

Abstract

Title: evaluation of medical practices

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Changes in the Austrian health system influence the stationary area of doctors and will eventually lead to a change for both, panel doctors and private consultants. Especially admission restrictions (for panel doctors) fuel the increase in take-overs of medical practices as well as the increasing number of group-practice foundations. These factors lead to the necessity of evaluating practices. When assessing panel doctors, a peculiarity can be discovered: In addition to choosing a successor (according to a list published by the medical association of Upper Austria (ÄKOÖ)) a predetermined evaluation process has to be followed. Four different models can be chosen from when establishing a panel doctor group practice.

Not only is the health system subject to an increasing cost pressure, the patients are also increasingly willing to pay for their health. Additionally, the stationary area for doctors has expanded in recent years. Especially the number of private consultant practices has increased constantly. This trend can be explained by the lack of a contract with the health care insurance companies for some special fields and additional services, respectively. Beyond that, the admission restrictions for panel doctors cause many physicians to settle as private consultants. This tendency will continue in the future, leading to a higher number of take-overs from private consultant single- and group practices which, in due course, requires an evaluation system.

Even though the theoretical perspective of business appraisal is amply discussed in the literature, there exists a lack of research when it comes to the field of practical implementations. As the main focus of attention in this paper is finding a predominant evaluation method, in a first step, company appraisal methods have been analyzed theoretically. Secondly, seven tax consultants as evaluation experts have been questioned about the course of action, and 14 panel doctors and private consultants were asked to give their opinion of their satisfaction and their possibility to assist with the handover. As a result, a call for an appropriate evaluation process for practice take-overs or for group-practice entries arises due to missing economical knowledge on one hand and the lack of empiric results in the field of practice evaluations on the other hand.

After the theoretical demonstration of different evaluation methods in combination with the outcome of the empirical analysis, two main conclusions can be drawn: Literature differs between two methods, a retrospective one and a prospective one. Practically, all of the evaluators tend towards using the prospective method. While the practicably applied forms, (excess profit techniques and modified profitability methods) follow that trend, the mandatory evaluation by the ÄKOÖ for panel doctor group practices is a retrospective method. This process shall protect the successor, but it hinders the negotiation basis that is allowed to every other entrepreneur.