



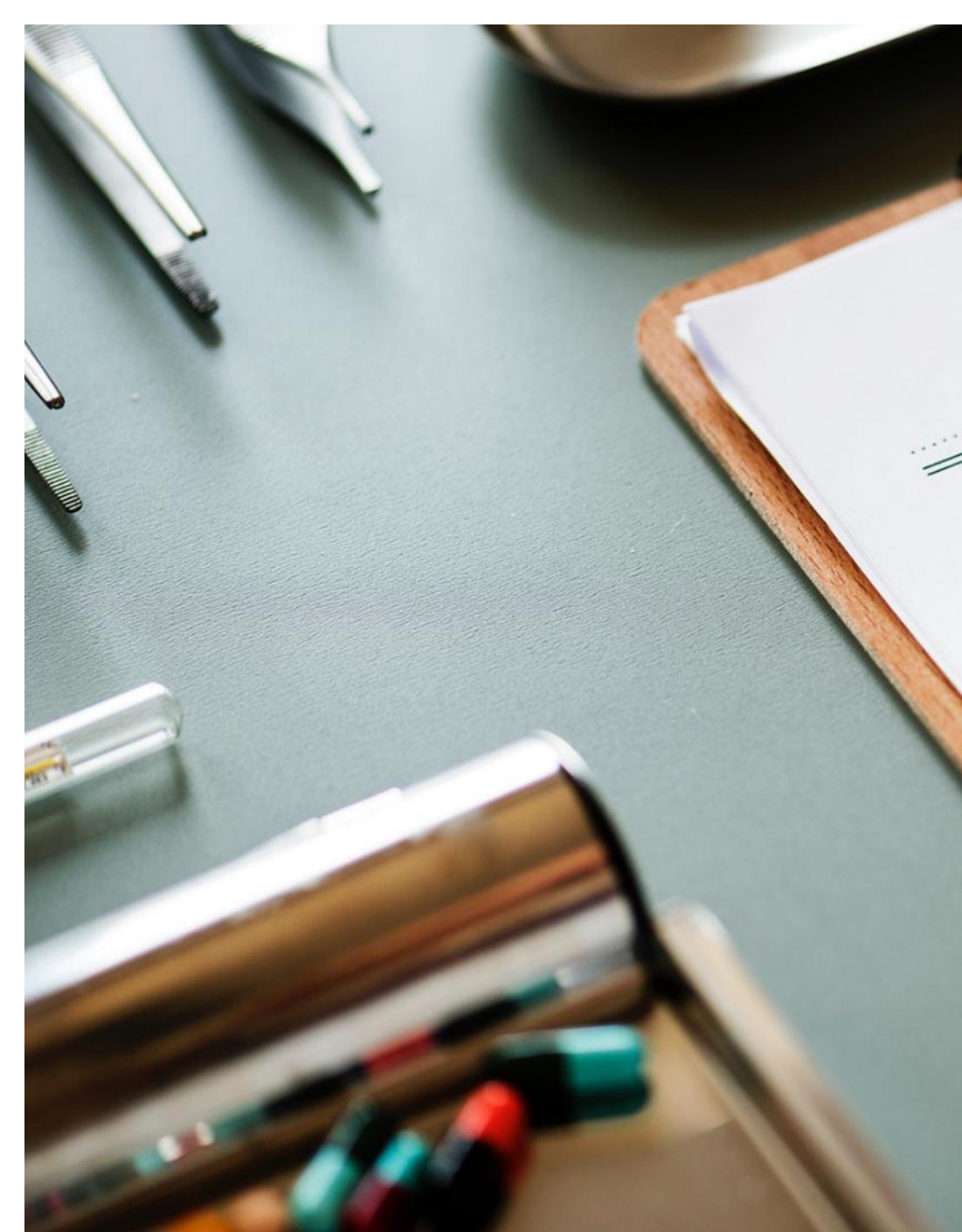
**AFS**  
*Aquilla Financial Solutions*  
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2009/178906/23  
FSP 38139

# Ethical financial management of the GP practice

Wynand Louw CFP® FIISA.







# Introduction

The beginning

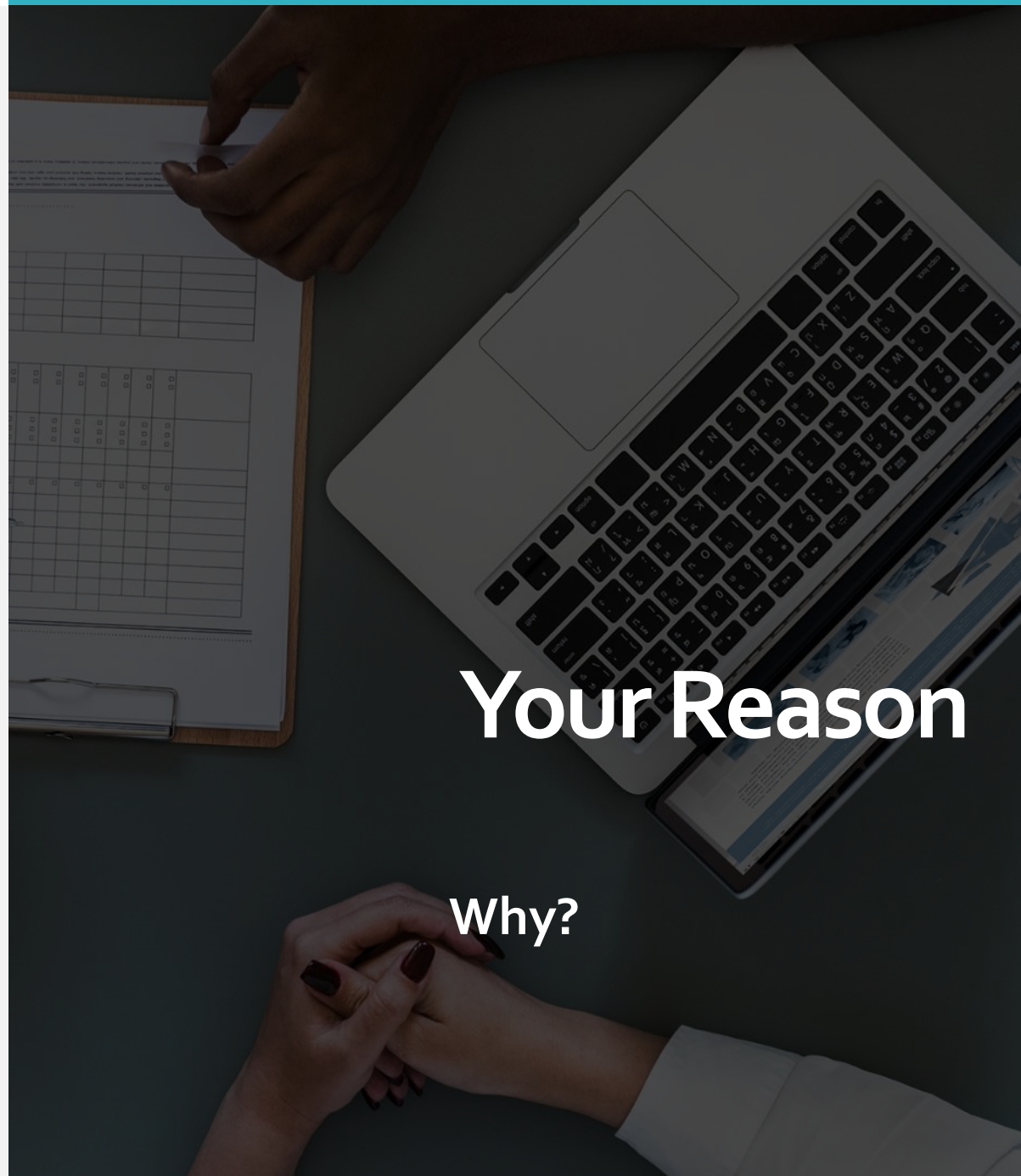


- What was the reason for you to study medical?

*When did this idea start to take shape in your heart and mind?*

- What is your **Why?**

1. *To make money*
2. *To help people*
3. *To save the world*







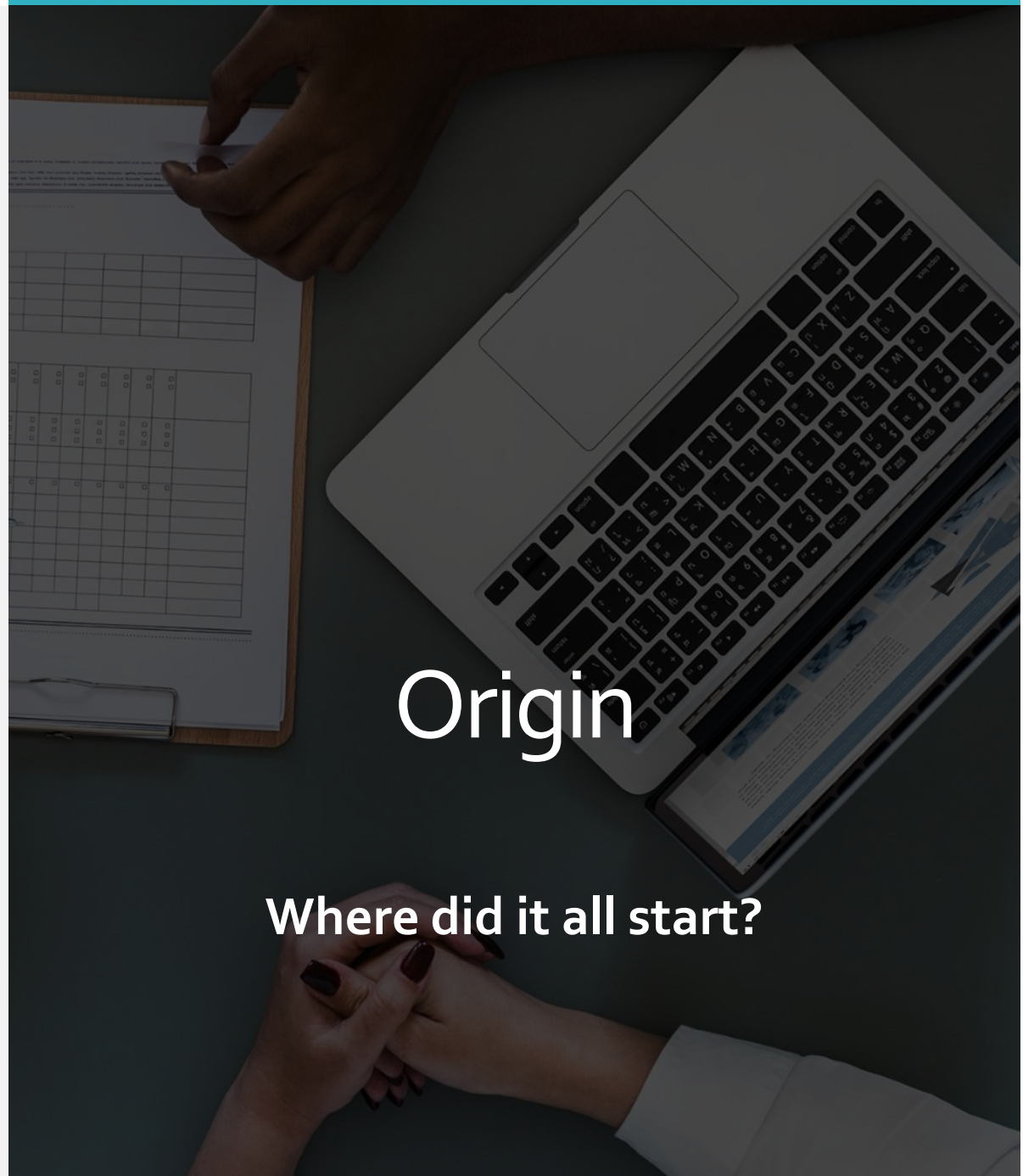
# Ethics: The Original Teaching

- Most ancient religions' philosophers and ethical thinkers presents some version of this **golden rule**:

***Do to others what you want done to yourself.***

- Or it is taught from a negative perspective:

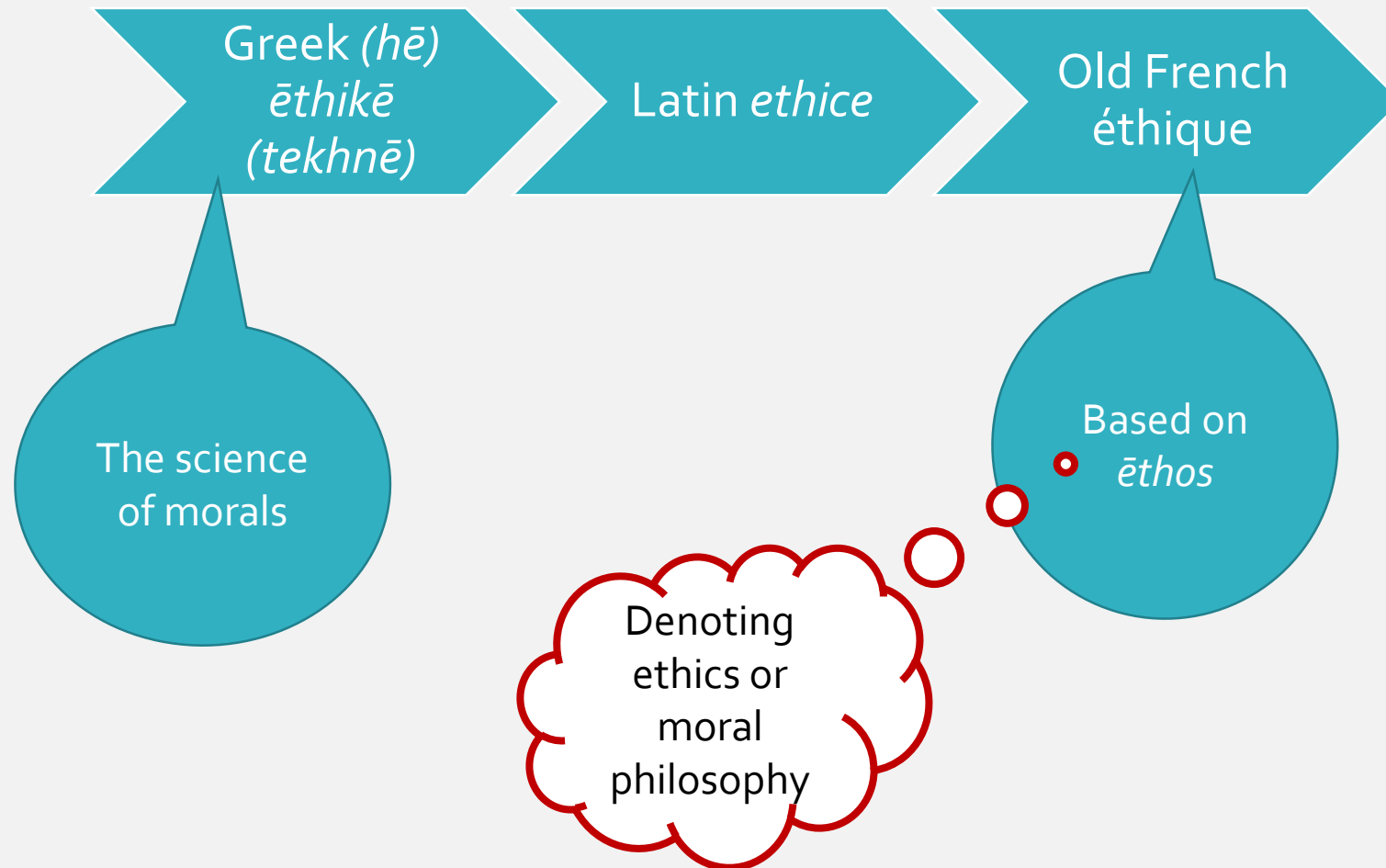
- ***Do not do to others what you do not want done to yourself.***



Origin

Where did it all start?

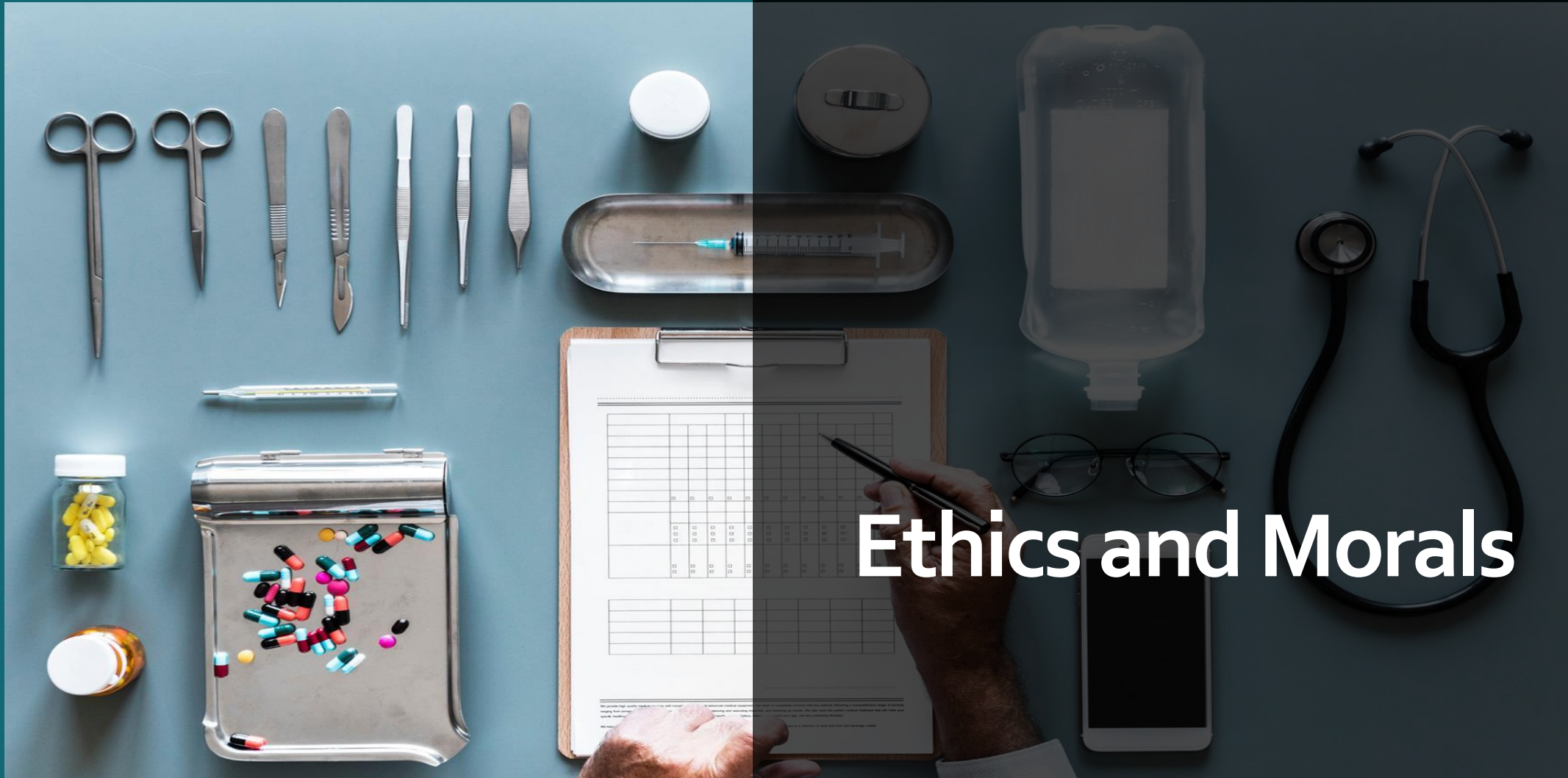
# Playing with words



## Greek Role Players

The known history of pure ethics or ethics (moral) theories begin with ancient Greek philosophers (Sophists, **Socrates**, Socratic schools, **Plato**, **Aristotle**, **Epicurus**, **Stoics**) and after recovered by early English positivists has been the main topic of discussions in the Medieval times in Europe.





# Ethics and Morals



- **African**
  - South
  - East
  - North
  - West
- **Asian**
- **Western**
  - Europe
    - English, French, German etc.
  - America
    - USA or Latin
  - Russian
  - Chinese
  - Other?



- How does your culture influence your ethical value system?

## Influence of Culture?

- Tribalism
- Religion
- Schooling

# Ethics and Morals 1

Ethics and morals relate to  
“**right**” and “**wrong**” conduct.







- Refer to **rules provided by an external source**, e.g.,
  - codes of conduct in workplaces,
  - professional body code of ethics or
  - principles in different religions.
- May vary depending on the environment

# Ethics





- Refer to an individual's own principles regarding right and wrong.
- Rarely change





# ETHICS

## VS

# MORALS

In most cases, when any one of us does something, we try to act according to what society believes is right. More often, we listen closely to what our own beliefs about right or wrong are telling us, even if they're different from society's views. These two have to do with ethics and morals.

### MEANING

ETHICS refers to the rules that a **social** system provides us with.

### MEANING

MORALS are **our** own principles.

# ETHICS VERSUS MORALS

Guiding principles of  
conduct of an  
individual or group

Principles on which  
one's judgments of  
right and wrong are  
based

Influenced by  
profession, field,  
organization, etc.

Influenced by  
society, culture  
and religion

Related to  
professional  
work

Not related to  
professional  
work

Uniform  
compared to  
morals

Vary according  
to different  
cultures and  
religions

# Ethics and Moral Values

A person who knows the **difference between** right and wrong and chooses right is **moral**.

A person whose **morality** is reflected in his **willingness** to do the right thing – even if it is hard or dangerous – is **ethical**.

**Ethics are moral values in action.**







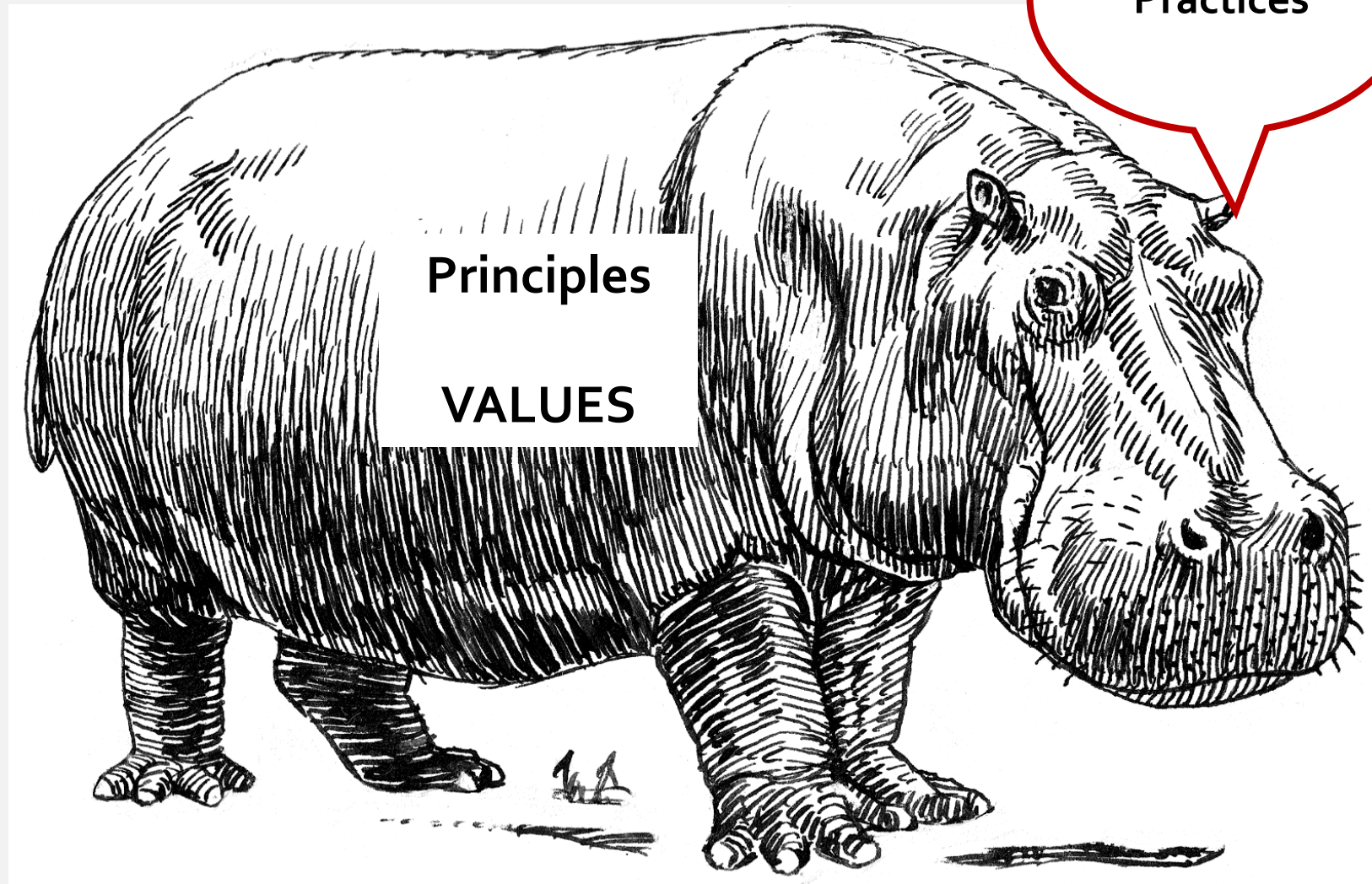
# Ethics and the Law

# Discussion Point (1)

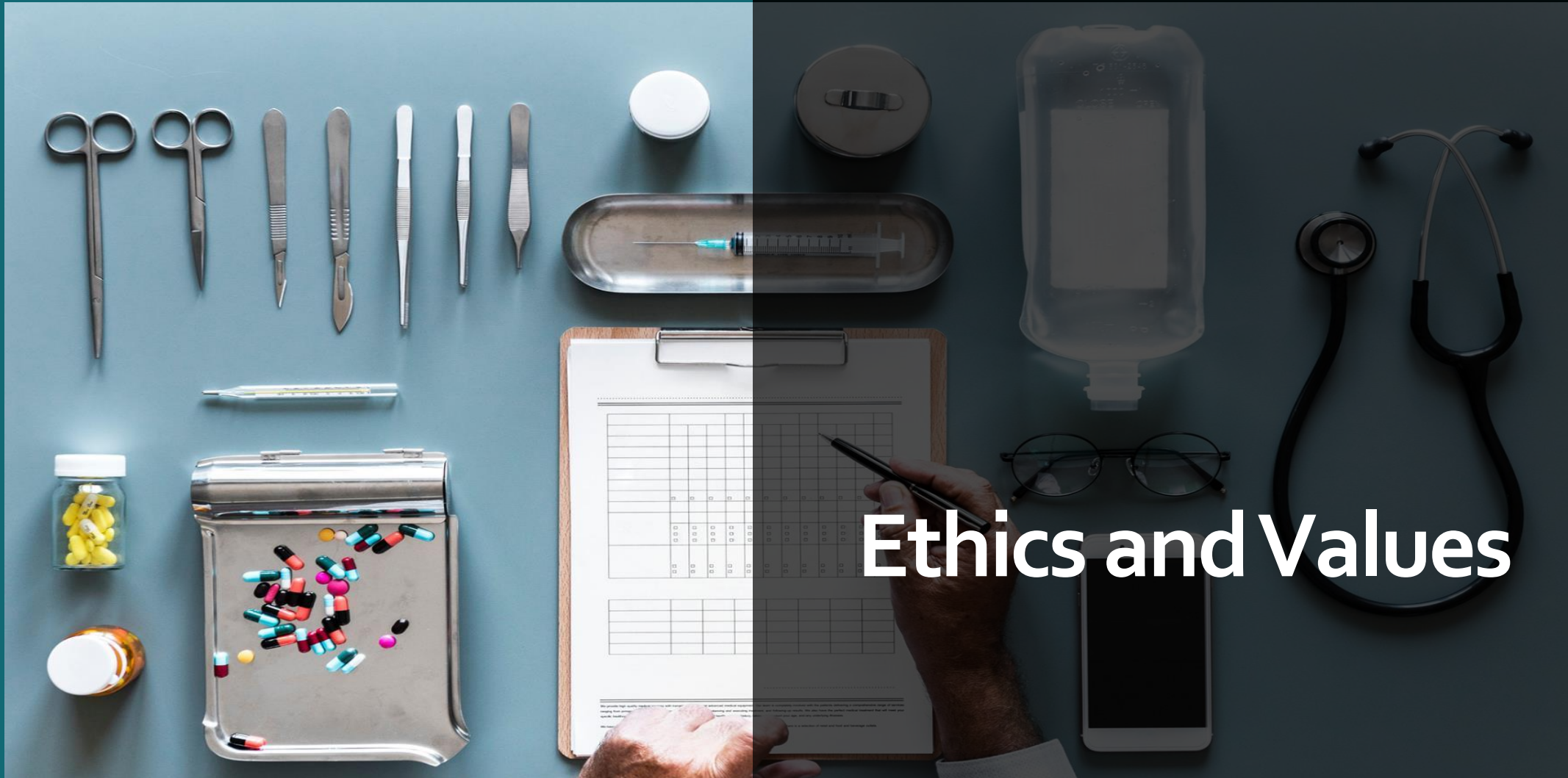
Why is ethics and law not the same thing?

"The law sets minimum standards of behaviour while ethics sets maximum standards."

# Visible Ethics







# Ethics and Values





- Values are things that have an **intrinsic worth** in **usefulness or importance** to the possessor, or
- principles, standards, or qualities considered worthwhile or desirable.

## What are Values? (2)

We may tend to think of a value as something good, virtually **all values are morally relative** – neutral, really – **until they are qualified by asking,**

- **“How is it good?” or**
- **“Good to whom?”**

# What are Values? (3)

Many know **how much somethings cost,**  
**but they do not know the value.**

They **think of people as things** that can be  
bought or sold or money made of.

## What are Values? (4a)

The “good” can sometimes be just a matter of opinion or taste, or driven by culture, religion, habit, circumstance, or environment, etc.

Again, **almost all values are relative.**

“

Carter McNamara, MBA, PhD





## What are Values? (4b)

The exception, of course, is the value of life.

**Life is a universal, objective value.** We might take this point for granted, but **we all have the life value, or we would not be alive.**

**Life is also a dual value** – we value our own life and the lives of other.

Carter McNamara, MBA, PhD



# What are Morals? (1a)

**Moral values** are relative values that protect life and are respectful of the dual life value of self and others.

The **great moral values**, such as truth, freedom, charity, etc., have one thing in common.

Carter McNamara, MBA, PhD



# What are Morals? (1a)

When they are functioning correctly, **they are life protecting or life enhancing for all.**

But they are still **relative values.**

Our relative moral values must be constantly examined to make sure that they are always performing their life-protecting mission.



# Ethical Theories



# Four Types of Ethical Theory

| Type of Theory                              | Advantages   | Disadvantages   |
|---|--|---|
| <b>Consequences-based<br/>(Utilitarian)</b> | Stresses promotion of happiness and utility        | Ignore concerns of justice for some others                    |
| <b>Duty-based<br/>(Deontology)</b>          | Stresses the role and duty and respect for persons | Underestimates the importance of happiness and social utility |
| <b>Contract-based<br/>(Right)</b>           | Provides a motivation for morality                 | Offers only minimal morality                                  |
| <b>Character-Based<br/>(Virtue)</b>         | Stress moral development and moral education       | Depends on homogeneous community standards for morality       |





# Social Responsibility

# Social Responsibility (1)

“Social responsibility and business ethics are often regarded as the same concepts. However, the **social responsibility movement is only one aspect** of the overall discipline of business ethics.”

*Management Help*



# Corporate Social Responsibility







# Dilemmas

# Ethics and Dilemmas

**Ethics** = the principles of right and wrong that are accepted by a social group.

**Dilemmas** = *state of uncertainty of perplexity, especially as **requiring a choice between equally unfavourable options.***

# Ethical Dilemmas

**Ethical Dilemma =**

a situation that will involve an apparent **conflict between moral imperatives** (some duty that is essential and urgent), in which to **obey one would result in transgressing another** (the action of going beyond or overstepping some boundary or limit).



# Practice Dilemmas



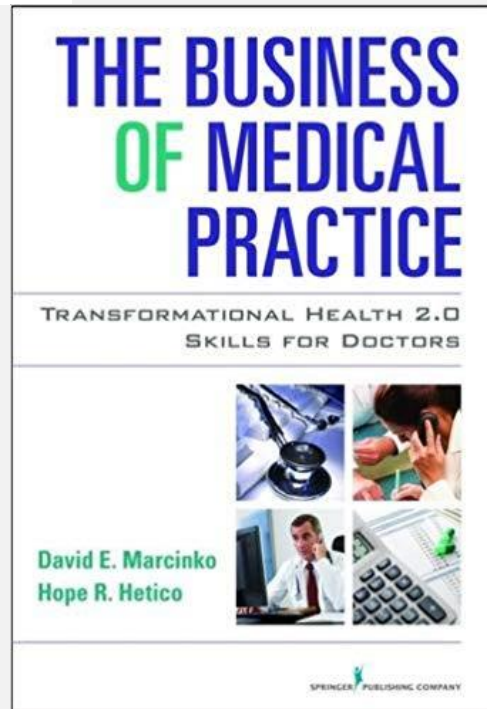
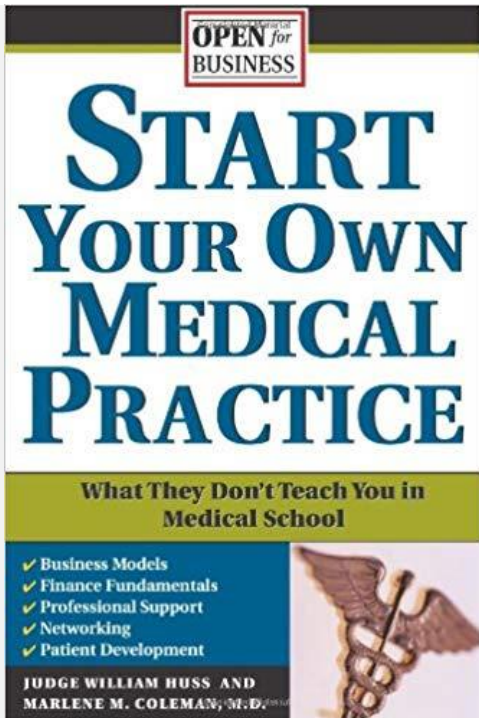
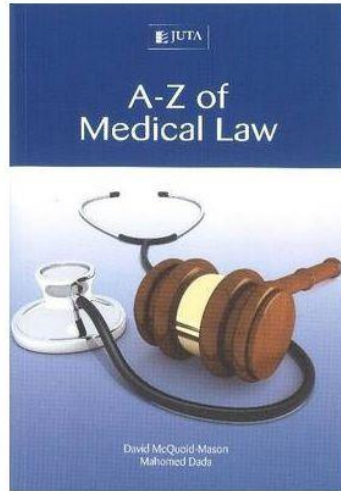
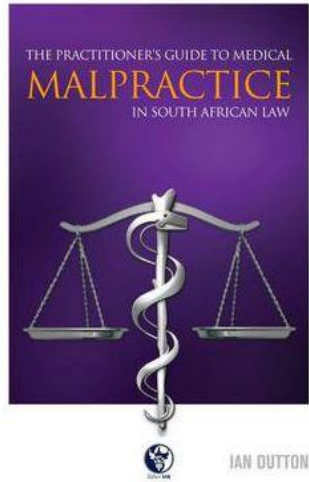
# Open and Concealed Dilemmas

## Open

- **Public or can be seen**
  - Considered for condemning
  - Majority hate
    - Theft
    - Bribery
    - Sabotage
    - Espionage

## Concealed

- **Concealed or secret**
  - Not transparent
  - Complex – rule books
  - Difficult to locate
  - Potential of larger damage
  - See what I can get away with



# Practice and the Law

What must I do?



# The Problem

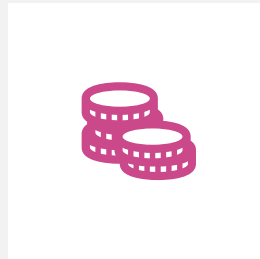
Only 16% to 20% of our population can afford to belong to a medical scheme.

Many people go for Insured plans that cover day to day expenses due to affordability and have to rely on Government Hospitals



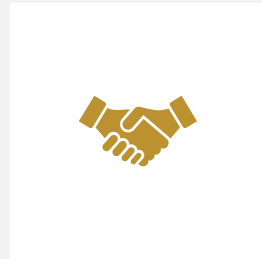
## Declining Market

Growing my client base in a smaller pool of paying clients



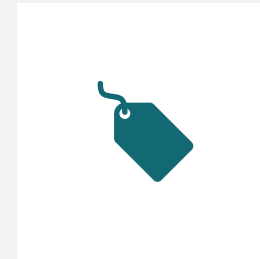
## Financial

The temptation of over billing to maintain my lifestyle



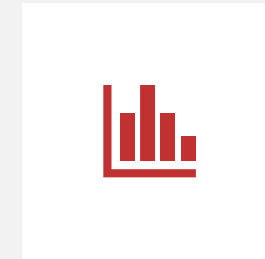
## Trust

Establishing and building trust with the client and compete with virtual doctors



## Cost

Challenge of curbing costs in a rising expenses. Not enough hours in the day to earn a sustainable income



## Margins

Income and expense margins are shrinking. Sickness of over regulations. More compliance requirements. Someone has to pay for it.

# Important you remain responsible! People will only do what you control



## Prioritise

What you should do. What others can do. What you need to outsource



## Authorise

Identify important things that you have to authorise, and delegate the authority to people you can trust.



## Monetise

Everything cost money. Make sure that you curb your expenditure wastage

# Solutions

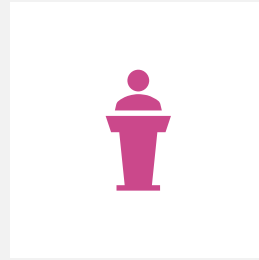
Easier said than done.





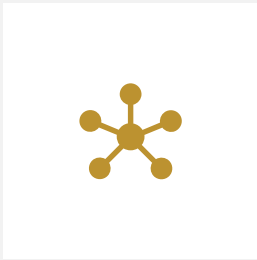
## Unique

What distinguishes you from your neighbour?



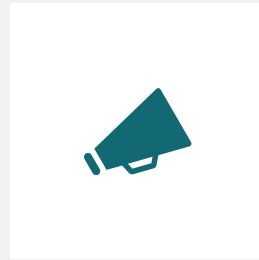
## First to Market

What can you offer that no one else is doing?



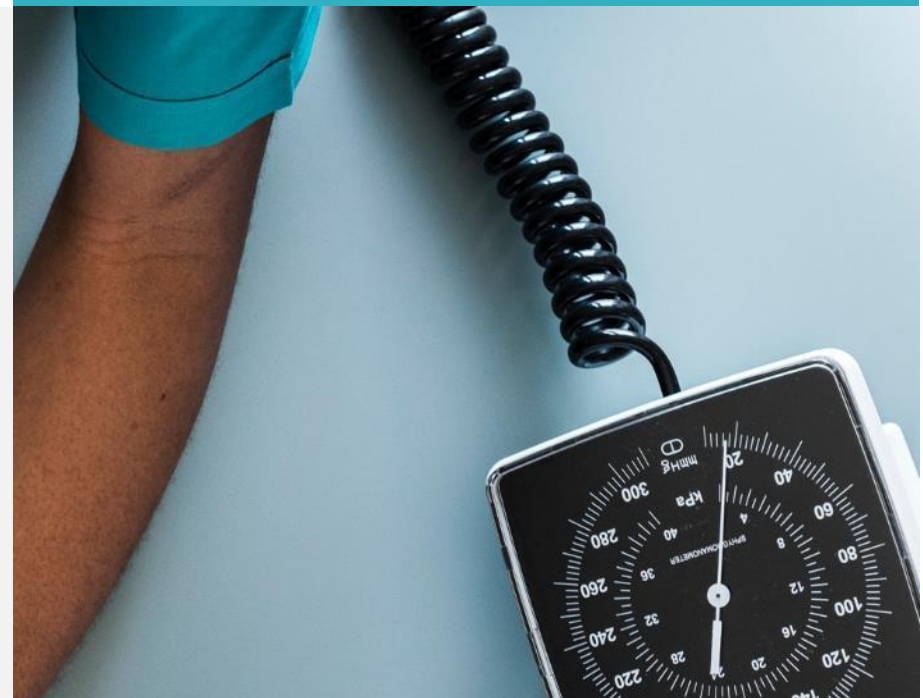
## Tested

Do what you know best. Do not copy other fads.



## Authentic

People know when you pretend. Be the best you, you can be.

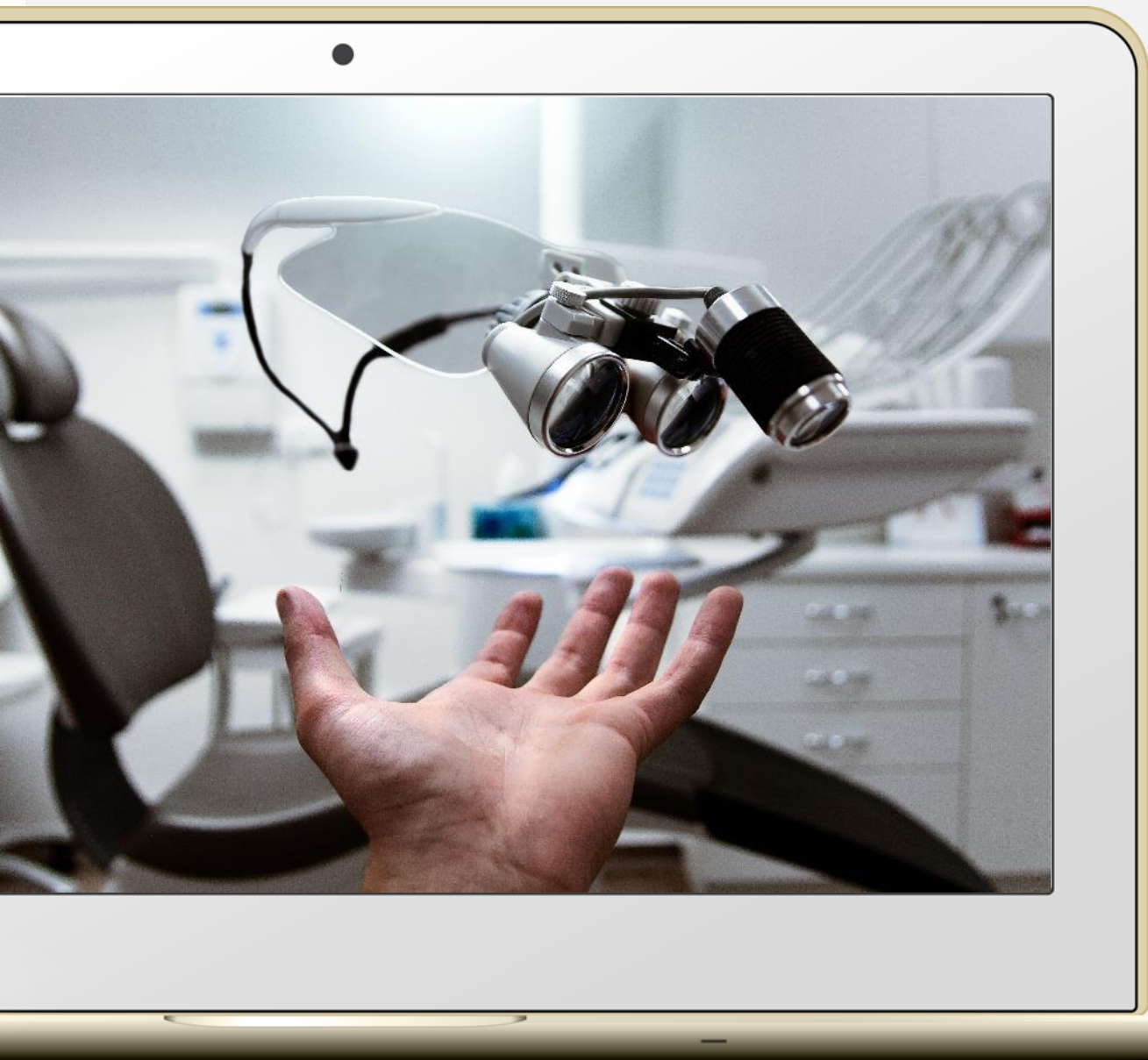


# Solutions

# Why

are you doing what you are doing?.





**Emphasise your  
main benefit**

**You are your  
practice's best and  
most important  
asset. Without you  
there is no practice.**



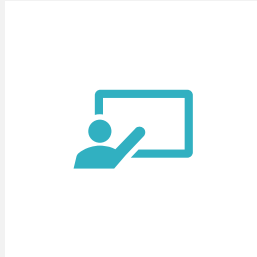




**Your practice is a  
business**

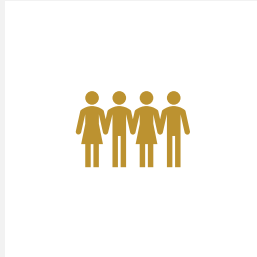
**Adhere to best  
business and  
governance practices,  
policies and  
procedures**

# Business Model



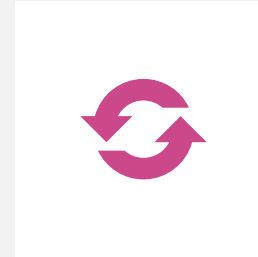
## Research

Do continual research to find the ideal type of practice you want to have



## Finance

Ensure that you run a clean practice and that you comply with all the require legislation, compliance and governance requirements.



## Invest

In yourself and your staff, with continue professional training and development, including your non medical office staff



- **ETHICALLY:**

**HOW DO WE MAKE  
HEALTHCARE MORE  
AFFORDABLE FOR ALL  
in South Africa?**

- **Think of the 80+%**
- Our poor and aged suffer the most. They have nowhere to go.
- Unemployed or low income earners
  - *Transnet Pensioners:  
87 people older than 100 years.*

**My Challenge for you!**

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# Thank You

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