

## THE BUSINESS / PRACTICE MANAGER IN 2014.

### Can you afford NOT to have a Manager?

A practice principal devoting 1 hour /per day to management instead of consulting can be “costing” the practice in the order of \$70,000 per year in lost income; for around the same money a practice could engage the services of a manager for 30 – 35 hours per week!

In the last 5 – 10 years, there has been a paradigm shift in health care. No longer is it good enough to simply be a great doctor. There exists an expectation amongst today's patients of receiving 'excellence in healthcare'. Of course, no one can deny the benefits of a favourable bedside manner, but health consumers are increasingly raising the bar when it comes to what they expect from their health providers.

Similarly, the concept of a Practice Manager adding value to a medical practice has been increasingly recognised as an essential component in the formula of the successful operation of any health related business. Today, Practice Managers undertake a wide scope of practice management responsibilities that include - Human Resources, Financial Management, Compliance, “The Patient Journey”, Risk Management and Marketing.

If you have a professional, well educated, practice manager that's looking after those aspects of your practice then congratulations, you're well on your way to meeting your patients' high expectations of what they consider to be 'excellence in healthcare'. More now than ever, Practice Managers are charged with the responsibility of reviewing and implementing processes in practices to increase efficiency and contribute to the overall notion of 'excellence in healthcare' for patients. But, just like your clinical skills, your practice manager's skills need to be continually refined through a combination of ongoing education, and applying skills learnt on a daily basis.

Members of the Australian Association of Practice Managers can now aspire to be recognised as Certified Practice Managers. An AAPM Certified Practice Manager has the combination of a recognised formal educational qualification, ongoing professional development and practice management experience.

A standard level of education for a Practice Manager should be a tertiary / post graduate qualification in management especially related to medical practice. A number of courses are offered, however AAPM has worked with University of New England Partnerships to develop the Diploma of Practice Management. As part of the Manager's professional responsibility they must maintain ongoing professional development: - membership of professional organisation (AAPM), attendance at relevant educational events (AAPM, Medicare Locals, etc) and building a professional network.

The importance of the Business / Practice Manager to the practice team and as the “agent of change” for introduction and implementation of health reform at a practice level has been increasingly recognised by other professional organisations, government and government bodies. AAPM renewed the MOU with the RACGP in 2013 and represents Practice Managers on numerous government committees and advisory groups (including - Medicare Australia, NEHTA , GP Roundtable)

Significantly in a time of major changes to healthcare delivery in Australia, AAPM continues to work with a number of private and government bodies in order to deliver a variety of education topics ( including e-Health ) across Australia.

### Role of the Business/ Practice Manager.

Whilst not diminishing the role of the Healthcare Practice in the delivery of health care, we must also realise that the Healthcare Practice is a small / medium business enterprise and successful professional businesses require strong leadership and effective, professional management.

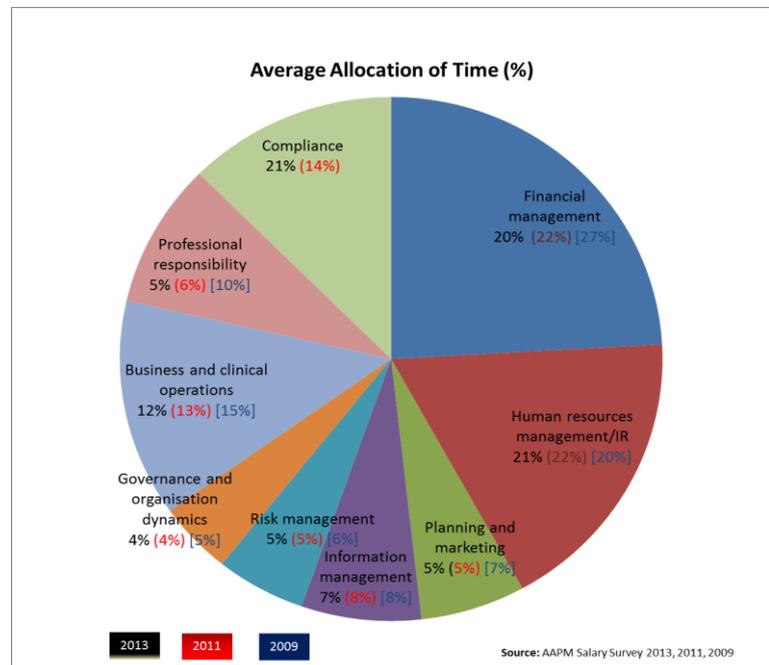
Accepting that Healthcare Practice is a professional business requires that the practice is managed in line with good business management principles. As such the role of the Practice Manager has evolved to that of a *Business Manager* including the efficient management *and* development of the business.

Principals need to be aware of management competencies and skills to ensure appropriate manager performance.

## Key Roles of the Practice Manager

Associated with this developing role are a number of responsibilities as outlined in the diagram opposite. The time devoted to each of these responsibilities will vary depending on the requirements of the practice at specific times; however, ALL will be performed at some stage.

- ☞ Compliance
- ☞ Financial Management
- ☞ Governance
- ☞ HR Management
- ☞ Planning & Marketing
- ☞ IM & IT Management
- ☞ Risk Management
- ☞ Governance & Organisation
- ☞ Business & Clinic Operations
- ☞ Professional Responsibility



## Employing a Practice Manager

**Protocols:** - Well defined Position Description (PD) is the first pre-requisite of employing a Practice Manager. This should clearly outline the roles and functions of Manager and expectations of the Principals / Employer. Such a PD would cover the key responsibilities mentioned above. Also as part of the PD and the Employment Package, specific Key Performance Indicators (KPIs) can be identified and will provide increased focus on particular areas for the defined time frame.

A key component of a successful manager will be regular meetings with a) principals and b) staff and practitioners. Communication is a critical issue for success. Importantly principals must be aware of which “hat” they wear at particular meetings:

- At Management meetings - the Hat = Principal / Owner
- At Clinical/staff meetings - the Hat = Practitioner

**Review Process:** - Regular performance appraisal should be held every 6 – 12 months. This provides an opportunity for constructive discussion surrounding performance and the ability to refine areas within the PD. Having previously defined specific KPIs allows for objective review of performance. The appraisal will also provide the opportunity to establish key items to address across the next period. As part of the remuneration may be linked to performance (Performance Bonus), linking the KPI performance provides ideal opportunity to define and quantify such bonus payment. Content for the review should include feedback from staff (reception, nursing) practitioners, principals and other key members of the “management group” – e.g. accountant.

**Disputes:** With a clearly defined PD / roles and regular communication between principals and practice manager, the potential for conflict is minimised. One area that can create problems is where owners / principals don’t recognise need to allow the practice manager to manage the practice. Open discussion occurs within the management meetings and once decisions are agreed, it is everyone’s (owners/principals / manager) responsibility to support the decision and the practice manager’s responsibility to implement. “Corridor management” has a real potential to create dispute situations.

Whilst not necessarily a dispute issue, the remuneration package associated with the manager’s position can create unease. Role and function needs to be recognised. A number of factors go towards determining an appropriate remuneration package. AAPM is able to provide several resources to assist –

- AAPM 2013 Salary Survey (provides invaluable information on salary levels and the key factors that need to be considered in determining the appropriate salary)
- AAPM Practice Manager Position Description
- The AAPM IR & HR advisory service (AHIG)

*Produced with thanks to Brett McPherson Life Member - AAPM, CPM AAPM, FAAPM and Nathan Jones MAAPM*

**AAPM** Level 1, 60 Lothian Street, North Melbourne VIC 3051

**P** 1800 196 000 **F** 03 9329 2524 **E** [headoffice@aapm.org.au](mailto:headoffice@aapm.org.au) **ABN** 91 010 067 615 **www.aapm.org.au**