

Embrace Change

Successful people know that the world is and will always continue to change. In some cases they even find ways to benefit from those changes in the world. If you want to be successful, learn how to stay ahead of the curve by studying and embracing change.

You may have noticed that the organization Private Practice Doctors is growing and making an outreach to each and every one of you. In the last two weeks alone, another 10 physicians have joined our ranks. As we have traveled to more and more physician offices, we inevitably get into discussions regarding the direction of private practice and how to succeed in the world we find ourselves in.

One of the overriding emotions we hear is frustration. This is clearly understandable. Most physicians have poured years into education and their practices. We are attempting to provide the best medical care we can, but with shrinking reimbursements and increasing overhead, the business of medicine is bludgeoning the private physician to death.

It is natural for humans to avoid change. It is uncomfortable and unknown. Unfortunately, if you don't embrace change it will still happen. Luckily, physicians are some of the most welcoming professionals to change. Our world is constantly evolving. Each day brings new studies, new procedures and new medications we must analyze and determine how to work into our practices.

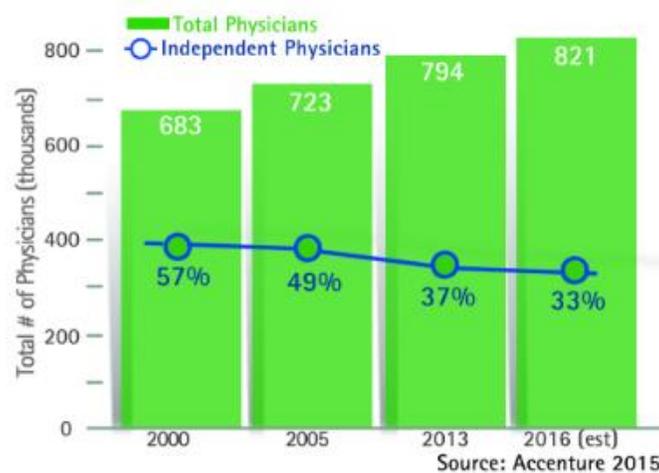
When I was an intern, someone would come to the hospital with a heart attack. We would give them pain medications, immediately start a lidocaine drip and place a Swan-Ganz catheter to "maximize" their numbers. That was it. Today we don't really do any of these things. When I first started in training, there were basically three medications for treating hypertension and they



needed to be taken several times a day. There were alpha and beta blockers and diuretics as well as some old standbys that are no longer even mentioned. That was it. No calcium channel blockers, ACE inhibitors nor ARB's. Cholesterol, who gave a hoot about cholesterol? If you did have really high cholesterol, you were placed on resin binders. That's it. If you had blocked arteries you were sent for CABG. That's it.

The private practice of medicine has seen even more change and more stress than any other aspect of medicine. We all know the causes. It's not a surprise. Many of our colleagues have fled the private practice of medicine and sought "safe haven" in being owned by the hospital.

Independent U.S. Physicians: A Swiftly Shrinking Segment
 Only 1 in 3 doctors will be independent by end of 2016, Accenture finds



Only one-third of private physicians remain. New graduates coming out of school are saddled with debts and are taught that private practice is an anathema. Older physicians are "holding on" or retiring, rather than dealing with the current healthcare predicament.

The good news is that if you are still in private practice, the largest attrition has already occurred and you have survived. The bad news is that, in my opinion, only 10-15% of physicians will ultimately be private practitioners. We will most likely end up with a very British system of single payor health care and a Harley Street model of private practitioners. For those of you not familiar with Harley Street, it is one of the most famous streets in London and enjoys a world-wide reputation for its excellence in medical care provided by private practitioners.

The question is, how do you survive? How do you belong to the group of 10-15% of physicians remaining in private practice who provide top notch quality care and who care for a significant portion of our patient population who wants nothing but the best services?

The answer is not simple. Each of our practices have unique strengths and characteristics that make us special. For some internists, this may involve a high priced concierge practice alone. For others, this may include a mix of concierge and regularly insured patients. Other specialties may take insurance but require an administrative fee, still others may not take insurance at all. There is no one size fits all when it comes to the income side of the equation. Careful analysis and self-awareness is needed to find the best fit.



The answer for the expense side of the balance book is fairly simple. You just need to go into your books and see where you spend money. Aside from rent and employees, that would be medical supplies, office supplies, medical equipment, banking fees and employee insurance costs. You, and not your office manager or nurses, need to investigate this area. Remember it's your money. Your employees are going to do what is easiest for them, not financially practical for you. Private Practice Doctors has formed a private physician cooperative so that you can lower your costs in each and every one of these expense areas.

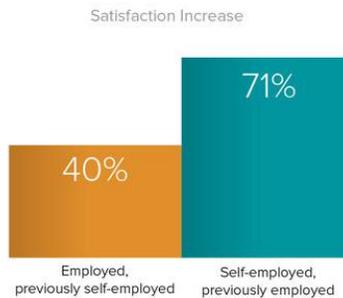
Over the next several weeks, I can just about guarantee you that Sarah, our sales rep will be calling you for an appointment. I implore you to let her set up a meeting with you. I will be happy to attend the meeting, as well, to show you just how much money you can save. It may just be the difference between survival and failure. Give us a chance, it does not cost you anything to listen!

The Employed Physician vs. The Private Practice Doctor

In our travels for Private Practice Doctors, we frequently engage in discussions about the problems of the employed physician vs. the private practitioner. I think you will find the following statistics and graphs to be quite informative. They are drawn from Medscape, An Employed Physicians Report published this year.

Even though most transitioning physicians have sold their practices to hospitals, some occasionally become dissatisfied with the hospital experience and return to private practice. Medscape asked, did your job switch help your job satisfaction? The result showed, by almost a 2:1 margin, those leaving to go to private practice were significantly happier to have switched.

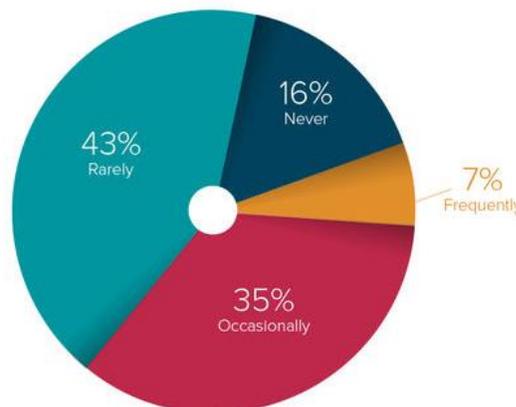
Did Your Satisfaction Improve When You Switched Your Job Situation?



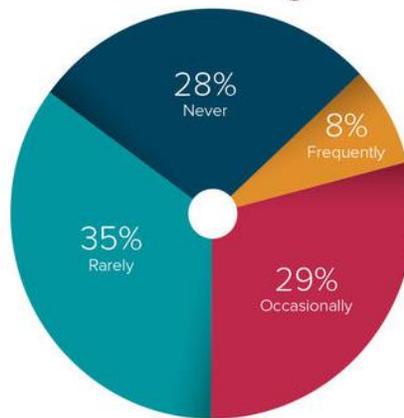
Even more important were the answers to questions about disagreements with employers about patient care and workplace policies. Employed physicians do not necessarily make all of their patient care decisions. Remember, they are employees and subject to the rules and regulations of employers. 42% of physicians disagreed occasionally to frequently with the employer about healthcare. This is an amazing statistic. Nearly one half of doctor employees are disagreeing with what they are being told to do. This is even worse with work place policies, where over half of physicians disagree with their employer about workplace policy. Check the graphs below for the actual numbers.

I think the statistic that bothered me the most was that over one-third of physicians were pressured to make decisions they disagreed with occasionally or frequently. You would think this number would be close to zero.

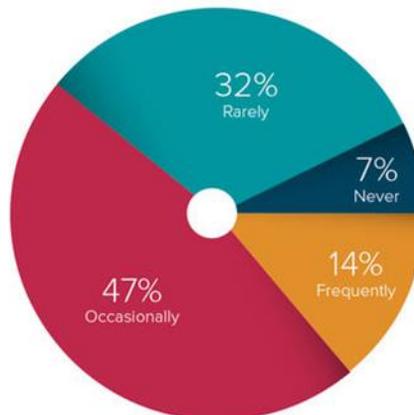
How Often Do You Disagree With Your Employer About Patient Care?



Pressure to Make Patient Care Decisions You Disagree With?



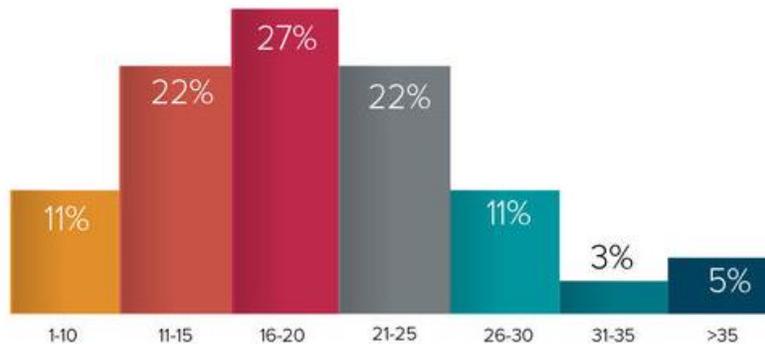
How Often Do You Disagree With Your Employer About Workplace Policy?



Do you like quotas? Well you better get used to them. Can you believe that 20% of all employed physicians reported a quota of seeing more than 25 patients a day? 5% had to see more than 35 patients a day. What happens to quality when you are required to see so many individuals?

I think the lesson to learn here is to beware before you make the switch. Most physicians I know are very independent minded with a strong sense of self. Most are incredibly intelligent and not “built” to tolerate bureaucracy. Be careful, the grass is not always greener on the other side.

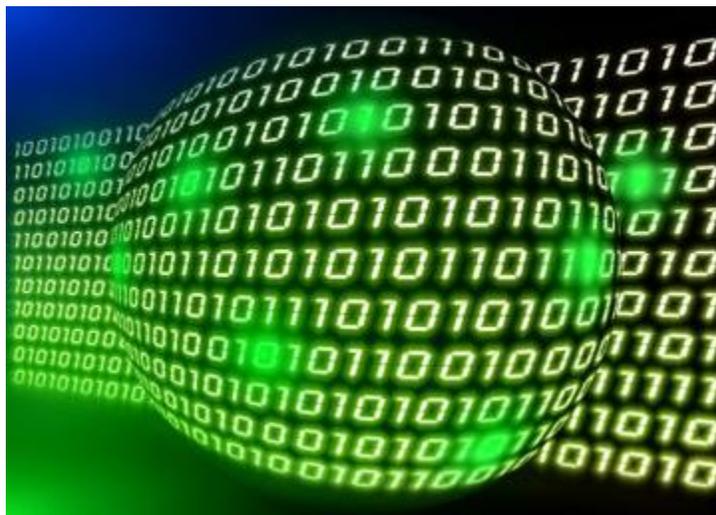
Employed Physicians' Daily Patient Quota



The future of healthcare

What are we going to see in the next few years? It is my prediction that some trends will continue no matter who is the next president. The best way to plan for the future is to look at these trends and make sure you are on top of it.

Technology – A recent study by Harvard Medical School pitted physicians against computers in their diagnostic ability. In the study, published October 10 in JAMA Internal Medicine, 34 internal medicine physicians were asked to evaluate 45 clinical cases involving both common and uncommon conditions with varying degrees of severity. Their clinical judgement was compared to computer evaluation. Physicians were able to diagnosis the problem 84% of the time and digital problem solvers 51%. Look, the differences won't always be this marked.



Computers have been catching up with humans for a long time. It is easy to foresee a future when computers and humans are very close in their diagnostic ability. The difference will always be the aspect of human care and attention. So remember, while EHRs and future computers help in diagnosis, the way to distinguish your practice is the human aspect. The part of your practice that exudes care and compassion must be at the forefront.



Narrower Networks – Insurance companies will attempt to control costs by making provider networks narrower and narrower. Only physicians who buy into cost control and outcomes data will be asked to be part of these networks. In the future, as private physicians, if you wish to participate in this data driven care, you will have to participate in these computer generated data practices and open your practice to the healthcare bureaucracy. Be aware that you will lose much autonomy even though you are in “private practice”. If you see yourself as a physician who wishes to tailor your care to the individual patient and not a general population, you will need to show your patients why the cost of moving outside the networks is worth the cost. You will need to come up with inventive ways to market your practice to attract this clientele.



Expect expansion of the Mandatory Payment Model - The Mandatory Payment Model is a bundled payment system. The government reimburses providers a set amount for a patient for an episode of care. A common example is a knee replacement. The government pays a single targeted price for all care related to that procedure. Hospitals that beat the target while meeting

quality benchmarks keep the savings. Those exceeding the target are losers.

These new bundling systems are spreading from orthopedics to cardiology. Heart attacks and bypass surgery are the next diagnoses up for this system. Knee and hip replacements are elective. Heart attacks are emergent and frequently accompanied by a variety of complications. It is my prediction that this model will result in worsening care for our patients.

No matter what my opinion though, you as physicians are going to determine how you will handle future Medicare patients as this program worms its way into your practice. Will you continue in the Medicare program, or will you terminate your contract? What will you tell the patients you have seen for years? How will you market yourself and distinguish yourself to successfully thrive in the next generation of medical care? Plan now if you wish to succeed.



Wearables – I have been truly amazed by the number of patients coming in with Fitbits and Apple watches. They come in with knowledge of their heart rates under specific conditions and how many steps they took during the day. Ninety percent of this information is useless. But don't put it down yet. This is just the beginning of a new phase in medicine. You can be sure that a new, intense load of information will be placed in your lap as chronic diseases from diabetes to hypertension, from sleep studies to post-surgical care turns into a patient monitoring data avalanche. How will you handle this? If you simply run away and throw up your hands, you are setting yourself up for failure. Change is in the air - how will you accommodate it?



Ethics – A very large part of what we deal with daily is medical ethics. Society is changing. Sexual orientation is at the forefront. Lines are being blurred. If you think things are difficult now, how about when people have more and more parts that are synthesized or grown in various animals? How close are we to genetic engineering of humans to treat disease? More importantly, what are the ethics of designer babies and so called “super-humans”? These are questions all of us will be asked to act upon. It is not some far off Star Wars future, it is around the corner.



As the situation becomes more complex, private practice physicians will need to form closer relationships with each other to share and corroborate. In order to survive, we will need to work together for our patients. We are their last best hope. Private Practice Doctors is the glue which will bind us together. When our sales representative calls you, please take a moment to stop and listen. Please join us...for you... for us...for our patients.