



Group practice as a strategy for succession planning

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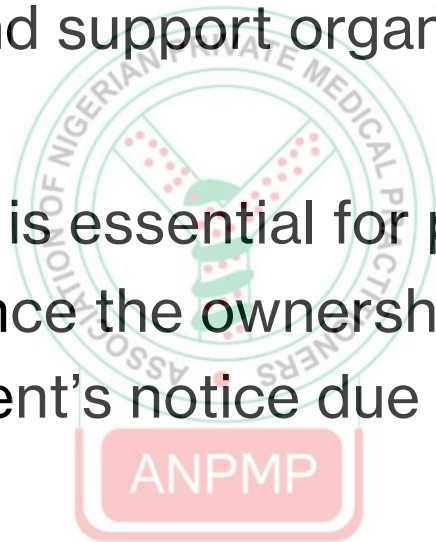
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• **Succession planning**

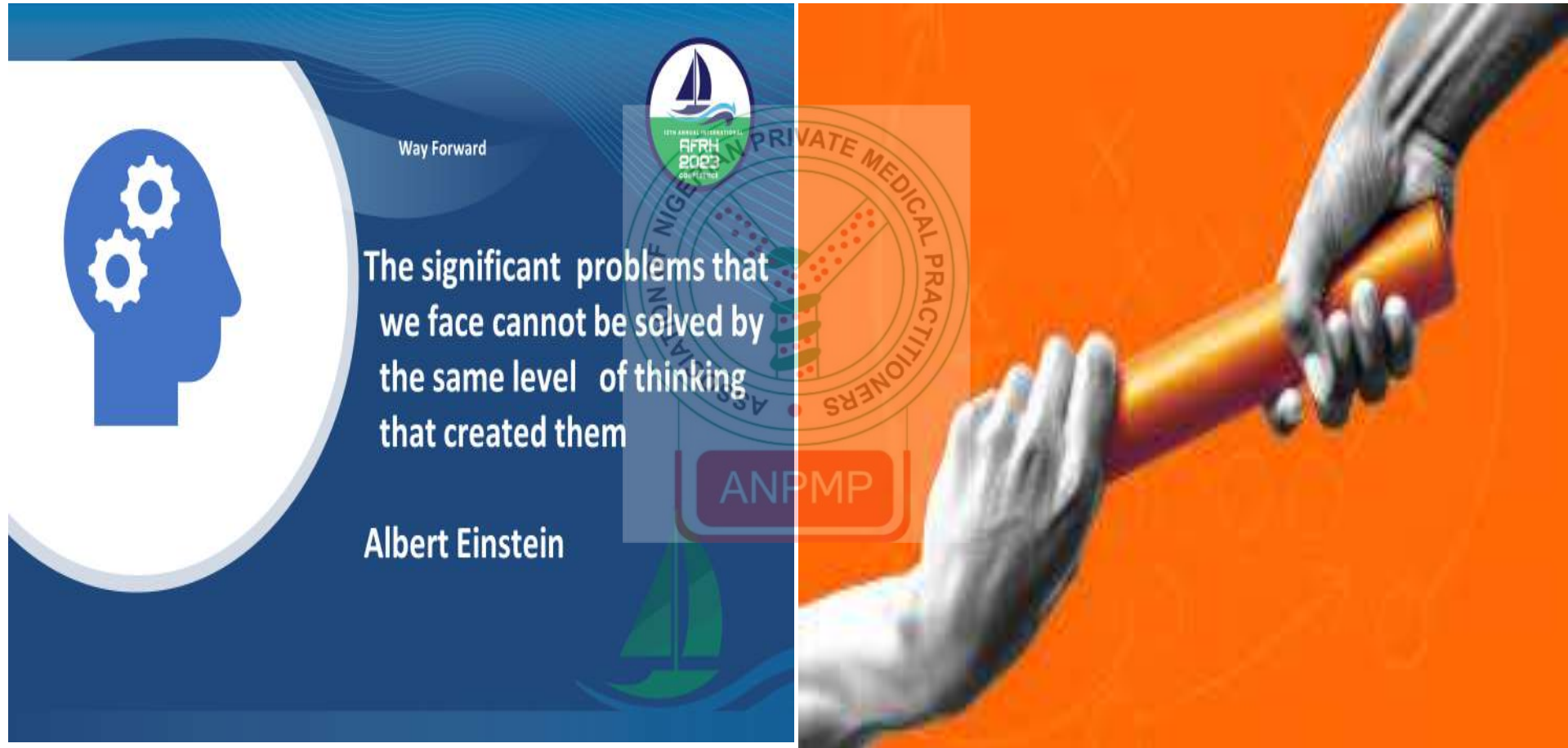


What is succession planning

- Succession planning is a risk management best practice and is crucial for any organisation. It minimising risk during a transition and support organisation's sustainability
- Succession planning is essential for private practice owners especially since the ownership transition can be necessary at a moment's notice due to illness, death ,retirement.
- Succession planning is vital to longevity and posterity of the organisation. It allows for release of sweat equity to retired medical entrepreneur or his family



COMMON SENSE



A Nigerian proverb- “The soup we sweet –na money”



FISHERMAN SOUP (S.E
NIGERIA)

- ❖ For this conversation to be relevant we need to discuss- Are the solo provider- primary care entities in Nigeria **profitable?**
- ❖ Would they have the capability to transit to a new successor or the profitability to attract a buyer?
- ❖ Would they be able to command a reasonable sale value?

A reason to merge



- Can ANPMP facilitate through advocacy and lobbying for legislation of commissioning of GP by government to create a Nigerian solution for primary care?-"Around peg in a round hole"
- Primary care level of care would be made the most important and structured level of health service provision in the health system delivering care to clients along life cycle from cradle to old age
- Financial merger and acquisition companies would be encouraged to invest in large cohesive groups of primary care partners , that would now running profitable ventures

The GP –the Gatekeeper- the Game changer



- The ANPMP would lobby and advocate for legislation for the institutionalisation of a referral system.
 - All registered patients can only receive care in second and tertiary hospital if there is PC referral paper
 - Emergency cases go direct to A+E, all A+E centres in the public sector would have a GP clinic
 - Telemedicine private entities can also signpost to the appropriate level of care

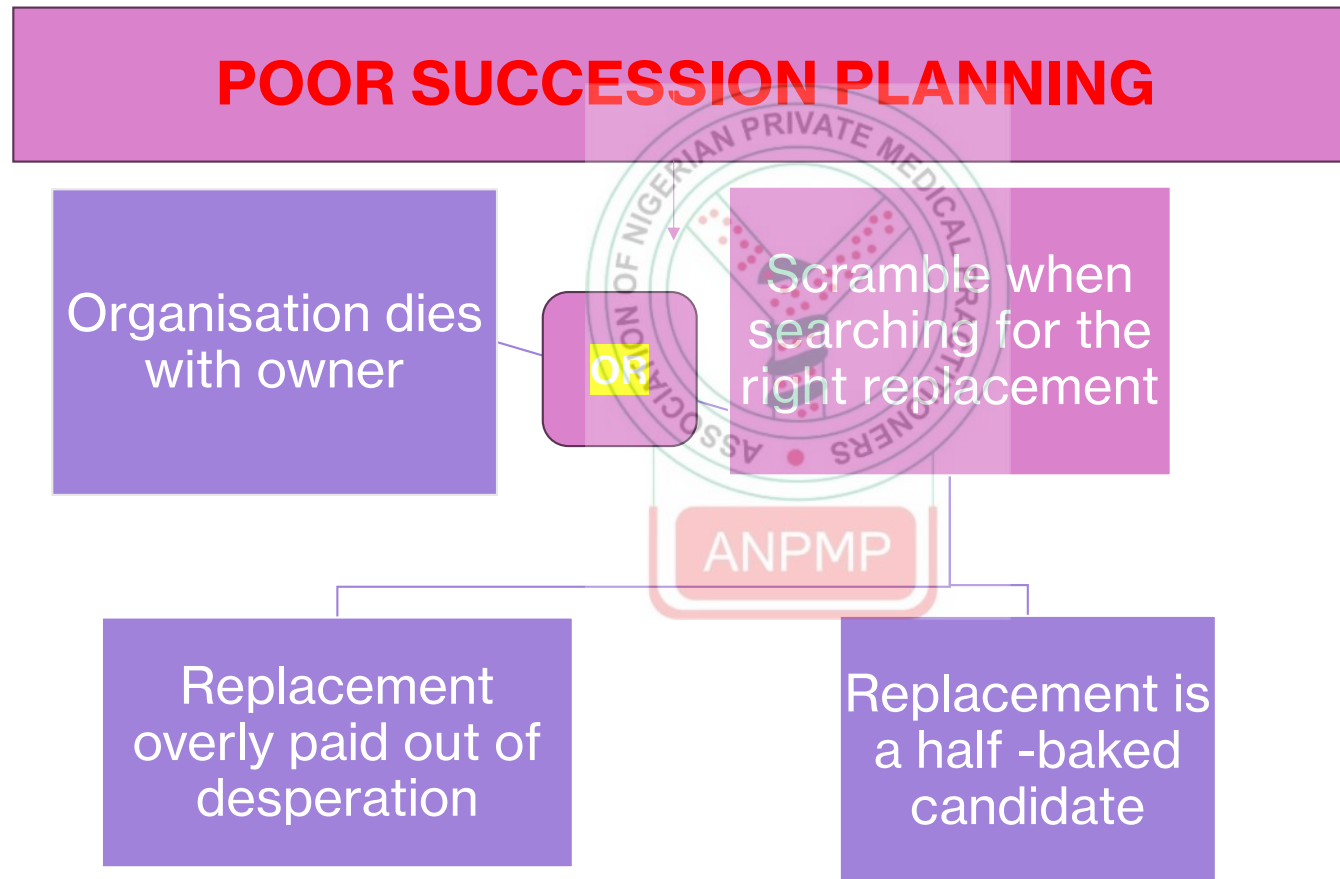
Ideals for succession planning

Ideally a succession plan should be set up at the onset of every business

Otherwise at any time in the business lifecycle - a 5-year review of a succession plan document should be carried out, for business is like a living organism which changes across time

An inhouse success team should be set up with support from a financial consultant and legal support team

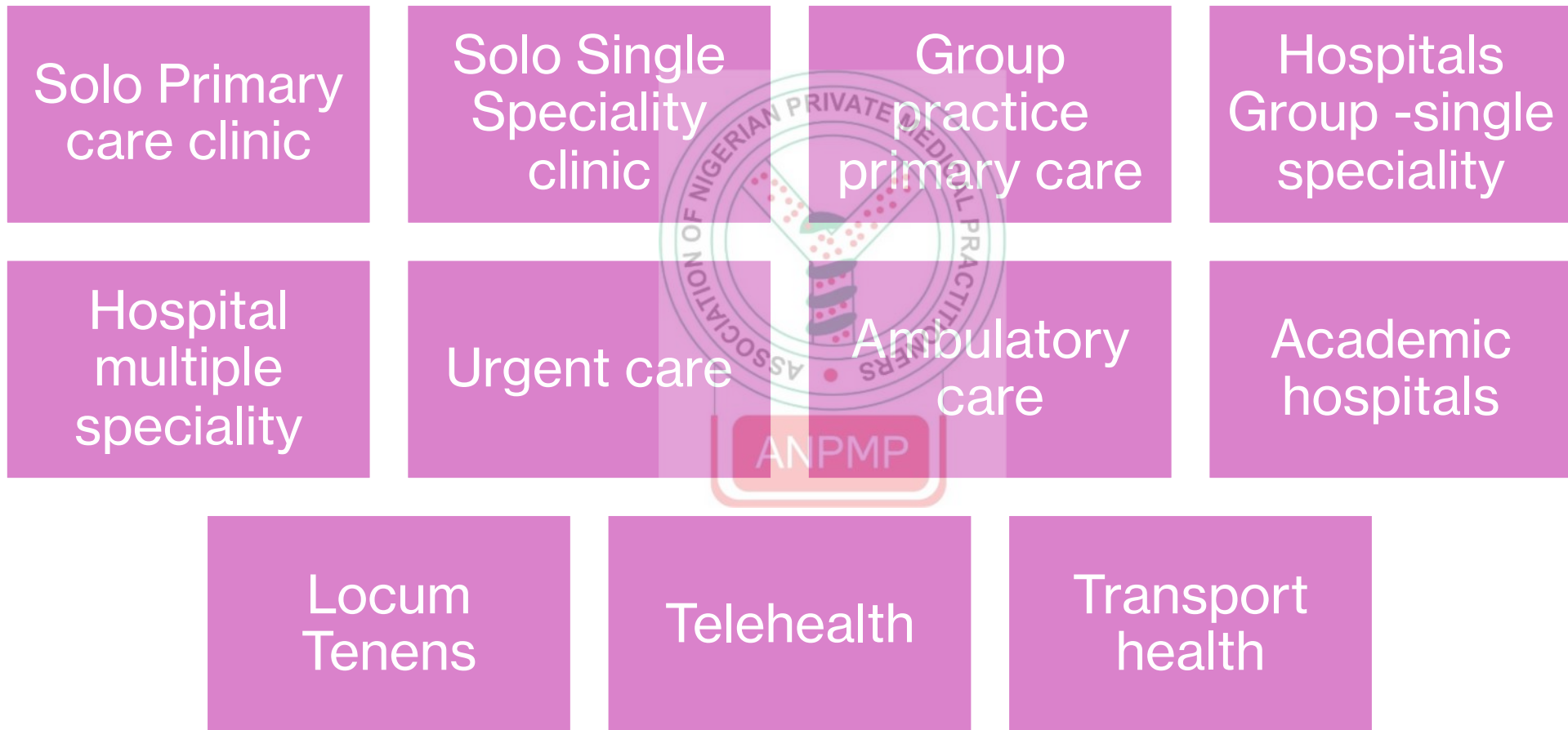
Consequent of poor succession planning



Medical Practices in Lagos



Types of medical practices



Solo Practice-Problems in Nigeria

- Limited client base/referrals
- Physician has responsibility and burden for clinical and management issues
- Prone to “burn out syndrome”
- Loss of income when on vacation or periods of ill-health
- No commissioning by government-no assured income, no performance-based incentives, high financial risk
- High cost of carrying out business in Nigeria –energy, water supply, security multiple taxation,
- In these present times high expectation by customers of technology leading to customer drift
- Japa syndrome and staff migration



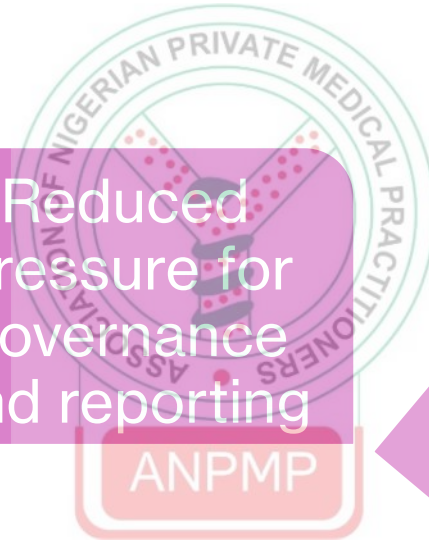
Advantages of Solo Practice

Autonomy in
decision
making

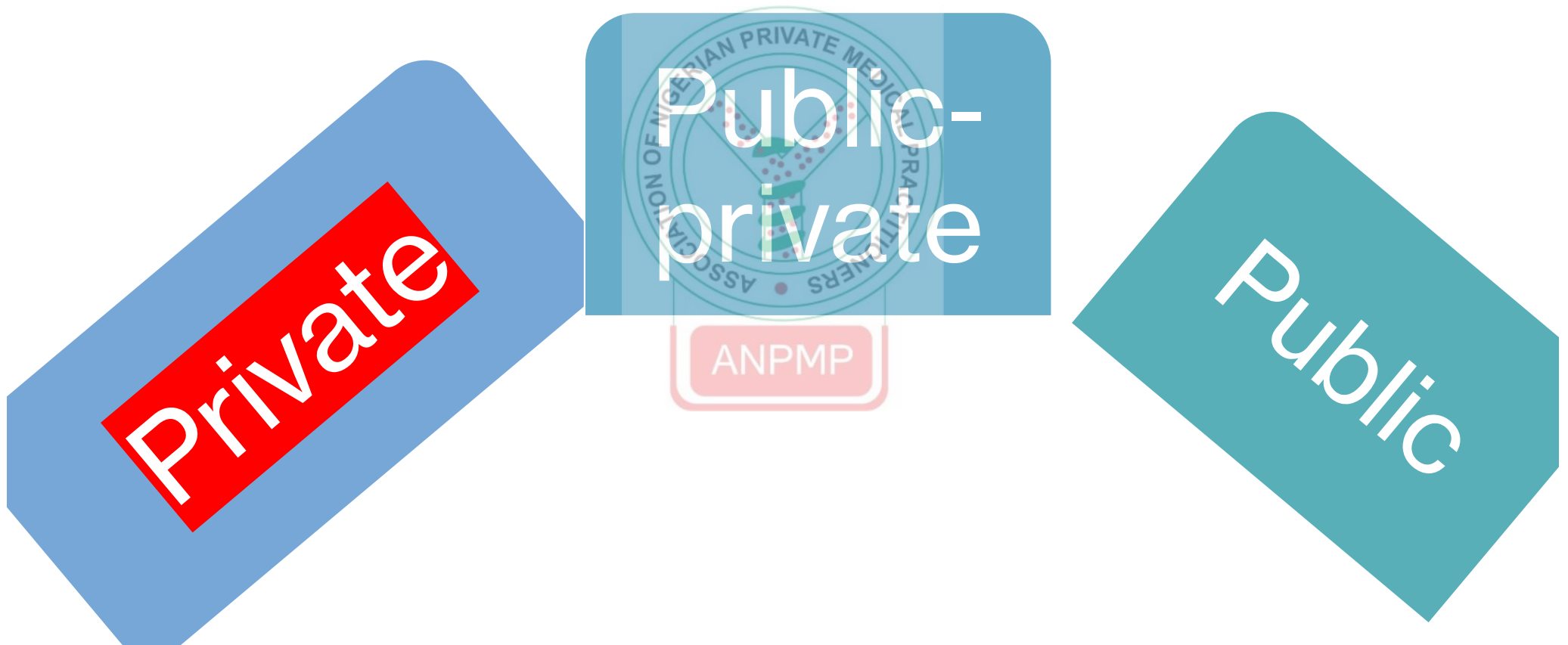
Reduced
pressure for
governance
and reporting

Closer
relationship
to patients

Low barrier to entry in
setting up



Who owns these medical services?



Owners of **private** medical practice

- Solo
- Group

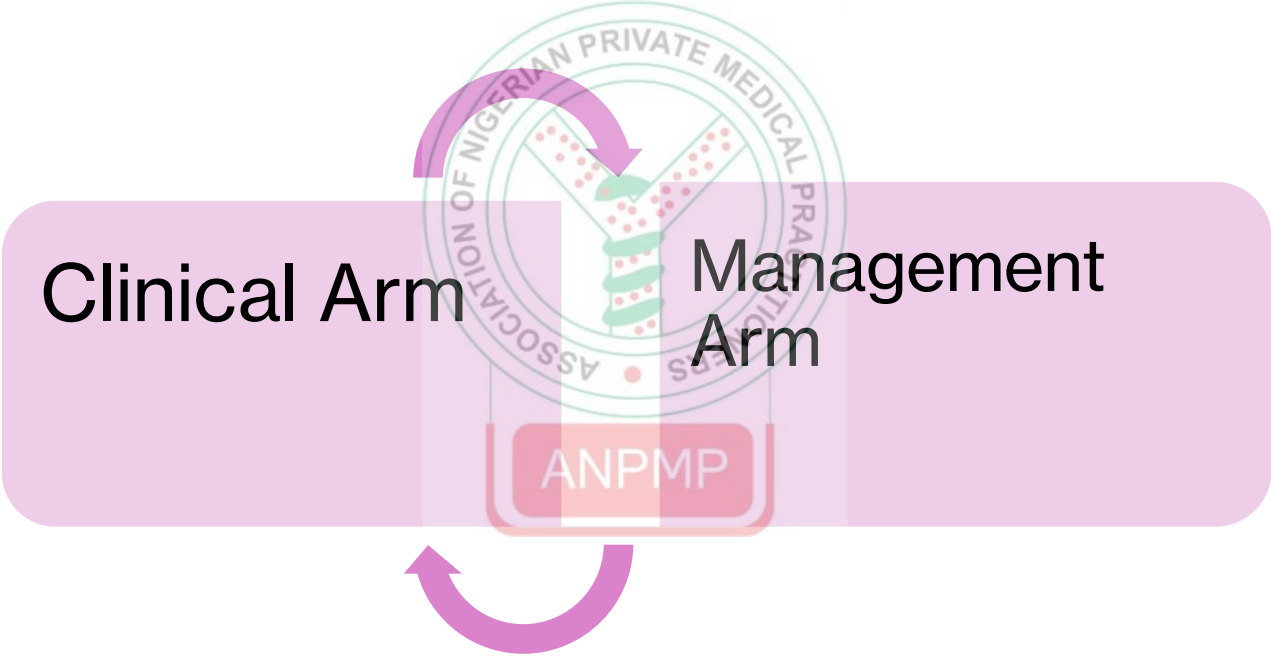
Medical
Entrepreneur

- Healthcare organisation
- Health system entity
- Health plan company
- Large company

Employer
physician
practice



Medical Practice- different levels of complexity



Types of services delivered in private medical practice

CLINICAL

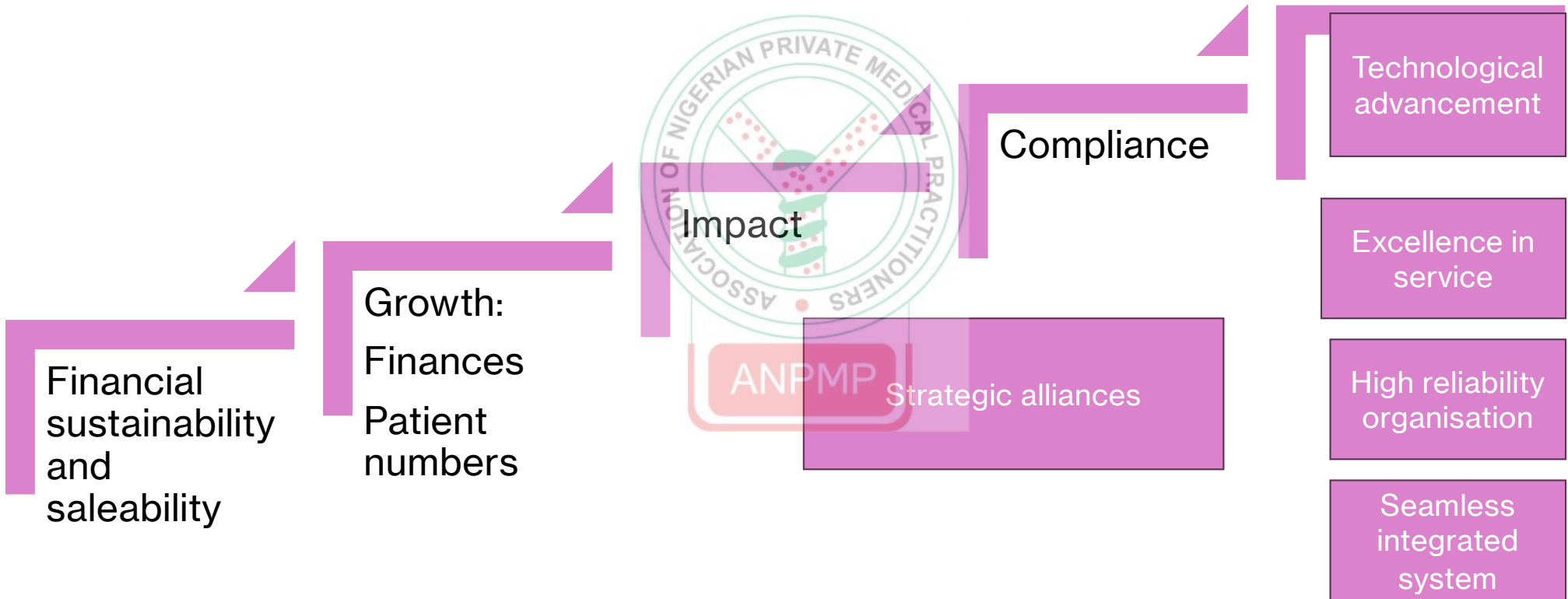
- Primary Prevention
- Secondary prevention
- Outpatient service
- Inpatient service
- Surgical service
- Ambulatory
- Rehabilitative
- Ancillary clinical -transport, nursing, therapy, laboratory, radiology
- Telemedicine
- Homecare
- Training/Development
- Research-academic/market

MANAGEMENT

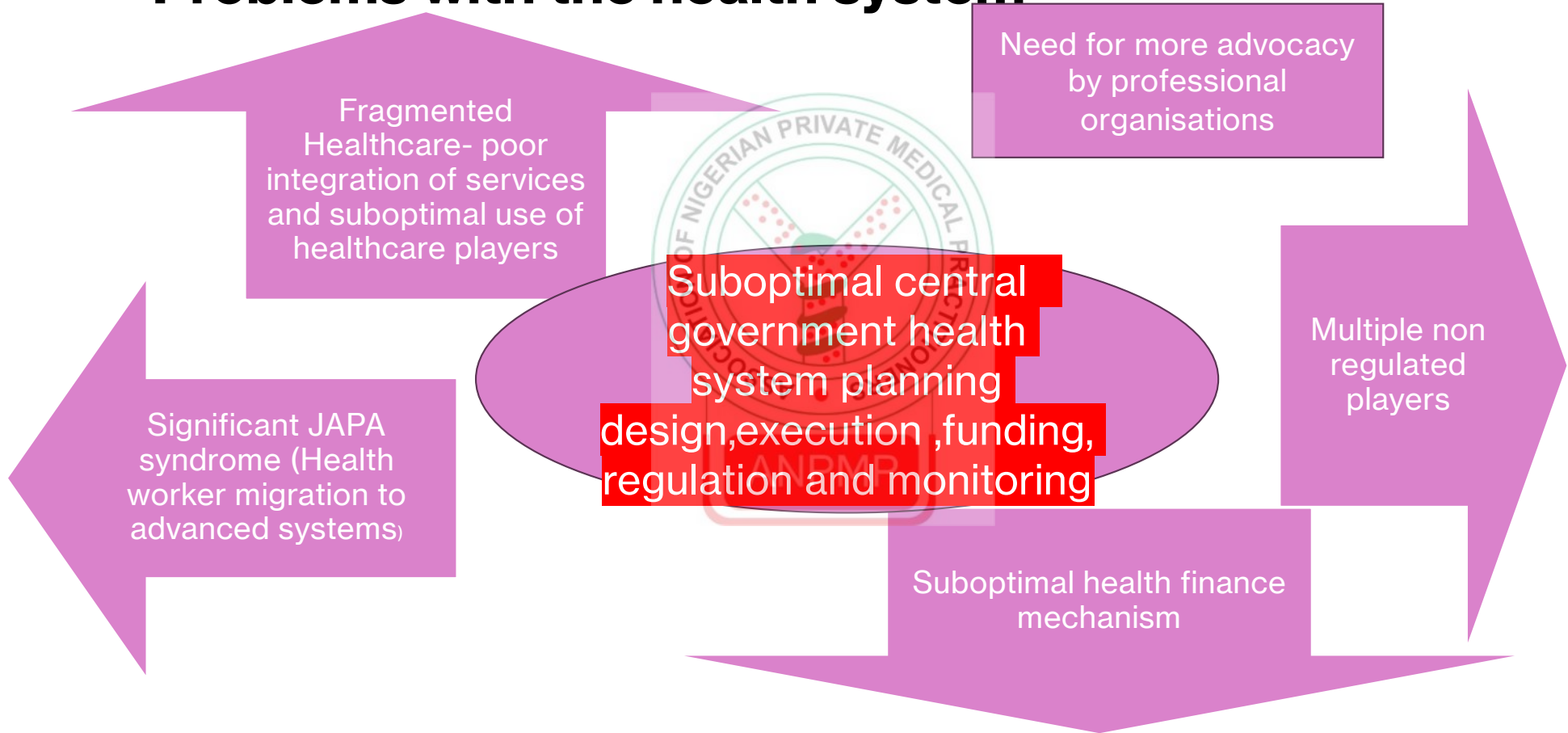
- Facility management
- Billing and revenue cycle management
- Marketing
- Purchaser relationship
- Clinical governance/Risk governance
- Corporate governance
- Patient experience
- Referral management
- ICT management
- Supply chain management
- Vendor management
- Legal /Tax
- Regulatory compliance
- Data Analytics



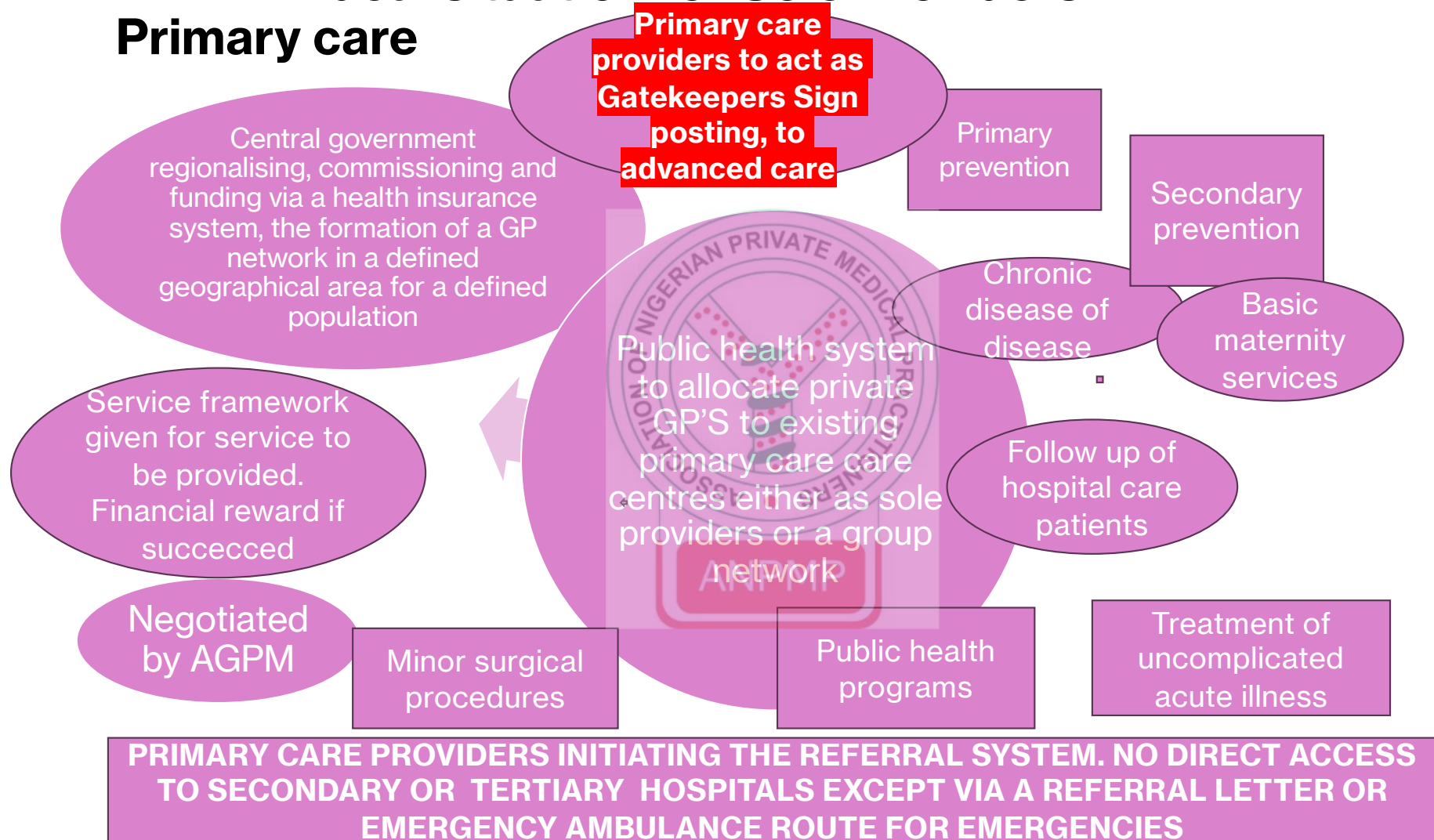
Ultimate goals of group medical practices



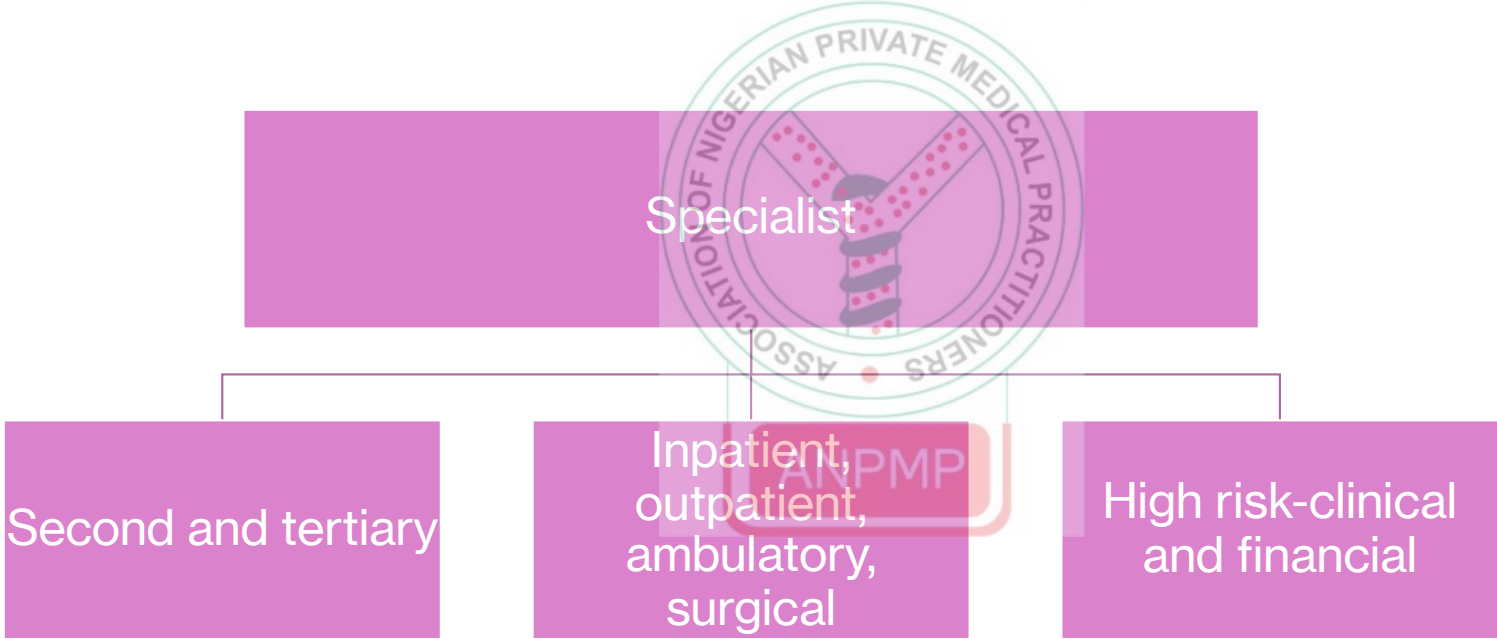
Problems with the health system



Ideal situation for Sole Providers- Primary care



Specialist solo provider



CAN ONLY THRIVE IF STRUCTURED REFERRAL SYSTEM FROM GROUP PRIMARY CARE PRACTICES AND PPP INITIATIVE EXIST

Advantages of group practice

Exposed to more capital

Employment of management team

scales in sharing cost of practice management issues and discount on

Greater emphasis on shared clinical protocols

Less physician burn out

Ability to convert clinical care into multidisciplinary care

Better scheduling, opportunities for vacation

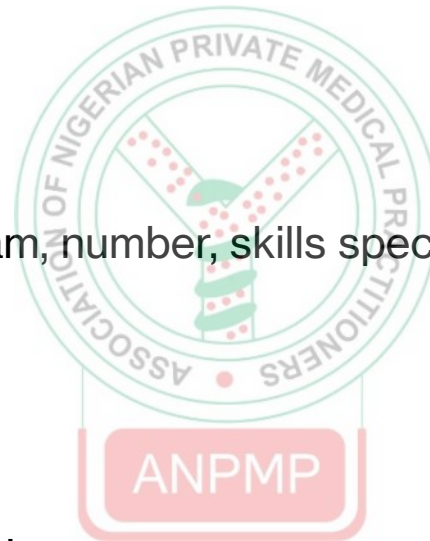
Greater emphasis on corporate and clinical governance

Succession planning easier with planned succession to internal or external physician or another group entity



Process for succession planning

- Review current state of the business
- Personal goals
- Corporate goals
- Risk analysis
- Staffing situation- organogram, number, skills specification, gaps in talent
- Wealth management
- Estate planning
- Evaluate value/impact of business
- Develop exit strategy
- Detailed implementation plan
- Contingency plan



Consolidation is the answer

Partnership Affiliations



- Shared protocols
- Shared management practices inclusive of financial management
- Shared rent
-
- Independent practitioners
- Use the same premises- share rent and rates
- No shared protocols

The Nigerian solution – AMPNP to the rescue!

SDG 2030 resolve-all populations must be have universal coverage across life cycle within primary care centres.

Central government must legislate that every state must be divided into health regions. Private doctors in each regions would be encouraged to form group practices – especially in original PHC sites

AMPNP through its branches, would work with professional consultancy teams to crystallise this initiative and take responsibility for its success with a clear service framework, incentive development and regulations for operations/M+E

Central government would commission this arrangement and funding would be via insurance or grants , performance-based incentives for special programs, data compliance and health worker training



