



Australian Divisions of General Practice

# Nursing in General Practice Business Case Study

## Practice Model #6

### *The Solo, Urban Practice Model*

#### Model Practice Description

##### Practice Background:

- The model practice is in an urban area and is in competition with a number of large and small practices, some offering extended hours, & bulk billing, while others offer specialised services.
- The practice is located in a strip of small street front shops and is an adequately equipped facility with very limited room for an increase in staff numbers.
- There is a large public hospital nearby and a range of specialist, allied health, complementary medicine and community health services easily accessible.
- The GP refers all after-hours care to a deputising service
- The practice is fully accredited and receives a basic PIP with only the first level of after-hours payments.
- The practice opens 9.00am to about 5.00pm\* Monday to Friday only. (*“about 5.00pm” as practice stays open until last patient seen*).

##### Medical Staff:

- 1 full-time non-procedural GP who is vocationally registered.

##### Other Staff:

- The practice employs one full-time and one part-time reception staff (1.5 FTE), one of whom is designated as the business manager (but has no formal training). There are no nursing staff.

#### Financial Summary for Solo, Urban Practice Model \*

	Income	Expenses	Net Practice Income	Profit change from baseline	Profit as % Income
Financial Statement	\$249,000	\$131,750	\$117,250	-	47.1%
Special Session Model	\$269,050	\$137,750	\$131,300	12.0%	48.8%
Generalist PN Model	\$280,890	\$147,450	\$133,440	13.8%	47.5%
Advanced PN Model	\$294,990	\$161,150	\$133,840	14.1%	45.4%

\* An explanation of these figures appears on the following pages

## Practice Financial Statement:

### Financial Issues:

- The practice has limited private billing with a standard fee of \$40 (bulk-billing or concessionary rates are about 90%). Average billing rate is \$30 per patient.
- The HIC records the practice SWPE at 900, with 55 patients over 75.
- There are about 50 diabetic patients known (about 5.5% of the practice population) and another 50 patients have complex chronic illnesses (and hence merit multidisciplinary care plans).
- The GP works 50 weeks per year, closing for 2 weeks at Xmas. Locums are too hard to find.
- The practice is usually well booked and has some excess demand for services – about 10% more than can be satisfied.
- The practice receives no PIP rural loading and does not qualify for the Practice Nurse incentive.
- The practice utilises few EPC items (only opportunistic Health Assessments) and has enrolled for the chronic disease PIP but not yet billed any SIP items.

### Fee for service income (FFS):

- Average billing rate = \$30 / patient / consultation
- GP consultation rate = 4 consultations / hour
- Available GP consulting hours = 40 / week for 50 weeks / year
- Total FFS income per year = \$240,000 (30 x 4 x 40 x 50)

### Lump sum income (PIP):

- PIP = \$10.00 / SWPE - \$9,000 / year  
(*\$7 / SWPE for IM/IT incentive, \$2 for a/hours care, \$1 for chronic disease initiatives*)  
*\*These were average estimates of the PIP in 2003 when the models were developed; they may not reflect current PIP*

**Total Practice Income = \$249,000 / year (Benchmark for this practice = \$250,000)**

### Staff costs: -

- Reception = 1.5 FTE = \$50,400 / year (*base salary \$28,000 x 1.5 + 20% on-costs*)
- Total = \$50,400 / year (*benchmark for this practice = \$52,080 / year*)

**Practice non-staff costs = \$62,800 / year (entirely based on benchmark estimates)**

**Professional costs = \$18,550 / year (entirely based on benchmark estimates)**

**Total Practice Costs = \$131,750 / year (Benchmark for this practice = \$133,430 / year)**

**Net Practice Income = \$117,250 / year (Benchmark for this practice = \$116,570 / year)**

## Financial Implications of Practice Nurse Models

### The Special Session Model

In this model, the special sessions are: - a diabetes-trained nurse educator contracted from the local Division, for one session per fortnight and a contract nurse to undertake home health assessments as needed. The nurse educator sees two patients per hour during the four-hour sessions each fortnight and the GP sees each patient for 20 minutes at the end to review the findings. This model of practice nurse utilisation increases practice access to chronic disease initiative payments but is less than would be needed to qualify the practice (if eligible) for the special nurse initiative payments.

The GP time liberated by the nursing activities is assumed to allow additional patients to be seen. Alternatively, the GP might just get to go home earlier!!

#### **Income Adjustment:**

- Insufficient nursing hours to qualify for the practice nurse incentive payment.
- On average, the diabetes nurse educator sees 4 diabetic patients per week (8 per fortnight). This releases the GPs to consult an additional 3 patients per week

*(By reducing a potential 30 minute consultation to 20 minutes, releasing 10 minutes of GP time per patient or 40 minutes per week altogether. As the GP sees 4 patients per hour, this translates to about 3 additional patients).*

- At an average of \$30 / patient, this equates to \$90 / week or \$4,500 / year (50 weeks).
- Increased use of diabetes SIPs = \$80 / fortnight or \$2,000 / year (50 weeks).

*(This assumes 2 diabetes SIPs / fortnight at \$40 each = \$80 / fn. There would also be access to diabetes outcomes payments, not included here)*

- Increased EPC / CDM item number access with Home Health Assessments x 1 / week @ \$232, GPMP X 1 week @ \$122 and TCA X 1 / week @ \$97 = \$451, less \$180 for GP time (see notes below) = \$271 per week or \$13,550 / year (50 weeks).

*This practice has 55 patients that qualify for health assessments. This assumes 50 of these patients consent to home based, nurse conducted assessments. GP time spent completing the health assessments after the nurse has undertaken some of the necessary components 30 minutes (RACGP guidelines suggest 30 minutes) and 30 minutes for each GPMP and TCA\*. In this model GP time lost is 90 minutes (1x30 + 1x30 + 1x30) This is equivalent to six 15-minute consultations, the value of which (\$30 x 6 = \$180) is deducted from the gain received from the EPC/CDM item payments.)*

*\* Estimate only, time will vary according to complexity.*

- **Total increased income = \$20,050 / year.** ( $\$4,500 + \$2,000 + \$13,550 = \$20,050$ ).

#### **Costs Adjustment:**

- Additional staff costs for nurse educator of 4 hours / fortnight at \$35.00 / hour including on-costs = \$140 / fortnight = \$3,500 / year. Contract nurse costs at \$50 per HHA @ average 1 per week = \$2,500 / year. Total cost = \$6,000 / year.

*(\$35/hour is the average estimated casual rate paid to sessional nurses in GP and includes 25% on-costs to cover superannuation, annual, sick and long-service leave and workers compensation. \$50 per HHA is the mean contract rate charged by three different agencies known to the author, that provide this specific type of service and are content rather than time based and include travel time and organisational costs – telephone etc)*

- No additional capital or building costs as nurses utilise existing facilities.

*(Based on information from site visits conducted to practices using this model of practice nurse utilisation).*

- **Total increased costs = \$6,000 / year**

#### **Overall Adjustment:**

- **Net gain to practice = \$14,050.** ( $\$20,050$  less  $\$6,000 = \$14,050$ ).
- This increases overall net profit to \$131,300 an increase of 12.0%.

## The Generalist Practice Nurse Model

In this model, the practice employs a practice nurse for 2 sessions per week. The nurse works 9.00am to 1.00pm Monday and Thursday and mainly has a clinical support role, undertaking tasks delegated by the GP (such as dressings, ECGs, immunisations, spirometry). In free time the nurse begins a file audit to identify >75 year olds for home based health assessments (which she then performs once a week) and diabetics, to create a register and undertake a clinical audit (and hence begin to access chronic disease initiative payments).

### **Income Adjustment:**

- Eligible practices of this in urban areas of workforce shortage may qualify for the PIP practice nurse incentive of \$8,000 / year. This figure has not been included in the income adjustments as it is not applicable to all urban practices.
- Nurse provides care to an average of 15 GP referred patients / week.

*(In clinical support role, nurse sees each patient for 15 minutes thus providing 15 consultations in 3.75 hours. This leaves 4.25 hours for administrative and non-patient based clinical activities and for providing home-based health assessments).*

- By liberating an average of 5 minutes of GP time per patient contact, this releases GPs to consult an additional 5 patients / week (assuming 15 minute consultations) at \$30 / patient = \$150 / week = \$7,500 / year (50 weeks).

*(The figure of 5 minutes of GP time liberated for each patient seen by the practice nurse was estimated from interviews with a number of GPs that employ nurses and may well be a significant underestimate. The GP gains 5 minutes for each of the 15 patients seen by the nurse, which equates to 75 minutes of additional time, in which the GP can provide a further 5, 15-minute consultations, assuming patient demand is present (as may be the case in this particular model). This model does not focus on chronic disease management therefore no factor is included for GP time liberated by nurse activity in this area. However, it would be likely that some benefit would be apparent, though less than for the first model).*

### Access to practice nurse MBS items

- Average number of immunisations undertaken by the nurse per week is 10, this equates to \*\$104/ week or \$5,200 / year (50 weeks).
- Average number of wound care services undertaken by the nurse per week is 7, this equates to \*\$72.80 / week or \$3,640/ year (50 weeks).

\*100% Medicare rebate fee of \$10.40 per item. Some of these attendances may also attract the additional bulk billing payment for concessional patients and children aged under 16 years (Item 10990 \$6.05 or Item 10991\$9.20). If for example 50% of the above attendances attracted the additional 10990 bulk billing payment, income would be increased by an additional \$2,723 /year. This information has not been included in the income adjustment.

- Increased access to SIP incentives also adds an average of \$40 / week or \$2,000 / year (50 weeks).

*(This assumes 1 diabetes SIPs / week at \$40 each.. There would also be access to diabetes outcomes payments, not included here)*

- Increased EPC and CDM item number access with Home Health Assessments x 1 / week @ \$232, GPMP X1 / week @ \$122 and TCA X1 / week @ \$97 = \$451, less \$180 for GP time (see notes below) = \$271per week or \$13,550 / year (50 weeks).

*This practice has 55 patients that qualify for health assessments. This assumes 50 of these patients consent to home based, nurse conducted assessments. GP time spent completing the health assessments after the nurse has undertaken some of the necessary components 30 minutes (RACGP guidelines suggest 30 minutes) and 30 minutes for each GPMP and TCA\*. In this model GP time lost is 90 minutes (1x30 + 1x30 + 1x30) This is equivalent to six 15-minute consultations, the value of which (\$30 x 6= \$180) is deducted from the gain received from the EPC/CDM item payments.)*

*\* Estimate only, time will vary according to complexity. Practices involved in the study reported that having a practice nurse involved in health assessments increased the uptake well beyond the national level, however this information should be used with caution and practices considering the adoption of the model should apply the model to their own situation*

## The Generalist Practice Nurse Model cont.

- **Total increased income = \$31,890 / year.** ( $\$7,500 + \$5,200 + \$3,640 + \$2,000 + \$13,550 = \$31,890$ ).

### **Costs Adjustment:**

- Additional staff costs of 8 hours per week at \$28 / hour including on-costs = \$224 / week = \$11,200 per year (see previous model for explanation of on-costs).

*(This item uses \$28 / hr including on-costs, as the appropriate rate for a PN employed on permanent part-time basis & is thus less than the \$35 per hour estimate for the more specialised nurse undertaking isolated 4-hour sessions in the first model. These figures are based on industrial award rates and the actual rates being paid in a number of practices consulted during this study)*

- Additional capital costs of one additional computer with appropriate software and one additional telephone = \$2,000 / year.

*(Based on \$4,000 for computer & networking and \$2,000 for software & telephone costs, amortised over 3 years. No allowance made for building costs, based on information from site visits conducted to practices using this model of practice nurse utilisation).*

- Additional stock and other supplies - \$50 / week = \$2,500 / year.

*(Based on information from site visits conducted to practices using this model of practice nurse utilisation).*

- **Total increased costs = \$15,700 / year.** ( $\$11,200 + \$2,000 + \$2,500 = \$15,700$ ).

### **Overall Adjustment:**

- **Net gain to practice = \$16,190** ( $\$31,890$  less  $\$15,700 = \$16,190$ ).

This increases overall net profit to \$133,440 an increase of 13.8%.

## The Advanced Practice Nurse Model

In this model, the nurse is employed for 4 sessions per week and operates fortnightly half-day clinics in diabetes and asthma. The nurse role may be split between 2 part-time nurses to allow the range of skills / qualifications required and to ensure backfill cover for annual, sick and study leave. The nurse manages the EPC program and identifies patients that would benefit from a GPMP or TCA. The nurse has had some training in Diabetes and Asthma Education.

This model involves a significant amount of GP time involved in undertaking GPMPs and TCAs. It is provided as a good quality example of team-based management of a patient's complex care needs

### **Income Adjustment:**

- Eligible practices of this size in urban areas of workforce shortage may qualify for the PIP practice nurse incentive = \$8,000 / year. This figure has not been included in the income adjustments as it is not applicable to all urban practices.
- The nurse provides 6 hours direct clinical support, 2 hours administration (including accreditation), 4 hours chronic disease management / nurse clinics and 4 hours of EPC / week.
- The clinical support role liberates 5 minutes of GP time per patient seen. (See previous models)
- Patients seen in 6 hours allocated to clinical support time = 24 / week. (See previous models)
- By liberating an average of 5 minutes of GP time per patient contact, this releases GPs to consult an additional 8 patients / week at \$30 / patient = \$240 / week = \$12,000 / year (50 weeks).

*(Figure of 5 minutes GP time liberated per patient seen by practice nurse is explained in previous models. The GP gains 5 minutes for each of the 24 patients seen by the nurse, which equates to 120 minutes of additional time, in which the GP can provide an estimated 8, 15-minute consultations, although demand may not be present in this model).*

### Access to practice nurse MBS items

- Average number of immunisations undertaken by the nurse per week is 10, this equates to \*\$104/ week or \$5,200 / year (50 weeks).
- Average number of wound care services undertaken by the nurse per week is 7, this equates to \*\$72.80 / week or \$3,640/ year (50 weeks).

\*100% Medicare rebate fee of \$10.40 per item. Some of these attendances may also attract the additional bulk billing payment for concessional patients and children aged under 16 years (Item 10990 \$6.05 or Item 10991\$9.20). If for example 50% of the above attendances attracted the additional 10990 bulk billing payment, income would be increased by an additional \$2,723 /year. This information has not been included in the income adjustment.

- The complex patient management role reduces GP time spent with these patients from 30 minutes to 20 minutes and therefore liberates 10 minutes of GP time per complex patient seen by the nurse. The nurse sees 2 patients per hour during the 4 hours per week allocated to this role, totalling 8 patients seen by the nurse. This liberates 80 minutes of GP time during which the GP can potentially see a further 5 patients, at an average of \$30 / patient, which equates to \$150 / week or \$7,500 / year (50 weeks).
- Increased access to diabetes, asthma and cervical screening SIP incentives adds \$100 / week or \$5,000 / year (50 weeks).

*(Based on \$40 / diabetes SIP @ 1 / week, \$100 / asthma SIP @ 1 / fortnight & \$35 / cervical screening SIP @ 1 /month. Diabetes and cervical screening outcomes payments are not included for simplicity)*

## The Advanced Practice Nurse Model cont.

- Increased EPC access with Home Health Assessments x 1 / week @\$232, GPMP x 2 / week @ \$122, and TCA x1 / week @ \$97 = \$573 (less GP time factor of \$320 as below) = \$253 / week or \$12,650 / year (50 weeks).

*As in previous models, the GP loses 30 minutes of consulting time per health assessment based on RACGP guidelines, and 30 minutes for each GPMP and TCA\*. Thus in this model, GP time lost is 120 minutes (1x 30 + 2 x 30 + 1 x 30) which equates to eight 15-minute consultations at \$40 or \$320, which is subtracted from the income from the EPC/CDM items*

Practices involved in the study reported that having a practice nurse involved in health assessments increased the uptake well beyond the national level, however this information should be used with caution and practices considering the adoption of the model should apply the model to their own situation

\*Estimate only, time will vary according to complexity

- **Total increased income = \$45,990 / year.** ( $\$12,000 + \$5,200 + \$3,640 + \$7,500 + \$5,000 + \$12,650 = \$45,990$ ).

### Costs Adjustment:

- Additional staff costs of 16 hours / week at \$28.00 / hour including on-costs = \$448 / week = \$22,400 per year (50 weeks).

*(Pay rates used and on-costs are explained in the previous models).*

- Additional capital costs of one additional computer with appropriate software and one additional telephone = \$2,000 / year.

*(Based on \$4,000 for computer & networking and \$2,000 for software & telephone costs, amortised over 3 years. No allowance made for building costs, based on information from site visits conducted to practices using this model of practice nurse utilisation).*

Additional stock and equipment - \$100 / week = \$5,000 / year. *(See previous models)*

- **Total increased costs = \$29,400 / year.** ( $\$22,400 + \$2,000 + \$5,000 = \$29,400$ )

### Overall Adjustment:

- **Net gain to practice = \$16,590.** ( $\$45,990$  less  $\$29,400 = \$16,590$ ).

This increases overall net profit to \$133,840 an increase of 14.1%.