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Only one in four GPs owns a practice

Paul Smith | 14 September, 2015 | 7 comments [Read Later](#)

Only 25% of GPs are practice principals or partners, with ownership rates in the specialty at an all-time low, unpublished figures reveal.

With the rest of the profession working as associates, contractors or employees, the figure has again raised questions about clinical autonomy and who 'owns' general practice.

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Researchers who surveyed 138 doctors in southern Adelaide, Fleurieu and Kangaroo Island, SA, said there were virtually no published data on GPs' business relationship with their practices.

But that unpublished data compiled by the Medicine in Australia Balancing Employment and Life (MABEL) study indicated that approximately one-quarter of GPs are principals or partners of their practice.

Their survey, published in the *Australian Journal of Primary Health*, documented familiar concerns among current practice owners about the willingness of the new generation of doctors to take over the running of their business.

However, practice ownership was seen as important for general practice to maintain professional autonomy — especially when contrasted with corporate models (see box, below).

"GPs [in the study] expressed disapproval of corporate practices' prioritising of financial gain rather than commitment to quality patient care, and perceived pressures on staff to see large numbers of patients and work long, unsociable hours," the authors said.

"GPs outside of corporate practices expressed dissatisfaction that non-corporate practices were being left to manage complex medical conditions and provide preventative medicine, while corporate practices offered '5 min medicine'."

The study authors from the University of Monash concluded only a minority of GPs were likely to be interested in owning their practice. But these doctors were facing barriers, including understanding of finance and business management, they said.

"Strategies to build skills in related areas, such as staff management, may also assist GPs to take on practice ownership. [It] may include education and training programs, mentoring schemes and even matching schemes to connect owners wishing to step down with GPs interesting in taking on ownership," they wrote.

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They stressed the business model for practice owners did not have to be limited to small, GP-owned practices versus large corporate practices.

"Practices may be large without having the 'corporate philosophy' that is of concern to many ... [And] new developments in the sector, which may offer additional alternative approaches, include practice manager ownership and shareholding models. These are worthy of further exploration."

On owning your own practice

"I think it felt important to me to actually make a commitment and to have the ability to be involved in decisions about how the clinic runs, and I must say, it's a very accommodating partnership. So I just felt it was important to be part of that camaraderie and part of the place."
(Female GP, aged 38, on why she opted for practice ownership)

"I think it would be quite good to take ownership or take control of something like that and develop it into what you see as a good practice."
(Male GP, aged 31, on the benefits of practice ownership)

"Well, the biggest barrier is what do I do with this current practice? I have tried to sell it for a year, oh no ... I have tried to recruit somebody to join me for a year, no takers."
(Male GP, aged 44, current practice owner)

"No one will buy it, I can assure you of that. Tried that, doesn't work. I will probably just close the door, I suspect."
(Female GP, aged 46)

"I think there should be some restriction on this corporate ... something should happen and really say 'Well no, this is not proper, it's not allowed'. I think doctors should own their own practices."
(Male GP, aged 60, not in corporate practice)

"I'm not a fan of your big corporate style general practices, having been interviewed by one of the big corporate general practices, which was the most hilarious experience in that ... you know, what we see when people are coming back because they're not getting that follow-up, they're not getting that personal care, not getting this is how is this affecting you and how is this affecting your mum and your kids and everybody else."
(Female GP, aged 62, not in corporate practice)

"I don't think we as individuals have control over our patients' destiny. It's not, in my opinion, the sort of practice that encourages continuity of care between the practitioners and the patient. The thing is, the saddest thing of all, is that I've always prided myself on best practice, in trying to reach the goals that are set out for best practice."
(Male GP, aged 64, in corporate practice)

"I don't think I would manage very well in that sort of role [practice ownership]. I don't want the responsibility of that and the whole extra sort of mantle that you have to take on in terms of the administrative role and decision making role. I'd much rather work for somebody and they have all that responsibility."
(Female GP, aged 57, on why she is not considering practice ownership)

The researchers interviewed 138 GPs. Just under 40% were practice owners and 64% were working in a practice with six or more GPs.

More information:

Australian Journal of Primary Health 2015; online.

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Sarat · 17 hours ago

All the paperwork, accreditation requirements, to get the back door payments to financially survive, and the poor remuneration offered for the standard consultations, have all caught up with the GPs who's main preoccupation have been the patients and the services offered to them with little knowledge of a business. The outgoings kept going up while the income had been shrinking dramatically. Many solo GPs who had been owning and running their practices have slowly but surely been disappearing from the scene to reappear at the corporate clinics as part-timers. Commercialization of medicine had attracted enter-pruners to the area with the bottom-line mindset who made the rules for the unsuspecting GPs who became a fodder for their business. Medical practices of this model have become rather a commercial entity for profit than service. Rest is history and we all must thank our politicians for making our profession a 'dog's breakfast'! We must also thank the medical organizations who stood by there as impotent witnesses to let it happen!

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Mike's autonomous albatross · 2 days ago

I have been owner of my own practice / premises for several years now. It does not happen accidentally. You have to heavily back yourself financially and believe me that is a LOT of upfront personal debt.

The advantages are

- 1) Improved personal professional autonomy. You employ the managers. They don't employ you and you can run the place the way you want.
- 2) Improved income. It is quite shocking when you finally run the place yourself and realise how much partners, corporates, landlords have all been f..king you over financially. Grasping little percentage goblins one and all.
- 3) Over time your assets accumulate in terms value of the business and value of the premises.

However none of this is going to happen unless at some point you heavily commit your personal finances into your workplace then put in a great deal of personal hard work to get through the first few years .

I am now very happy in my work but I fully appreciate not every doctor is able / willing to do this.

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Dr Horst Herb → Mike's autonomous albatross · 17 hours ago

While I agree with 1), as a practice owner for 14 years I cannot agree with 2) and 3). I mostly employed 1-2 doctors over the years, paid them 65% of gross billings - and never managed to get even close to those magic 65% myself. Probably because I am a lousy "manager" myself and a 2-3 doctor practice cannot afford a proper manager.

For the past year I have been working solo. Now my personal takings finally approach what I have been paying those contractors and employees all that time. But I see no chance that it could improve beyond that. Figures might be different for larger joints with economy of scale, but for a small practice like mine, colleagues keep telling me the same.

Re 3) these days practices appear impossible to sell. I would be lucky to get for the building what I paid 14 years ago, because it is a small rural community. If I would convert it from medical practice into something else, it might have financial value though.

^ | v · Reply · Share



gayle hill · 2 days ago

As a Practice Nurse and long time employee of a corporate owned GP Clinic I confer with the attitude expressed in this article about corporate GP owned centres prioritising financial gain. While the contracted Doctors have legal sovereignty and ethical responsibility over their patients care, corporate medicine appears to be overly concerned about churning patients through at such a rapid pace that the quality of medicine that the Doctors practice is often compromised. I work with many talented and dedicated Doctors who are

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