

# Specialist start up:

## LESSONS LEARNED ON MANAGING RISKS



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After setting up and running three successful businesses, Dr David Chettle studied medicine and specialised in obstetrics before moving to Toowoomba to set up Evolve Women's Health.

I first met David a few years ago at AMA Queensland's *Medico-Legal Conference* (which is now the *Private Practice and Medico Legal Conference*, held in September). We stayed in contact over the next few years with David contacting me for advice on risk management, compliance and insurance as he developed his business plan to enter private practice.

Before he opened the doors in March, I sat with David to ask him what he had learnt.

## WHAT DID YOU DO DURING YOUR 18-MONTH PLANNING PHASE?

Many of the experts/specialists I engaged I met at numerous conferences, workshops and events. I enlisted the help of medical specialist business advisors and consultants, accountants, solicitors, marketers, etc. I chose a legal firm that could handle property law for leases and commercial law for business structure, privacy, human resources and employment and information technology contracts.

I actively sought out and hounded Chris Mariani - hassled him for a solid 15 months for endless advice and direction. Doctors need to have specialist risk management and insurance advice - for business, professional and personal.

I also talked with lots of information technology providers - hosted vs own managed server, cloud vs computer based medical record software. Which medical practice software fits you best?

There are not a lot of specialist medical marketers and web developers out there. If you employ the services of marketing, web or social media experts - they need to be fully across the Australian Health Practitioner Regulation Agency advertising guidelines.

## FREE things I did:

- ▶ Talk with as many new and established private specialists in my field – taking their advice and learning from their mistakes!
- ▶ Seek out mentors in my field - not just a paper expert, but someone who has built a successful private practice as well. I talked with them regularly (I had two in particular - Dr Gino Pecoraro and Dr Brad Armstrong – many thanks to them!)
- ▶ Join the Business for Doctors closed Facebook page. I often learn things from my peers posting comments.

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## HOW DID MGR ASSIST YOU IN PLANNING TO SET UP YOUR PRACTICE?

Chris helped with two major areas:

- ▶ advice on risk management and compliance issues; and
- ▶ advice and set up of the right insurances for my practice.

On the insurance side – he provided insurance costs relative to structure options. Chris recommended I seek out expert help with accountants and legal advice to marry up with accounting advice to holistically minimise tax and accounting costs, whilst maintaining maximum asset protection.

Chris also helped identify and explain the risks involved with private practice, giving initial insurance estimates of potential costs based on my speciality and business structures. We spent lots of time talking about my medical indemnity needs and reviewing the various options and insurers. Chris provided a list of pros and cons for each relative to my specialty and structure.

On the business side, Chris explained the range of insurances available, costs of each, what they do and do not cover, individualised advice as to what I need in my situation so as to not over/under insure against the risk. We had lots of discussions of newer risks in the field of cyber/privacy – especially given new legislation on the Notifiable Data Breaches scheme. We talked about the risks associated with having my systems and data hosted professionally in data centres vs that of having an in-house server.

Chris took me through privacy legislation and what to do to get compliant, AHPRA advertising guidelines, the risks of fraud in medical practices and other common risks. Chris' expertise allowed me to better understand what is really covered and to what extent. He was able to draw on his own unique case study experience which allowed me to justify what insurances I should take.

Chris even helped with providing me his privacy policy templates and other documents to help me get privacy compliant.

## WAS THERE "THINGS YOU DIDN'T KNOW THAT YOU DIDN'T KNOW"?

Probably my biggest unknown was signing bad contracts. I didn't realise that pretty much every IT provider (at least all the ones I interviewed) contractually does not accept responsibility for any negligence. I learned if I signed these sorts of contracts, I would likely void my insurance covers. As doctors, we are responsible to patients if we make a mistake, so why shouldn't our IT consultants (who are claiming expertise) be held to the same legal standard?

Thankfully with my legal team and Chris' help along with an amazingly keen IT firm (Greenlight ITC), we made significant headway to producing an agreement that is actually fair and reads as it should "you stuff up - your fault, you fix it, I stuff up, my fault". A number of IT firms I spoke to commented "no doctor has ever raised an issue with our contract and all signed without question". I find it amazing that this is the case, because if you take the time to read the contract, no sane person would agree to it.

## ANY TIPS FOR SELECTING THE RIGHT CONSULTANTS?

Do your own research first, then get recommendations from your trusted peers. Make a short-list of three in each area and get them to give you a complementary hour of their time. In the meeting tell them your story and vision and let them tell you what they can do for you.

Ask about their costs - not hourly rates, cost for getting the job done. Ask them how they are remunerated. If they won't give you any of the above, walk away. Seek out people who specialise in medical practitioners as their core business. Don't pick an accountant or insurance specialist that does not fully understand medical. Ask them to give you a few names of their other doctor clients (after they have sought consent) and ask if you could speak to those doctors.

## WHAT DO YOU SEE AS THE DIFFERENCE BETWEEN USING A BROKER VERSUS A DIY APPROACH?

You might be able to do it yourself, but you need to access the covers, know how to read and interpret them - but that is all useless if you don't know which covers you need.

I have cover with a number of different companies as no single insurer is best for everything for my circumstances - some don't have a full range of products needed, others only distribute their products through brokers.

A specialist broker will save you money in two ways – firstly they will find the best value and appropriate policies for you and secondly and more importantly - saves you way more if you ever actually have the misfortune of making a claim. The peace of mind of having someone on my side, representing me is also important.

