



Australian Association of
Practice Management

excellence in healthcare management

2022
-2023

PRE-BUDGET
SUBMISSION

RECOGNISING THE ROLE
of Practice Managers and the
AAPM as agents of change in
delivering patient-centric care

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2 INTRODUCTION

The Australian Association of Practice Management (AAPM) would like to thank the Australian Government for the opportunity to contribute to discussions relating to the 2022 – 2023 Commonwealth Budget.

The impact of COVID-19 continues to present economic and health challenges. The AAPM appreciates this challenging policy context and seeks to support outcomes that lead to increased efficiencies that optimise the economic and social returns from Government investment in health.

This submission highlights the critical contribution of Practice Managers and their role in improving efficiencies, and therefore the return, from Government investment in health funding.

The two included recommendations will generate a multiplier effect on the return of healthcare funding, ensuring higher quality health outcomes for both Australians and the Commonwealth Government.



The AAPM aims to ensure the Australian community can access effective and efficient delivery of primary healthcare. Key initiatives include providing quality best practice professional development, support, advice, and advocacy for Practice Managers.

As a result, the AAPM, as the peak body for Practice Managers of all healthcare practices, is uniquely placed to consider primary healthcare requirements across:

- General Practice;
- Specialists;
- Dentists;
- Allied health, and
- Multi-disciplinary clinics.

Established over forty years ago, AAPM has worked on various programs and projects in partnership with the Commonwealth Government, State Governments, and other healthcare organisations.

3 CURRENT CONTEXT

Since the beginning of 2020, the management of COVID-19 has dominated Australia’s healthcare response. The ongoing uncertainty caused by COVID-19 is likely to affect health priorities in the 2022-2023 budget year.

Total spending in the 2021-22 budget cycle was estimated at \$98.3 billion (1), similar to the \$93.8 billion allocated in 2020-21, which also included \$25.4 billion allocated to COVID-19 response (2). By comparison, Commonwealth health expenditure was \$81.8 billion in 2019-2020, indicating a 20% increase compared with pre-COVID-19 conditions.

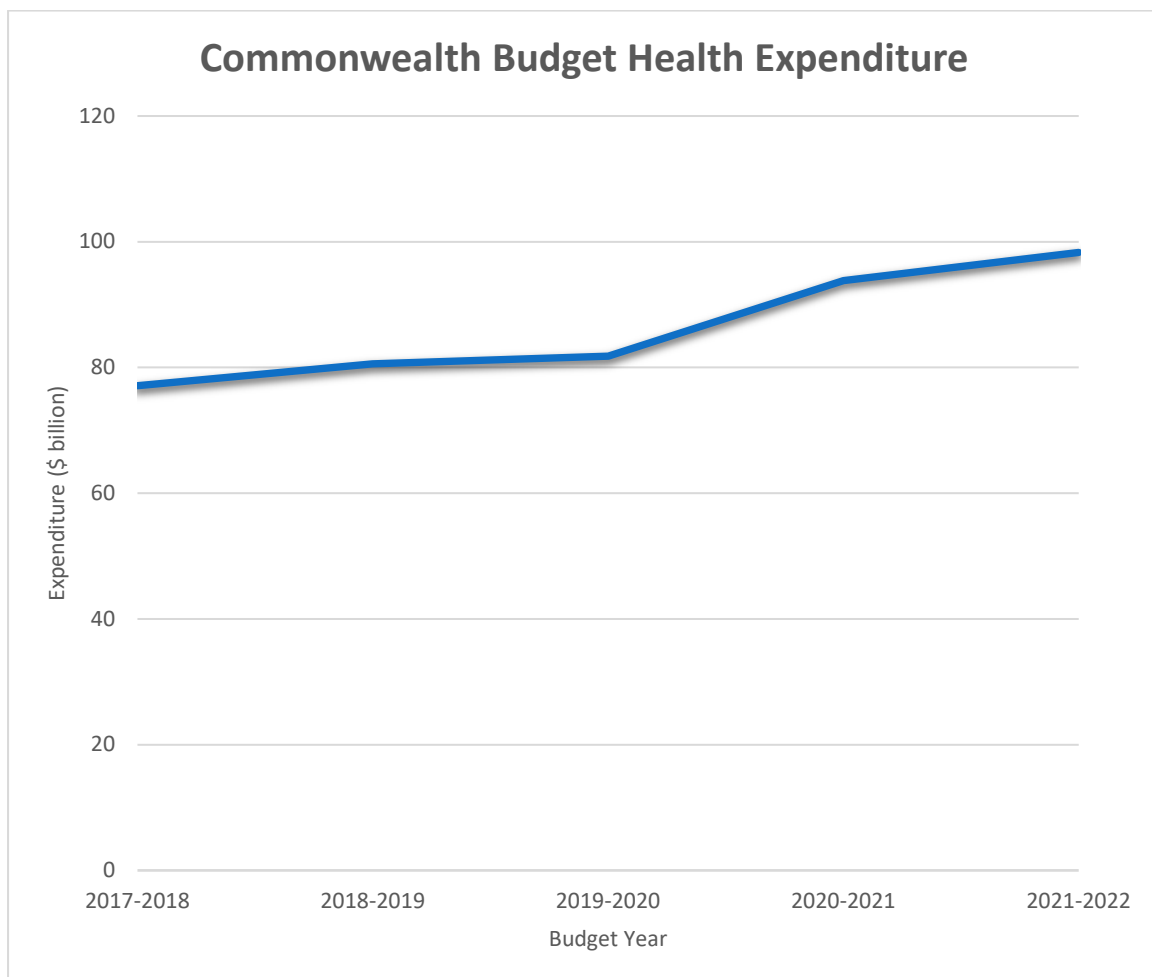


Figure 2-1 Commonwealth Budget Health Expenditure over five years (3)

Furthermore, health expenditure continues to grow at a faster pace than the economy, with the ratio of health spending to Gross Domestic Product (GDP) increasing from 8.3% in 2000-21 to over 10% in 2017-2018. Australia’s spending on health is the 8th highest in the Organisation for Economic Co-operation and Development (OECD) when measured before the impact of COVID-19 (4).

Overall, Australia has managed the COVID-19 pandemic better than comparable countries, but there will be ongoing impacts to health services, patients, and practitioners. The health sector itself has experienced considerable pressure due to COVID-19, with workers indicating higher rates of burnout and stress (5). Similarly, there has been a significant increase in the delivery of mental health services, with a 21.8% increase in 2021 compared to pre-COVID-19 conditions in 2019 (6).

The public sector, through Commonwealth (42%), as well as State and Territory Governments (27%) contribute almost 70% of all funding to health services (7), placing considerable demand on Government resources.

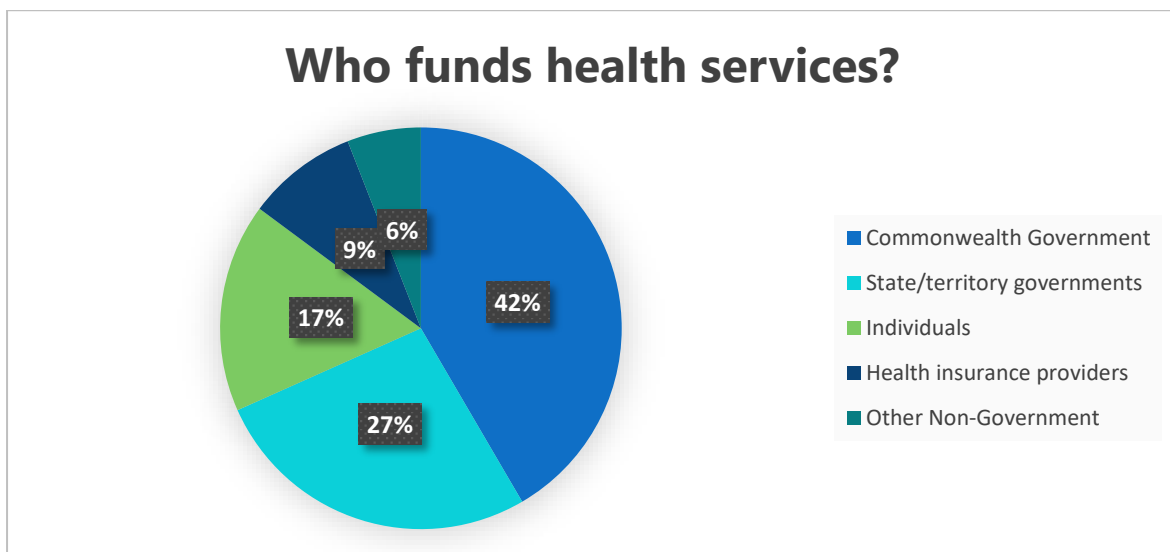


Figure 2-2 Funding of health services in Australia (8)

The current context means the Commonwealth Government needs to continue to invest appropriately into health, while realising suitable efficiencies to deliver ongoing patient care in a highly constrained environment.

4 KEY ISSUE: STRENGTHENING EFFICIENCY

The Productivity Commission identified that government policy settings have a direct impact on health expenditure, outcomes, and efficiency. Significantly, efficiency gains mean improving the quality of health services for a given level of funding, providing the ability to deliver higher standards of patient care (9).

As a result, there is a need for the Commonwealth Government to collaborate with key stakeholders to invest appropriately within the sector and to ensure efficient outcomes from this investment.

As the first point of contact for a patient, delivering effective and efficient healthcare depends on the Practice Manager and their team. Practice Managers are integral to fostering collaboration and delivering internal operational efficiencies (10).

The Practice Manager has the perspective to:

- Implement government policy and regulations.
- Recognise demand for health services within the practice for patients.
- Interface with Medicare and the needs of patients to manage funding.

Practice Managers are identified in research literature as a critical success factor in delivering sustainable change in practices, given their role in establishing the vision, providing leadership, overseeing change management, and introducing required structures and processes to support reform (11).

This research is supported by AAPM member data, with a survey undertaken in 2021, indicating that over 89% of Practice Managers undertake quality improvement activities, with over 75% of these being undertaken on either a monthly or quarterly basis (12).

Does practice undertake quality improvement activities?

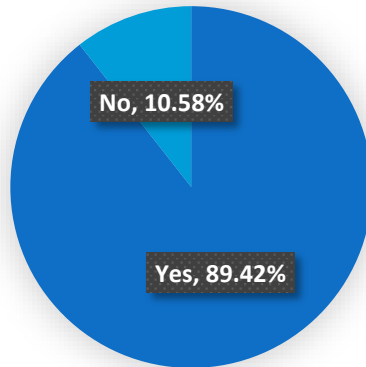


Figure 3-1 Occurrence of quality improvement activities (n=312) (13)

How often are quality improvement activities undertaken?

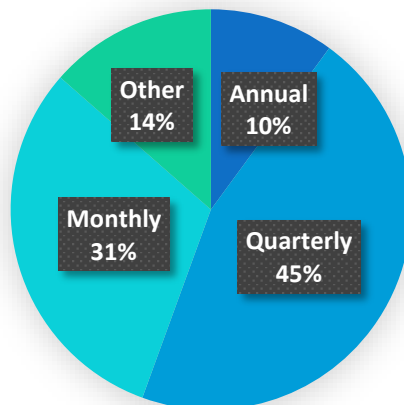


Figure 3-2 Frequency of quality improvement activities (n=288) (14)

Importantly, over 85% of quality improvement activities are undertaken as team-based activities and encompass key stakeholders within practices including doctors, nurses, and administration (15).

Is quality improvement a team based activity?

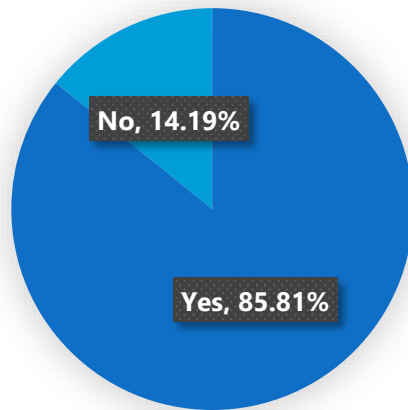


Figure 3-3 Instances of team-based activities for quality improvement (n=289) (16)

The member data combined with broader case studies and research demonstrates the role of Practice Managers as agents of change required to deliver ongoing strategic and operational improvements to healthcare practices.

A Healthcare Practice Manager's tasks may include strategic planning, review, and implementation of processes in a practice that increase efficiency and contribute to the overall notion of 'excellence in healthcare'.

This is achieved using the AAPM core principles of healthcare practice management, those being: financial management, human resource management, planning and marketing, information management, risk management, governance and organisational dynamics, business and clinical operations, and professional responsibility.

Box 3-1 Definition of a Practice Manager (17)

Consequently, Practice Managers must have the skills required to deliver change, including strategic and business planning, collaboration skills and leadership capabilities.

5 THE SOLUTION: PROFESSIONAL DEVELOPMENT AND COLLABORATION

To maximise return on health investment, the Commonwealth Government must consider the role of Practice Managers to facilitate greater outcomes in health.

5.1 RECOMMENDATION 1: PROFESSIONAL DEVELOPMENT TO BUILD THE CAPABILITY OF PRACTICE MANAGERS

The modern requirements of Practice Managers operating in primary healthcare, specialist, dental and allied health, are multifaceted and becoming increasingly complex.

The tasks undertaken by Practice Managers are wide-ranging. Typically, they include the review and implementation of processes within the practice to increase efficiency and contribute to healthcare excellence for patients.

The growing demands and responsibilities mean that Practice Managers require leadership skills, collaboration ability, financial control, risk management and broader business capability.

As a result, there is an increasing emphasis on strategic and business planning, as well as shouldering more operational responsibilities, while working in larger practices with greater staff numbers.

In 2021 The AAPM engaged Practice Managers to assess their training needs. Respondents identified professional development in interpreting and using data (71%); leadership and team building (71%); change management (59%); tender and grant writing (58%); health system literacy (56%); and project management (52%).



Figure 4-1 Identified professional development requirements for Practice Managers (n=148) (18)

The AAPM supports the professionalisation of Practice Managers through its Certified Practice Manager accreditation, which requires the ongoing maintenance of 200 hours of continuing professional development points over three years, as well as meeting experience thresholds (19).

External factors also continue to influence the health sector, with increased technological change and a greater emphasis on clinical governance, requiring ongoing professional development requirements.

As a result, there is a need to support the professional development of Practice Managers to build their ongoing capability and capacity.

The AAPM calls on the Australian Government to support the following:

1. Develop and support professional development programs to assist Practice Managers in implementing government requirements and reform in healthcare.
2. Support the AAPM in building the capability of Practice Managers and the profession.

Desired investment: \$5 million over three years to deliver new co-designed professional development programs with AAPM.

Recommendation 1: Professional development to build the capability of Practice Managers

5.2 RECOMMENDATION 2:

RECOGNISE AAPM AS AN INTEGRAL PARTNER TO DELIVER HEALTHCARE OUTCOMES

Practice Managers are the voice of patients when they enter the healthcare system and therefore provide a patient-centric approach to stakeholder engagement with the sector.

Practice Managers also orchestrate the work of medical clinicians and therefore manage the interface between Government and the health providers. In addition, their role means that Practice Managers are best able to identify and manage workplace issues and emerging challenges brought about by the complexity of COVID-19.

As a result, Practice Managers manage and represent the interests of all parties and stakeholders within Australian healthcare including patients, clinicians, and Government.

For example, the perspective of the AAPM is vital in determining the appropriateness of measures for the patient experience as part of Australia's Health Performance Framework (AHPF) (20), given the role of Practice Managers as the voice of patients and the practices they represent within healthcare.

The AAPM has a history of working constructively with the Australian Government on projects, including providing strategic advice to the Commonwealth Department of Health on implementation issues and barriers of the primary healthcare reform agenda in July 2021.

Strong engagement with peak bodies is essential given the fragmented nature of primary care. Each year more than 20 million Australians utilise primary care services with varying levels of integration with other services and sectors in the health system (21).

The AAPM which represents more than 2,800 managers of healthcare organisations across Australia is well positioned as the peak body for not just Practice Managers, but also to provide a multidisciplinary patient-centric perspective to support the evolution of healthcare services within Australia.

Ongoing change management and quality improvement requires (22):

- Engaged leadership and positive, inclusive organisational culture, which are widely agreed to be critical determinants of successful change across healthcare.
- Suitable information and communication to ensure clinicians, practices, and patients understand healthcare process.
- Practice Managers that are well prepared to educate and inform both clinicians and patients about any desired healthcare reforms.

- Investment in the practice management workforce, to ensure the workforce consistently has the appropriate skills and capabilities to lead change.

The AAPM previously received funding as a peak health group and is seeking to restore this arrangement in recognition of its role within the sector.

The AAPM calls on the Commonwealth Government to support Practice Managers by proactively resourcing and engaging the AAPM as the peak body representing the profession and the sector.

The AAPM calls on the Australian Government to support the following:

1. Restore funding to the AAPM as a peak health organisation.
2. Recognise the role of Practice Managers and that of AAPM in delivering optimal health outcomes.
3. Ensure that AAPM is represented in stakeholder engagement as required.
4. Develop and implement a communication strategy, to ensure the primary healthcare sector, the wider health sector, practice personnel, and the general public understand the intent and benefits of health reforms.

Desired Investment: \$650,000 over three years

Recommendation 2: Recognise AAPM as an integral partner to deliver healthcare outcomes

6 ANTICIPATED IMPACT: MAXIMISING RETURN ON INVESTMENT

The AAPM recognises the significant investment made by the Commonwealth Government towards health and additional commitments delivered throughout COVID-19.

While the Productivity Commission identified that the Australian healthcare system generally produces good outcomes by international standards, it did reinforce that even small efficiency gains can deliver significant benefits to the community through both social and economic returns (23).

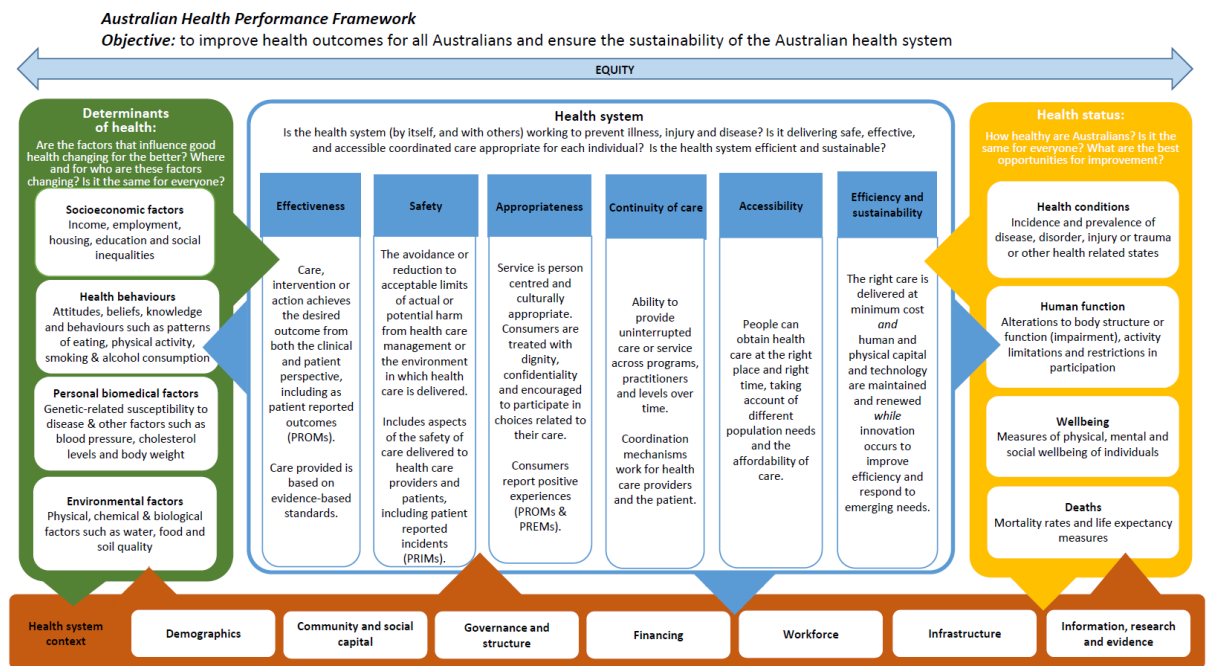


Figure 5-1 Australian Health Performance Framework (24)

Building the capability and capacity of Practice Managers, as well as stronger collaboration with the AAPM will provide a multiplier effect on Government investment within health.

As a result, the Commonwealth Government will be able to deliver greater outcomes within its chosen funding parameters by implementing the recommendations provided by the AAPM.

7 CONCLUSION

The AAPM, as the peak body representing Practice Managers, is uniquely positioned to offer a patient-centric perspective across the diverse range of primary healthcare services. Hence, it should be an integral partner with the Commonwealth Government in delivering its desired healthcare outcomes.

Primary healthcare continues to experience ongoing uncertainty due to COVID-19, affecting staff morale and patient outcomes. Practice Managers are the critical agents of change to provide the business acumen and good governance required to sustain healthcare throughout COVID-19 and beyond.

The recommendations within this pre-budget submission encompass:

- Professional development to build the capability of Practice Managers
- Recognise AAPM as an integral partner to deliver healthcare outcomes

The total cost of this budget submission is \$5.65 million over three years, with the outcome delivering ongoing efficiencies in healthcare.

Combined, these two recommendations will ensure that the AAPM and Practice Managers have the capability and capacity to deliver quality healthcare outcomes that both the Commonwealth Government and the public expect.

The AAPM looks forward to the favourable response to this pre-budget submission and welcomes further opportunities for dialogue.

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