

Starting a Career in Private Practice

Confessions of a Managing Partner



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The Medical Student's Dilemma

Getting Even

86% of 2013 Graduating Seniors Had

Average Debt ^{Debt} \$169,900

>\$100,000 79%

>\$150,000 63%

>\$200,000 40%

>\$250,000 19%

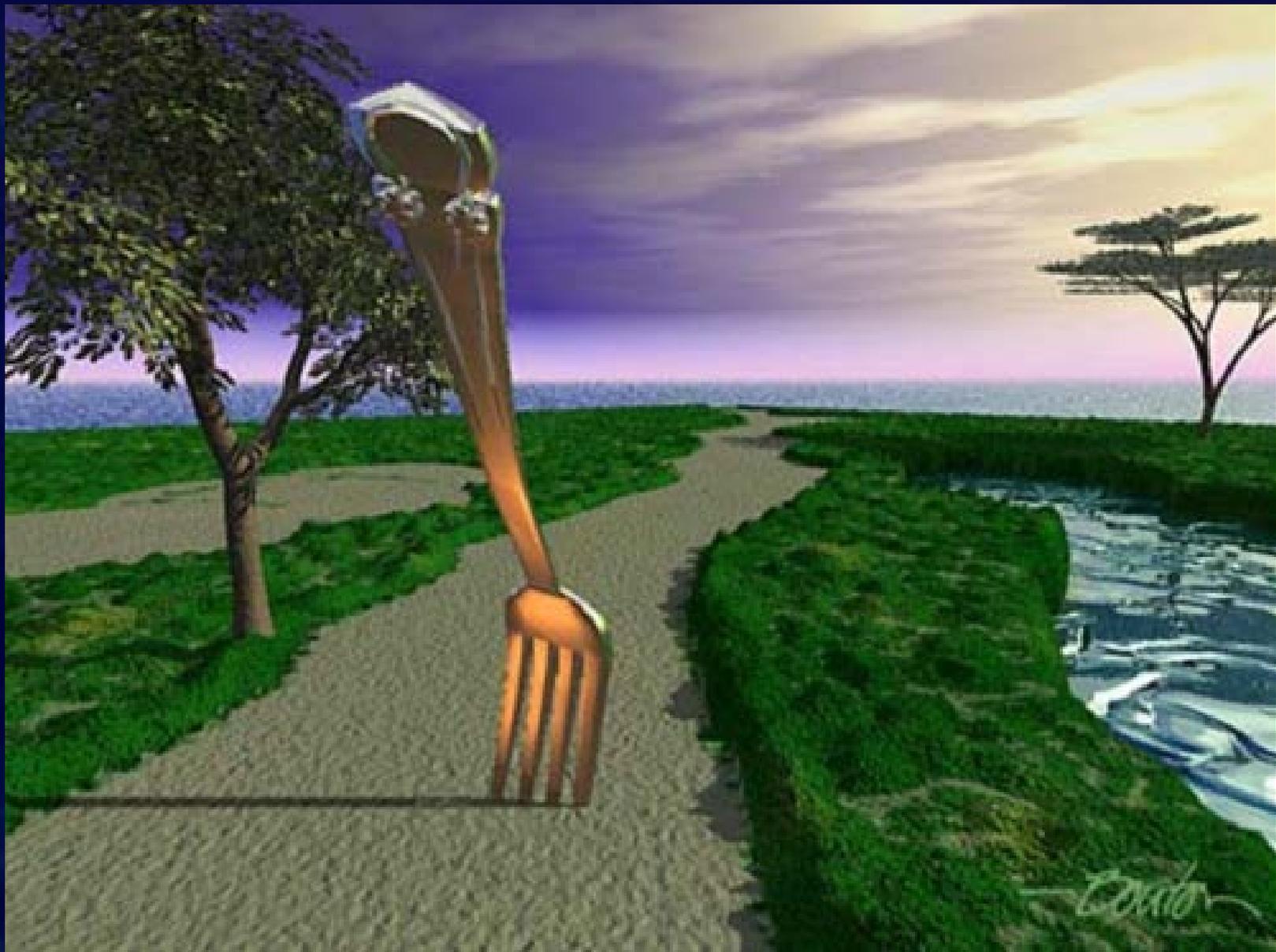
>\$300,000 7%

<http://aamc.org/programs/firstdebtfactcard.pdf>



So You Want to Go into Private Practice?

- *Practice Setting*
- The Interview
- The Contract
- Building Your Practice
- Business of Practice



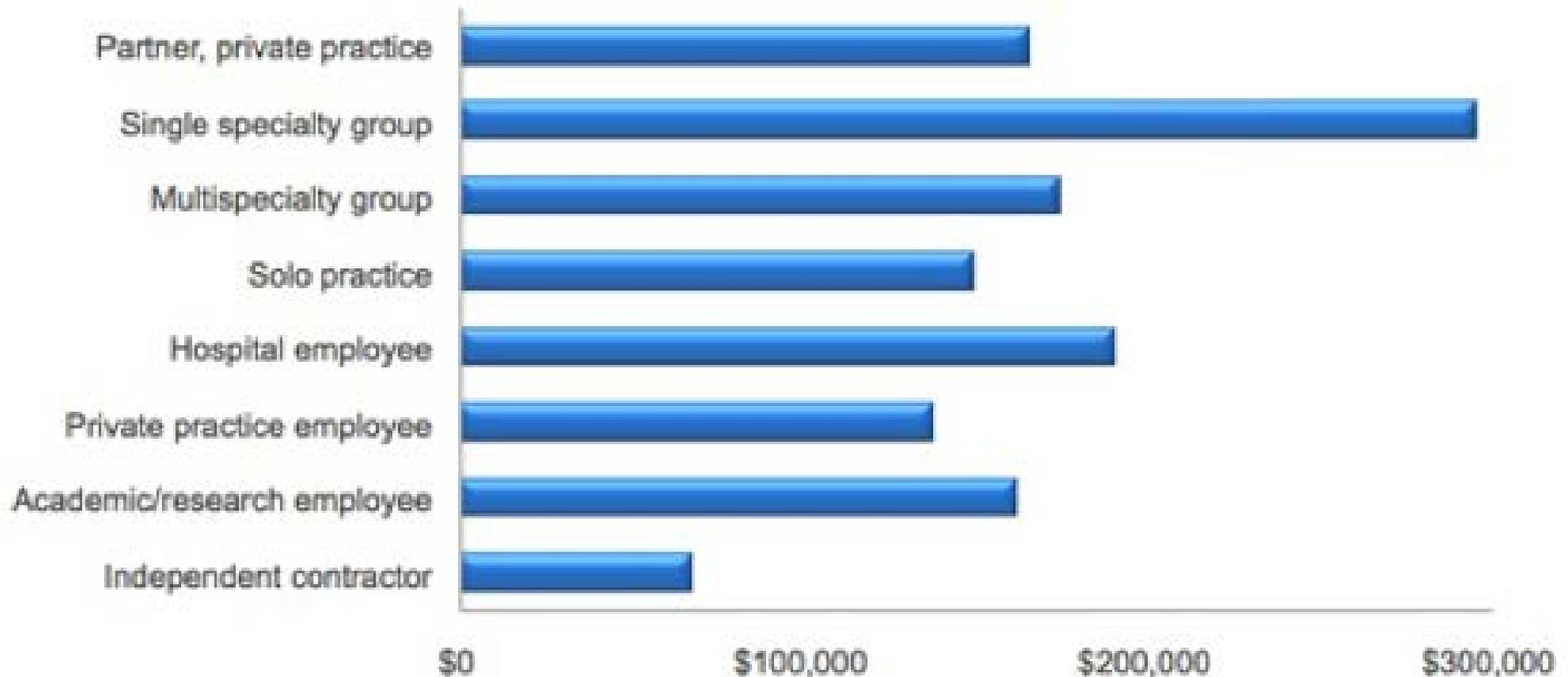
Practice Setting

- Academic
- Government
- Industry
- Hospital or Health System
- Private Practice
 - Solo or group
 - single specialty
 - multi-specialty
 - Large or small
 - Rural, urban or suburban

Physician Compensation in 2012



Rheumatologist Compensation by Practice Setting



Footnote: Hospital employee includes healthcare organizations; academic/research category includes military/government employees.

Solo Practitioner

Pros

- Decision Autonomy
- Complete oversight of business operations
- Total control over strategic planning and practice future
- Consistent relationships with patients
- Opportunity to determine practice revenue

Cons

- Reduced practice coverage for time off
- Lack of cost sharing
 - labor, rent and supplies
- Financial insecurity if time off is required - illness, maternity, etc.
- Less \$\$ support for expansion
- More vulnerable to competition

Young Physician Practice Management



SURVIVAL HANDBOOK

Council of Young Physicians • 11th Edition

Single Specialty Group

Pros

- Potential for improved office efficiencies
- Stable coverage for time off
- Potential for cost sharing
- Work/Life Balance
- Increased negotiating power with payers and others

Cons

- Reduced input into business decisions
- Complex division of revenues and costs
- Politics in the group varies with practice size
- For large practices:
 - Is there an ideal size?
 - Duplication of expense with multiple offices

Thomas E. Sullivan, M.D., Models in Medical Practice, 2002

Multi-Specialty Group

Pros

- Flexibility to respond to market forces
- Marketing and name recognition
- Negotiating power with insurance carriers and vendors

Cons

- Reduced input of individual physicians into decision making
- Subjugation of individuals needs to those of the group
- Higher overhead costs
- Need to cover areas of medicine outside of your expertise
- Complex revenue division
 - crediting downstream revenue
 - uneven investing in new technologies

Employed Practitioner

Pros

- Financial security
- Work/Life balance
- Reduced involvement in administrative business operations
- Streamlined administrative activities
- More time to focus on patient care, research and teaching

Cons

- Less or little involvement in practice decision making
- Staffing levels
- Policies and procedures
- Billing operations
- Retirement planning
- Larger organizations tend to be more bureaucratic

Looking for Opportunities

- Focus on where you want to live
- Classifieds/ACR Website
- Local medical society
- Program director
- Networking
- Headhunter
- Cold-calling

Timing is
Everything!

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The Process

- Initial Interview/Contact
 - Write a thank you note!
- Second look
 - Meet all the physicians
 - Meet staff
 - See the facilities
 - Write a follow-up note!

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TRENDING **NEW** Insomnia, pathophysiology & therapeutics · **NEW** New Oral Anti-Coagulants · Chronic Disease · EHR Best Practices · Accountable Care Organizations

PREV

EHR companies Greenway, Vitera to merge following acquisition

Will confusion about ACA stop people from logging on to healthcare exchanges?

NEXT

Resource Centers

In-Sites

- [Eyecare Webinar Series](#)
- [New Oral Anti-Coagulants](#)
- [Flu, Cold & Cough](#)
- [Immunization and vaccination](#)
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How physicians can write the perfect job interview thank you note

Publish date: SEP 25, 2013

By: Alison Ritchie

Print



- Be specific – Reference specific people you met and information you gathered from the interview.
- Reference the next step – Use the letter to sound positive and forward thinking
 - “I look forward to working with you” or
 - “I look forward to receiving your offer letter.”
 - If the position requires a second interview:
 - “I look forward to meeting with you again soon.”
- Check grammar and spelling!

What Are You Looking For?

- Fulfillment?
- Good personality fit?
- Highest possible income?
- A challenge?
- Part time or full time?
- A good practice?*

What Are You Looking For?

- Clinical research
- Teaching opportunity
- Ultrasound
- Interventional rheumatology
- Chance to innovate or build something new?
- A job?

Clues to a Good Practice*

- Friendly greeting/staff
- Nice surroundings
- Good Karma
- Location
- Community reputation
- Tradition of service
 - Community
 - Prof. Organizations
- Forward-thinking
- Acquisitive or defensive
- HMO penetration
- Ancillary services
- Respectful of one another
- Prior history with new physicians
- Strong management

Other Considerations

- Is staffing adequate?
- Does the office layout work well?
- Is there space for you?
- Are the physicians open to new ideas?
- How competitive is the market place?
- Will you be incentivized?
- How quickly will you be busy?
- Is your spouse on board?

What Are They Looking For?

- An employee?
 - Another body to do the work (a schlepper)
- A chance for a buyout?
- A special skill or demographic?
- A partner?
- Someone to participate in practice building?
 - New location
 - A new skill
 - Share overhead
 - Share responsibility
 - Market strength

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Published on *Medical Economics* (<http://medicaleconomics.modernmedicine.com>)

Tips for nailing a job interview at a practice or hospital

Michelle Sprehe

Publish Date: MAY 06,2013

- Prepare questions to ask employers
- Practices are looking for the best “cultural fit,”
- Prior to interview, take time to reflect on the kind of impression you want to make.
- Practices want candidates that will be a constructive member of a group - it is helpful to demonstrate:
 - accountability
 - ability to lead
 - a good collaborator or “team player,”

- The biggest error interviewees make:
 - not asking questions relating to physician input in decision-making and opportunities for expertise contribution
- Do your homework to ask proper questions
- Be on time and dress appropriately

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The Contract

- How long until partnership
- Restrictive covenant
- Incentives
- Perks
 - Malpractice, health, life and disability
 - Gas, auto expenses
 - Meetings, dues, subscriptions, vacation
 - Moving expenses
- Call Schedule
- Leaving a practice
- Going to part time
- Covering your 'tail'

The Contract

- Partnership
 - When does it begin?
 - Do you get to parity?
 - Are some partners more 'equal' ?
 - How is income divided?
 - What is the buy-in arrangement?
- Buying a practice

The Contract

- Everything is negotiable
- Some things are more negotiable than others
 - The second to join
 - The eighth to join
- All parties in a negotiation have to 'win'

The Contract

Keep Your Eye on the
Prize!

The Contract

Its the Partnership,
Stupid!

The Contract

Get an attorney

Discuss with your peers

Fairness comes in many forms

Once You Have Accepted

- Start working immediately on
 - State license application
 - Hospital privileges
 - Insurance credentialing
- Bad things happen to those who don't!

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Paradigm shift:
Busy is Good!

Practice Building 101

- Humility
- Eagerness
- Visibility
- Accessibility
- Make yourself known

Practice Building 101

- Be a consultant
 - Call on all consults but get off phone quickly
 - Get letters out; attractive and readable
 - Make impressions and advice accessible
 - Take great care of your patients
 - Show interest in them
 - Being kind and concerned is just as important as being right

Practice Building 101

- Put some talks together and give them
 - Grand rounds
 - Departmental meeting of internal medicine, FP, ortho
 - Patient groups
- Community service
 - Arthritis Foundation/Lupus Foundation/Scleroderma Federation
 - Religious, ethnic, service organizations

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Insurance Company

- A *business* designed to be a clearing house for funds used to finance health care
- Collection of premiums - payout of benefits = profit
- Such companies do not *provide* health care
- They *pay* for health care
- Profit is derived by paying....
 - Less for services
 - For fewer services
- Their goal: earn a profit for investors
- The “Golden Rule”

Business Concepts

- What are receivables?
- What are payables?
- Payer mix?
- What's a PPO, HMO, POS, Indemnity plan?
- ACA and the “*narrow network*”
- What's a co-pay?
- What does it mean to participate...
 - with Medicare?
 - with the Blues, a PPO, or an HMO?



Physician as Government Contractor

“I’ m from the Government... and I’ m Here to Help You”

- HIPAA
- Stark
- OSHA
- CLIA
- E & M coding compliance
- Medicare Modernization Act
- P4P/Quality/PQRI/PQRS
- Meaningful Use and the EHR
- Price controls and the SGR
- ACA
- ACO’ s, Bundled Payment and
PCMH

Be Careful Out There!