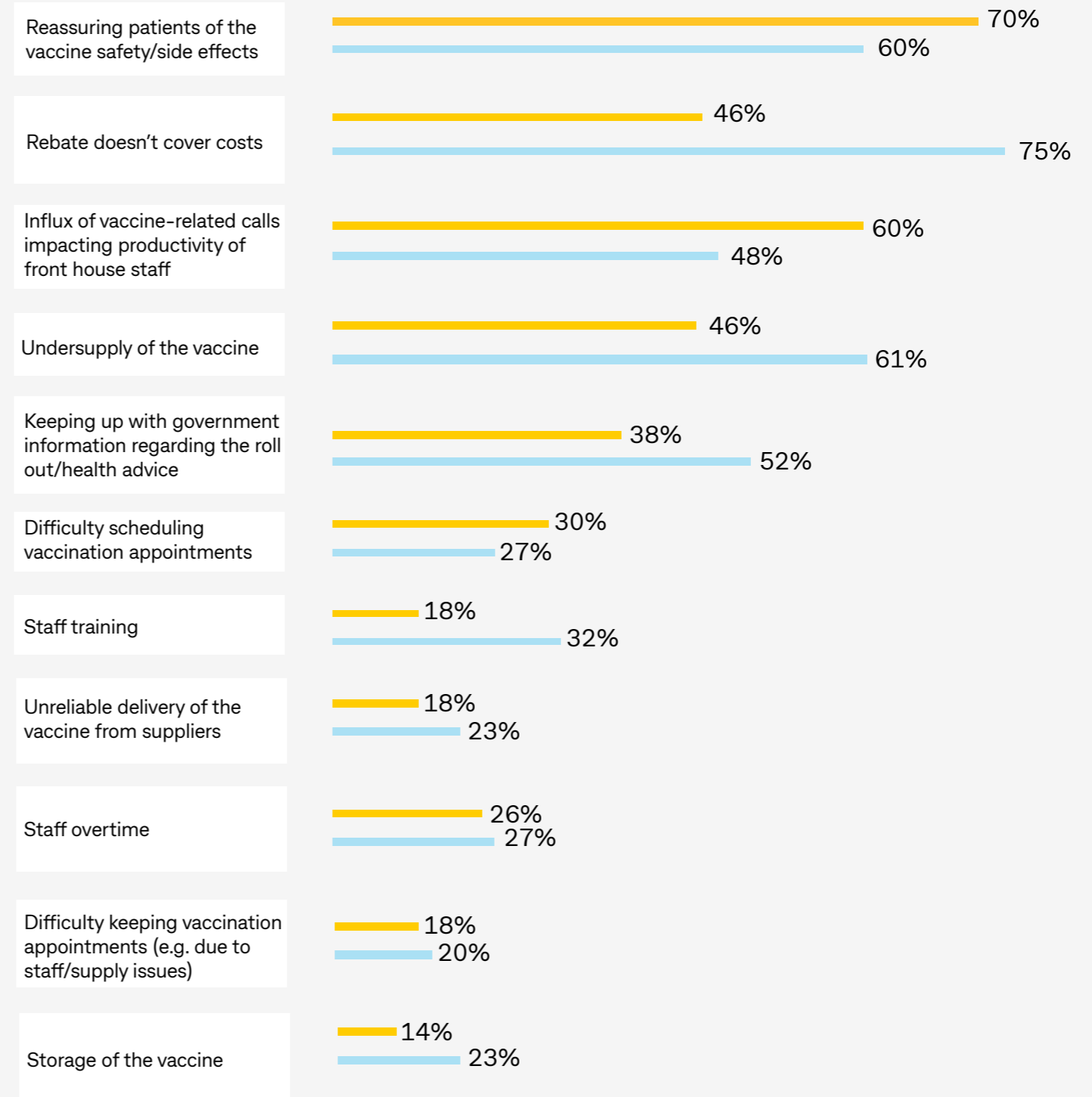
**71%**  
Easy to secure an appointment

**71%**  
Information on next steps clearly explained

**62%**  
Minimal adverse effects of the vaccine

## Operationalising the vaccine rollout

The primary challenges of offering the COVID-19 vaccine among practices



■ COVID-19 vaccine increasing profitability

■ COVID-19 vaccine decreasing profitability



## Expert View: Best Practice



**Dr Frank Pyefinch**  
Chief Executive Officer



**Lorraine Pyefinch**  
Co-founder and  
Executive Director



**Jessica White**  
Manager Commercial  
and Customer  
Enablement

Best Practice has been developing software primarily for general practices for 15 years. Designed by Dr Frank Pyefinch, its flagship product Bp Premier, encompasses clinical treatment, front office staff, practice and financial management.

It covers everything from appointment bookings to recording clinical notes, prescriptions and ordering imaging and pathology services. Its invoicing and billing interface to Medicare facilitates payment for bulk-billed consultations.

Frank and his team, including Co-founder and Executive Director, Lorraine Pyefinch, and Jessica White, Manager Commercial and Customer Enablement, view the pandemic-induced adoption of telehealth as a game changer. Jessica says demand has grown for a wide range of products that Best Practice and its more than 100 partners provide. "Practices want more applications and services which plays to that telehealth model," says Jessica.

Growth should continue given changes to MBS telehealth items from 1 July that the government intends will shift more telehealth consultations from phone to video. According to Frank, current "bolt-ons" for video can be quite clunky, so Best Practice is working on integrating video software into its platform. "We want to improve that because video has advantages," says Frank. "Diagnosis and treatment of some conditions are better if you can see them."

Frank explains that online bookings have also taken off during the pandemic, with patients wanting fewer face-to-face interactions. Frank says, "we have practices doing 60% more appointments via the online solution, and that can save staffing costs." It also provides a smoother patient and practice experience.

Likewise, Jessica saw considerable growth in SMS usage as "patients communicate more remotely with their practice". This provides opportunities for practices to better engage with patients outside of the practice. With SMS, they can proactively contact patients with reminders for tests and follow-up consultations, as well as notification of changes in public health information around coronavirus vaccinations and mask requirements at the practice.

SMS appointment reminders effectively reduce "no shows" so that doctors are not left idle due to patients not turning up. This improves efficiency and reduces operating costs. Jessica notes that SMS can be used for campaigns. For example, compiling a list of patients aged over 65 and letting them know that flu vaccinations are being administered at the practice on Wednesday afternoons. "You can boost income using those campaigns," she says.

Frank sees significant potential in Best Practice's smartphone app. It enables patients to have their health summary, allergies, medications and vaccination history

at hand. Patients can make bookings, securely receive test results, and request medical certificates and repeat referrals and prescriptions, as well as receive health-related information from the practice. The benefits span communication, education and patient healthcare.

Lorraine expects artificial intelligence will eventually enable GPs to talk to patients much earlier about certain conditions and risks. At the same time, Frank is excited at the prospect of incorporating genomic testing into the software. This would alert GPs to adverse reactions to drugs based on genetic conditions.

In the meantime, Frank believes telehealth is here to stay. "Telehealth has been a fantastic kickstart for governments and other bodies to think about the patient experience outside the practice," he says. He expects pathology and radiology to be included eventually "to close the gap as we do more remote healthcare".

Best Practice's technologies bring efficiencies to practices, such as reducing the backlog of work awaiting GPs at the day's end and freeing up front house and bookkeeping staff. When considering investing in technology, though, Jessica says avoid "getting caught up in the buzz". Instead, practices should think about the problem they want to solve or what they are trying to achieve. Maximise the return on investment by regular training, she adds.

# What lies ahead

## Optimism about the future

After 15 months of the pandemic, around half of practices are concentrating on growth, and more than 40% are predicting that revenue and profit will increase. Practices also expect to continue expanding their service offering with a focus on patient care and convenience.



# Adaptable practices poised for growth

Despite the past year's challenges, around half of practices will focus on growing revenue over the coming 12 months. That said, there are considerably more practices seeking to maintain current revenue than before the pandemic.

The practices that believe they adapted well to the pandemic and more proactively managed the recovery in patient numbers, namely regional and larger practices, are more likely to be growth-focused.

With the disruption of the initial stages of the pandemic behind them, practices are broadly optimistic that revenue, profit and patient numbers will increase amid expectations that the proportion of bulk-billed consultations will stabilise. The optimism around profit growth is despite forecasts for further rises in operating costs and capital expenditure.

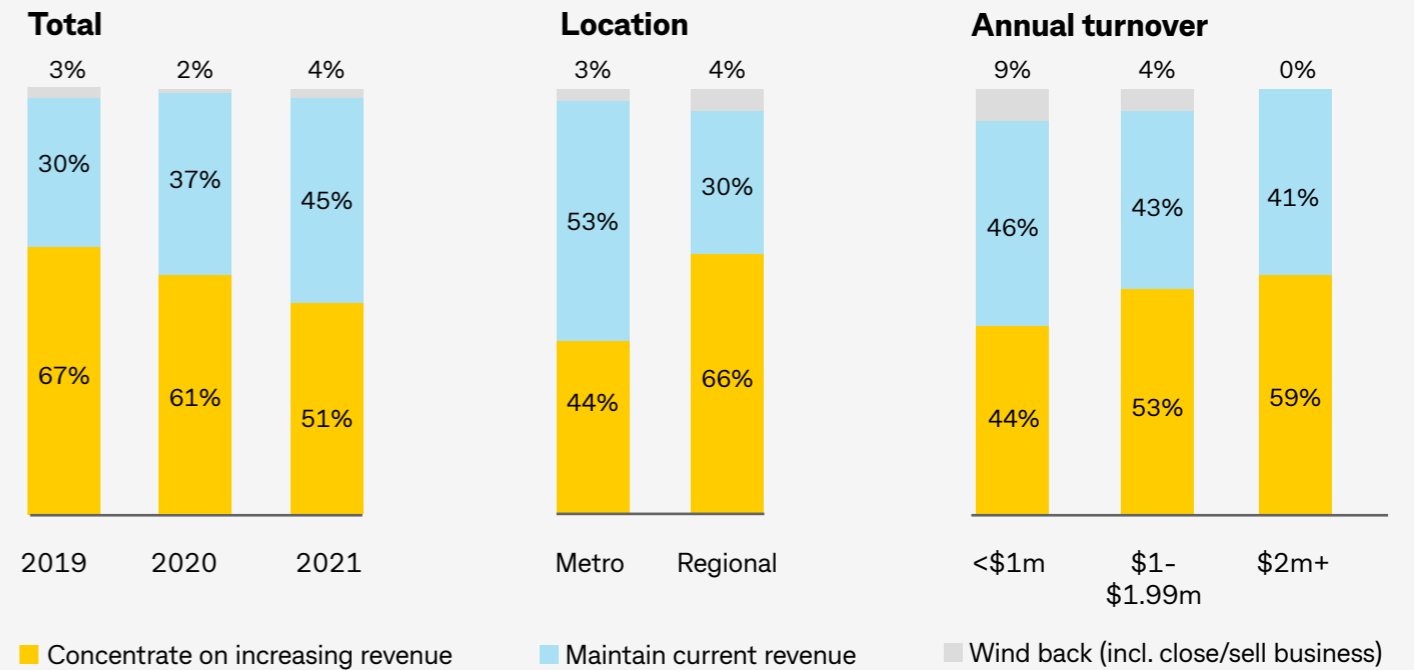
Compared with practices located in metropolitan areas, more regional practices predict patient numbers will grow. However, the proportion of regional practices expecting operating costs to continue rising is also higher. Hence a lower percentage of regional practices expect growth in profits in the next 12 months.

On the other hand, smaller practices do not anticipate as much cost pressures as their larger peers, but given their expectations for growth in patient numbers are also lower, their forecasts for revenue and profit growth are more modest than larger practices.

Larger practices stand out for their forecasts for recruiting more GPs. This may be underpinning their higher expectations for revenue and profit growth.

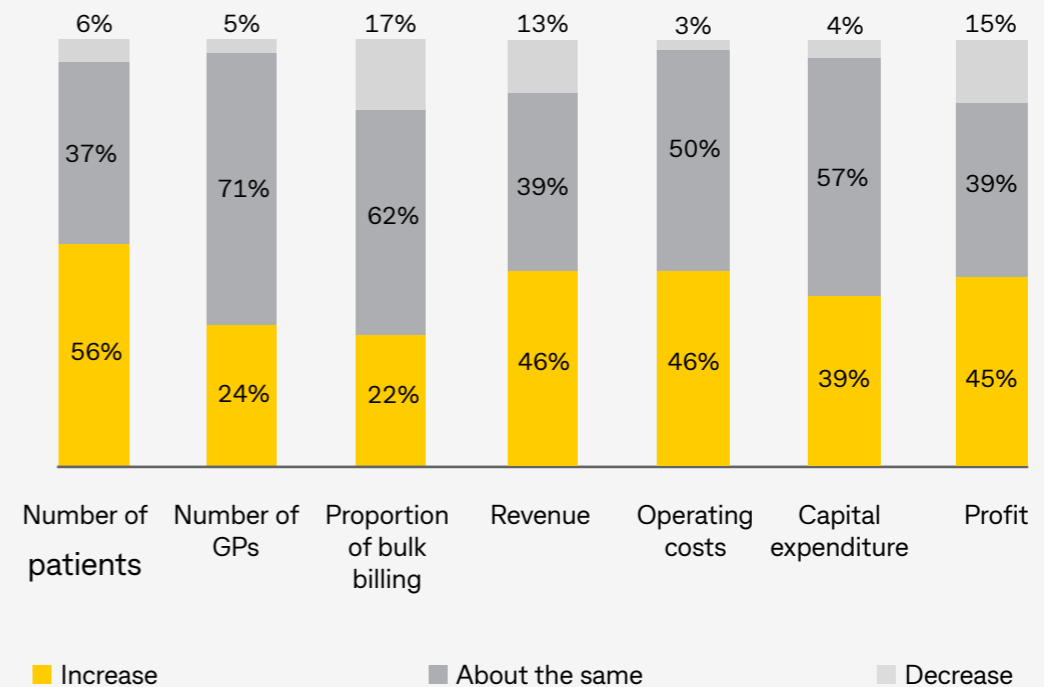
## Business growth outlook

Practices' approach to business over the next 12 months



## Practices' forecast for key indicators

Practices' expectations of financial and operational indicators over next 12 months



*"Regional practices are the most likely to be growth-focused, with two in three seeking to lift revenue over the next 12 months, whereas the majority of metro practices are putting in place strategies to maintain the status quo."*

**Belinda Hegarty**  
National Head of Healthcare  
CommBank

# Growth enablers and hurdles

Indeed, recruiting more healthcare professionals is the top priority of practices so that they can continue to expand their range of services. This is most apparent among growth-focused practices and regional ones. However, there has been an almost 50% increase in the proportion of practices finding it difficult to attract and retain qualified GPs and support staff amid Australia's closed international borders. This is potentially an obstacle to practices' growth ambitions.

Investment in technology and systems integration is high on the agenda of all practices. Still, growth-focused practices stand out for their intent to invest in new devices that will enable them to offer new services and improve the quality of care. Regional practices are more likely than metropolitan ones to be upgrading payment and claims systems. In contrast, metropolitan practices plan to extend opening hours.

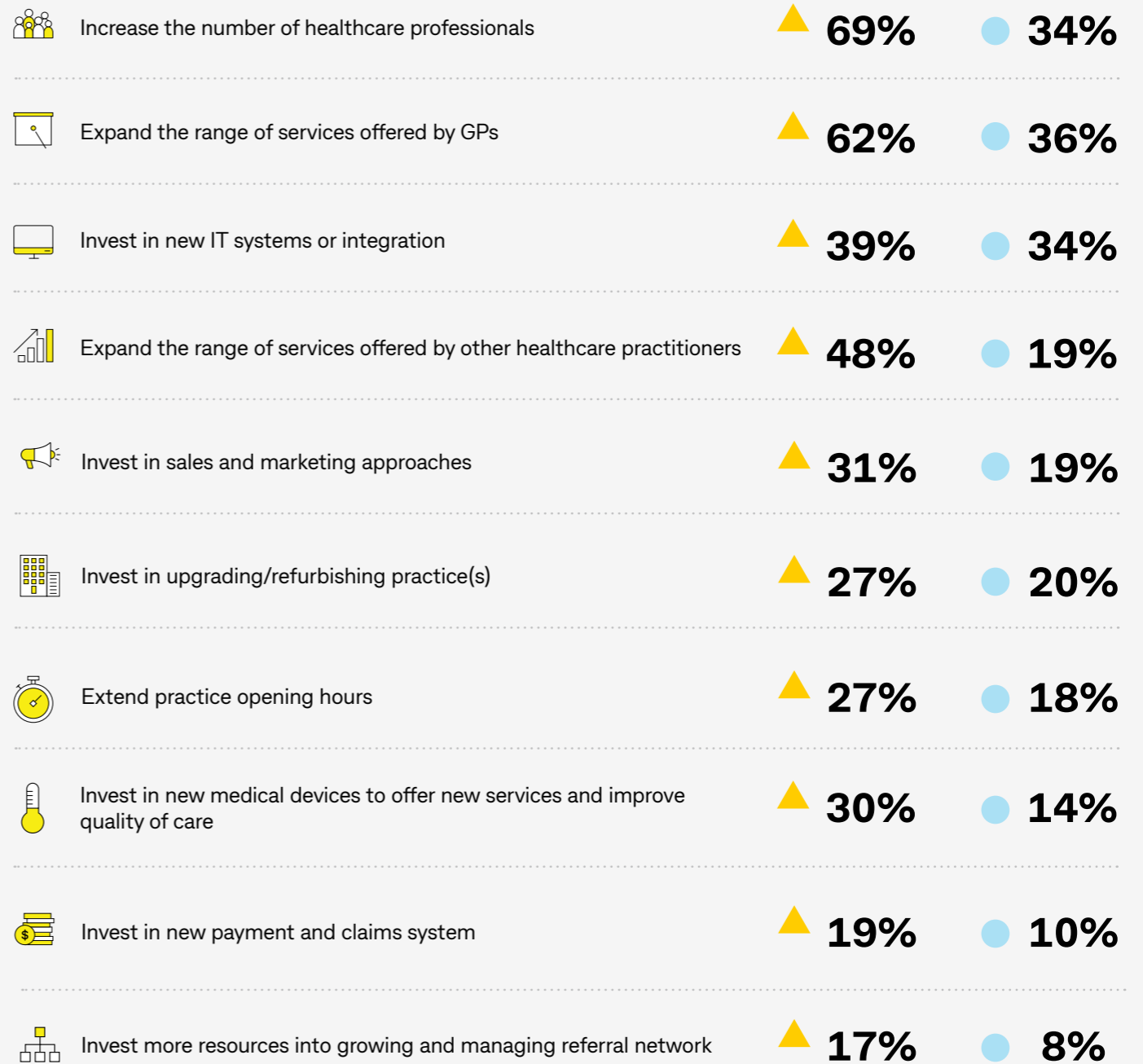
Given the earlier finding that 39% of practices report that profits are lower and 50% say operating costs are higher than before the pandemic, it follows that their top challenge is the Medicare schedule fee lagging the increasing costs of running a practice (68%). Likewise, rising costs associated with wages, rent, utilities and insurance (57%) also features among practices' top challenges.

It is worth noting that keeping up with new technologies (36%) and delivering to the changing needs of patients (35%) are more challenging than before the pandemic. This is most evident among practices focused on maintaining revenue.

Interestingly, while managing the issues around the vaccination rollout (37%) also ranks high on the list of challenges, telehealth is viewed problematical by far fewer (28%), except among practices seeking to maintain revenue.

## Business growth focus

What practices will do in the next 12 months to achieve their business objectives



■ Growth focus

■ Maintenance focus

# Services being added and why

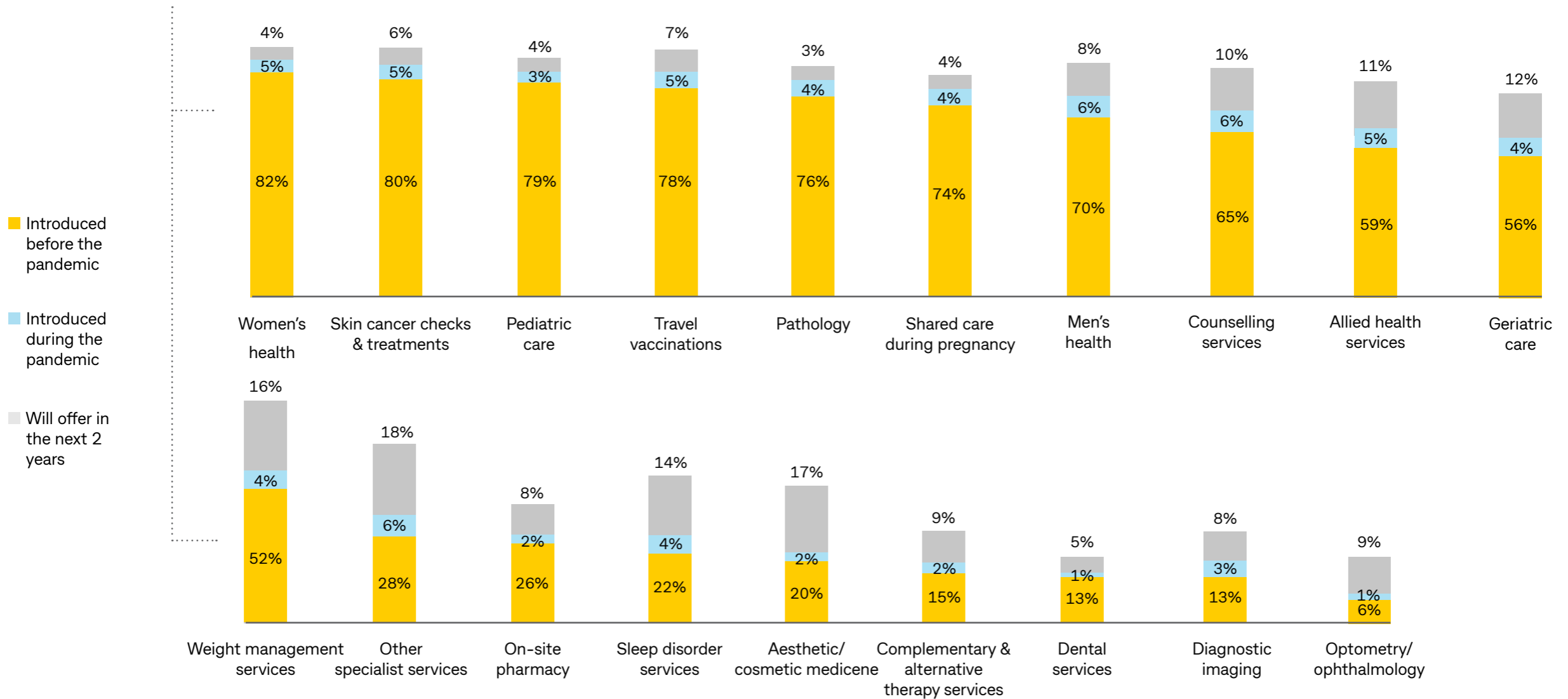
The longstanding trend of practices diversifying their service offering continues, notwithstanding the pandemic. The three most common services that practices have added since the pandemic are men’s health, counselling and ‘other’ specialist services., such as sleep conditions, dermatology and respiratory. ‘Other’ specialist services will remain a focus among practices over the next two years. Other popular services that will be introduced relate to aesthetic and cosmetic medicine, weight management, sleep disorders, geriatric care, allied health services and counselling.

Perhaps reflecting the lower percentage of practices aiming to grow, compared with 2020, practices are increasingly adding services with their patients in mind. Satisfying demand from existing patients is a driver for most practices (57%), followed by making it easier for the community to access healthcare services (50%). As we learnt earlier, patient satisfaction with the range of services available is markedly higher.

While many practices are introducing new services to increase profitability (43%), attract patients (37%) and create additional revenue (34%) these objectives have all become less prominent over the past 12 months. That is particularly the case among regional practices. Practices in metropolitan locations continue to put more focus on increasing profitability and growing patient numbers.

## Diversifying services

Services offered by the practice today and in 2 years



# Conclusion

General practices are doing an outstanding job of looking after their patients while responding to the many challenges of the pandemic. They rapidly implemented telehealth in the early months of the pandemic and are now the backbone of the national coronavirus vaccination program. Patient satisfaction with both telehealth consultations and the vaccination process in general practices is very high. Practice economics were initially impacted by a drop in patient appointments during the height of the pandemic and then by an increase in bulk-billed consultations partly associated with telehealth, amid a continuing rise in operating costs.

With patient numbers rebounding and practices better harnessing telehealth, there is growing optimism that practice economics is back on track. Half of practices once again have their eye on growing their practice.

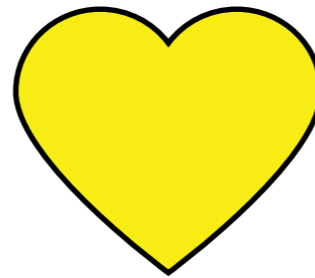


## Technology investment

Practices have invested heavily in technology to lift efficiencies, help offset rising costs, and improve the patient experience. This is set to continue.

This includes providing the digital interactions and communications that patients look for.

More practices are investing in technologies that will improve the quality of care through remote monitoring of patient health and sharing of educational material.



## Patient convenience, care, experience & satisfaction



## Expanding services

The range of healthcare services that practices provide continues to evolve to meet patient needs.

Compared to pre-pandemic, more practices are putting patient care and convenience ahead of growth when adding services.

However, as long as Australia's international borders remain closed, practices' aspirations may be hindered by a shortage of qualified staff.

# Practice metrics

## Benchmarking performance and perspectives

These data points from our survey may help you to compare your practice's strategies with those of peers.



# Practice metrics



## Practices' top five challenges

	2020	2021
Medicare schedule fee lagging increasing costs of running a practice	59%	68%
Attracting and retaining qualified GPs and support staff	41%	61%
Increasing costs	51%	57%
Managing issues associated with the COVID-19 vaccine rollout	n/a	37%
Keeping up with new technologies and innovations	23%	36%



## Expected change in financial performance in the next 12 months

	Change
Revenue to increase	48%
Revenue to stay the same	39%
Revenue to decrease	13%
Profit to increase	46%
Profit to stay the same	39%
Profit to decrease	15%



## Practices' top five priorities in the next 12 months

	2020	2021
Increasing number of healthcare professionals	36%	51%
Expand range of services offered by GPs	47%	48%
Invest in new IT systems or integration	34%	35%
Expand range of services offered by other healthcare professionals	34%	33%
Invest in sales and marketing approaches	34%	24%



## Standard B consultation fees

	Practice
Expect to increase fees	31%
Expect to keep fees the same	65%
Expect to increase fees	3%
Averaged fee charged (current)	\$75.20
Average fee expected to be charged in 12 months	\$76.30



## Top five ways practices are offsetting costs

	2020	2021
More efficient patient appointments and staff rostering	59%	53%
Finding alternative suppliers	38%	42%
Increasing consultation fees	26%	36%
Renegotiating leases	20%	24%
Patient sign-in at self-serve kiosk/online form	15%	17%



## What practice costs are rising

Cost area	Proportion of practices reporting an increase in costs
Consumables	84%
Professional and business insurance	75%
Technology	72%
Staff payroll	71%
Recruiting staff	63%



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