IFHC's – 12 months on..

NZMA GP CME Conference 2012

Your Presenters Today

Ruth Whitehead
Director | Clinical Design Consultant
The Health Planner Limited

Nicholas Temm
Health Sector Specialist
Westpac NZ Limited

Introduction – Nicholas Temm – Westpac Health

Westpac Health and The Health Planner Limited bring you:

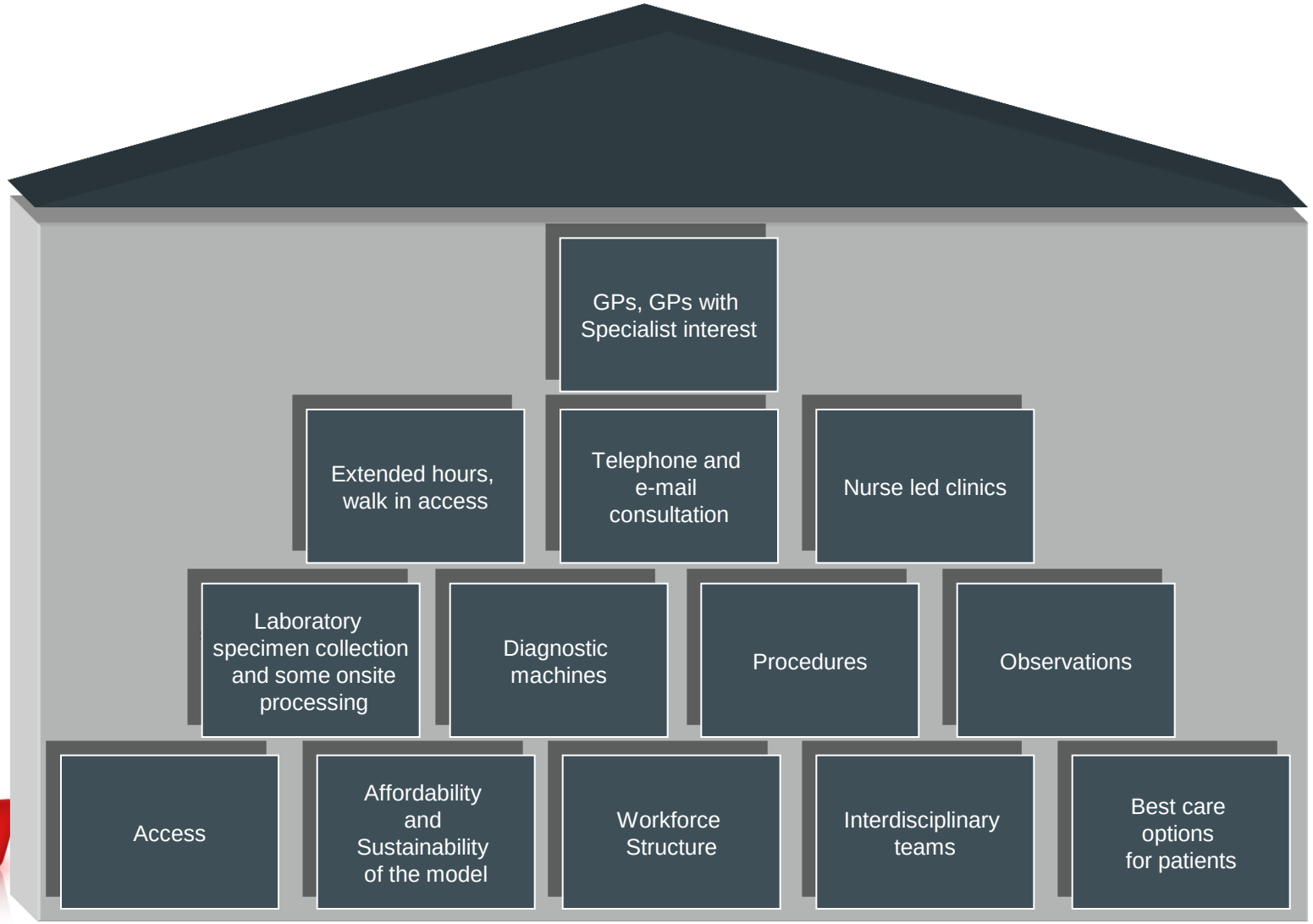
- a macro view on trends within the IFHC's environment over the last 12 months
- an overview of developments and provide you with details on 3 projects around NZ

Countries with strong primary health care demonstrate:

- Improved population health outcomes
- Reduced health inequalities
- And deliver this at a lower cost

What is an IFHC

"The development of centres will provide the physical space required to support the delivery of the Government's priority for Better, Sooner, More Convenient health care in the community and are the key physical infrastructure to enable a generational change in the health system."
(Ministry of Health, 2010).



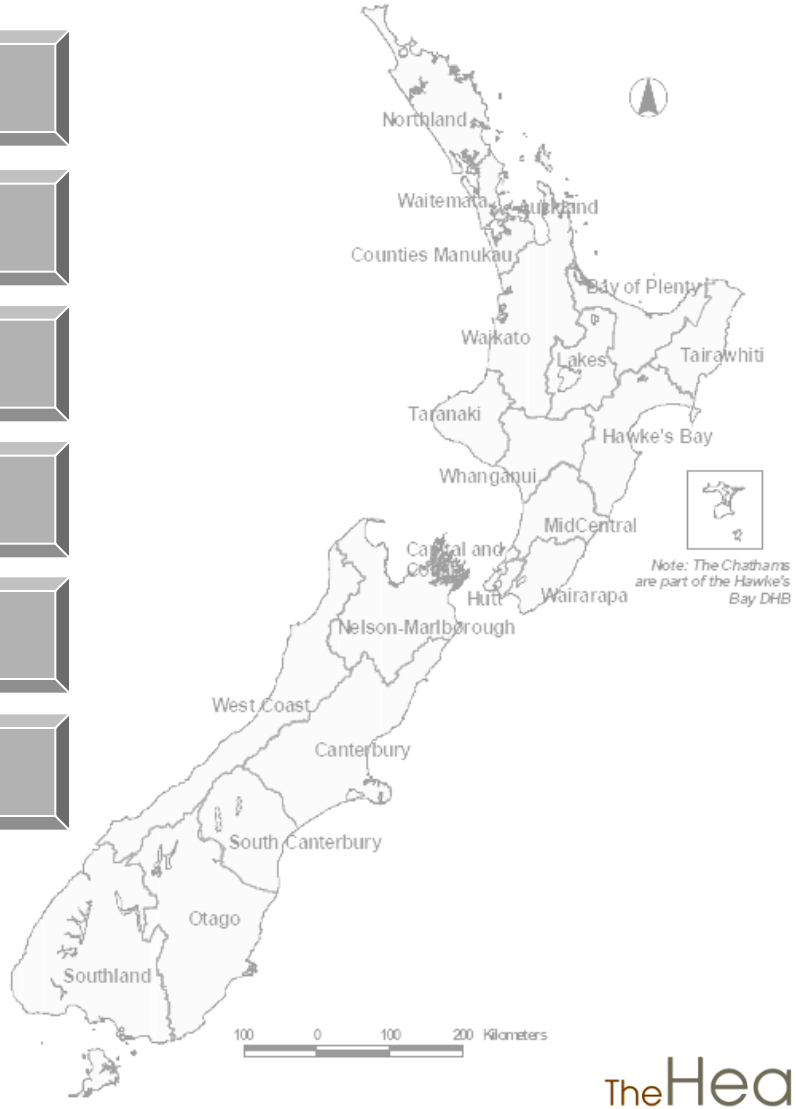
Context

2009	Better Sooner More Convenient Healthcare Business Cases
2010	“Kick Start” provide feasibility funding for integration of GP Practices and Integrated Family Health Centres
2011	the Implementation Support Groups were contracted (ISG)

The Health Planner Ltd

Understand your local environment

- Strategic intent of the DHB
- Who are the key players in your area
- What are other primary care practices planning in the area
- Do you have GPs with specialist interests in your area
- Strategic alliances
- What building stock is available and at what cost



The Health Planner Ltd

What is Changing on the Ground

- Expanded GP Services
- Focus on Models of Care, with improved integration and collaboration
- Improved used of existing buildings
- There is currently a slight shift away from bricks and mortar
- Establishment of clinical networks is becoming more prevalent
- Locality planning

The Health Planner Ltd

Ownership Models

Wide variety of ownership models are being undertaken:

GP and key stakeholders owning shares in either the operating business or the buildings

Building being provided by a third party either a developer model or a PPP

Southern Cross has an interest in supporting General Practice and has purchased minority shareholdings 20% in Silverdale and Queenstown

Pinnacle and Midlands Health Network owns around 14% of its member practices

Peak Primary, practices are owned at 100% with principles on employment agreements, a remuneration structure and all practices are retained and employed on the same terms and conditions. GPs are offered a share in Peak Primary

The Health Planner Ltd

Motivation

- What return are you looking for on your investment in this project?
- How much risk are you taking on, and what is the appropriate return?

Increase the value of my practice

Increase the cashflows from my practice

- Retain and grow patients
- Create economy of scale in the practice
- Create referral networks

- Better Sooner More Convenient healthcare
- Improve services for patients
- Clinical networks and professional development

- Profit on the property upon completion
- An attractive income stream e.g. return on investment
- A capital gain on sale

The Health Planner Ltd

Total Project Cost - Budget

A quantity surveyor (“QS”) is the best source of advice for estimating total project cost

Land

- Acquisition cost, legal, real estate, valuation, holding costs
- Market rates

Construction

- Site works, car parking, base build, hard fitout, soft fitout
- Market rates

Contingency

- 5% to 10% of construction cost

Professional Fees

- Architect, health planners, engineers, traffic management, design consultant, QS, project manager, legal, finance

Council fees

- Resource consent, building consent, development contributions

Capitalised interest

- 6 to 18 months build time

Case Study 1 - Omokoroa Medical Centre

Project overview

Design, build and then sub- lease on 4,700 sqm. Expansion of practice space 3 fold. Were 2 x GP's, now 3 + locums. Sub-lease to 6 tenancies.

Unique characteristics

Expansion of existing GP service at a 2nd and smaller satellite clinic. More rural focused than urban. Limited amount of medical services – pharmacy nearby, great advisors and tradesmen. Pharmacist extra size will enable him to employ 2nd pharmacist to reduce his workload and provide better private life. (Constrained by legislation at current site)

The Health Planner Ltd

Case Study 2 - Wanaka

Project overview

Developed $7m facility – design and build – 1,982 sqm, 119 car parks, 9 tenants, took years of planning and talking, some DHB help and money – 7 + 6 GP's. Helipad.

Unique characteristics

Co-located 2 GP rural practices, sort of U-shaped building with a doctors practice located on each side as you walk in – Medical Mall concept, at first problems with advisors, spent $70k on them before finding a group a real advisors.
7,500 pop normally, 35,000 in winter / summer seasons. Projected 14,000 local population and 4m visitors per year in 2026.

The Health Planner Ltd

Case Study 3 - New Lynn (under construction)

Project overview

5 GP's got together in 2007. Do not own building, that is between Infratil and Auckland City Council (was Waitakere). GP's have taken on head lease and will utilise 1,500 sqm of 5,000 sqm building. 3 storey building with 5 storey car park building next door. On major transportation routes. 10 FTE GP's. Radiology, pharmacy, dentist, physio, orthodontist, ophthalmologist, specialist suites.

Unique characteristics

3 West Auckland practices amalgamating under one roof. Expanded hours and procedures. Size & philosophy is a stand-out – more integrated approach- IFHC before IFHC talked about. Urban practice with very high needs patients, Paediatricians and diabetics specialist on board who will cross train their knowledge with GP's. Student Registrars welcomed. GP's salaried employees, not based on hours put into practice or patient volumes. Share workload between GP's. Good quality advisors – Jasmax, Beca, ISG Sapere Research Group

The Health Planner Ltd

Summary

- International movement in primary care to provide better patient outcomes.
- If you don't do it, will someone else?
- Use what the MoH has set up for you to assist decision making – feasibility funding the ISG's.
- Closer involvement/stronger relationship with DHB's (by your ISG) to maximise concept.
- Build a case for change.
- GP's can have the best system, but without the right people on board, difficult to hit home run.
- What will the patient journey look like in the future – will you be part of it?
- Health is a growth sector and attractive for investments and investors.

The Health Planner Ltd

Contacts

Westpac Health

Nicholas Temm
Telephone: 0272 93 23 78

The Health Planner

Ruth Whitehead
Telephone 021 90 90 40

The Health Planner Ltd