

Complete independence for a small practice today is unwise

SIMON PRINCE, DO, MBA / PHYSICIAN | JUNE 13, 2015

Momentum remains in favor the flow of physicians to employed positions. Is this wisest path for physicians? That is unknown and likely depends upon the particular circumstance. Either way, independent physicians are an increasingly shrinking, yet curiously heterogeneous group. Independent practices vary in size, composition and philosophy. The impact of size (from solo to very large) and composition (primary or specialty care, single or multispecialty and physician demographics) is relatively straightforward, but the consequence of the practice philosophy may be a less obvious and more critical. Practices that wish to remain independent may need to reflect on what it means to be independent today.

Although the composition of the independent practice can cause some complexity, size may be an absolute barrier to survival. Small independent physician groups are quickly becoming an endangered species whereas larger independent practices may be better positioned to navigate the waters of health care today. Being completely independent may simply not possible for small groups (less than four physicians) and is becoming increasingly challenging for mid-size groups (4 to 8 physicians). Why is this the case? Here are a few reasons:

- Inability to contract with managed care payors on own.
- Inability to negotiate with vendors to keep expenses down.
- Insufficient care management and care coordination infrastructure.
- Inability to compete on convenience or patient experience.
- Challenges relating to reporting and regulatory requirements.
- High upfront and ongoing technology expenses.

Complete independence for a small practice dealing with the challenges today is at best, unwise. More strongly, one could conceivably argue that it is bordering on negligence. How can a solo practitioner for instance responsibly compete with sophisticated, well-funded, integrated systems in delivering the high quality, comprehensive patient care that is expected today? What about customer service? How loyal will their patients remain? Can the small independents stave off the convenience and access the retail clinics are offering? Single provider practices and small independents who are continuing to hold on to hope that they will survive, and health care reform will not affect them do so at their peril.

To weather the storm of health care reform and remain independent many small private practices have banded together to form independent practice associations (IPAs). Many successful IPAs have developed infrastructure for value-based contracting and have transformed into accountable care organizations (ACOs). But, what do

we know about the independent practices that join these IPAs to maintain and maximize their autonomy? Will this strategy yield the outcome they seek? Are they really, truly independent? In many ways, yes.

Small independent practices may remain in charge of their own billing; they set their own compensation and benefit packages; have autonomy with human resources; flexibility around strategic practice decisions; and can more easily leave an IPA than they could an employed position. But, there are no free lunches. Independent practices that seek the shelter of an IPA must accept the movement towards value-based care. All physicians who wish to remain in practice must embrace the triple aim and endeavor to improve quality, enhance the patient experience and eliminate unnecessary cost from the system. Today physicians must grapple with reporting requirements related to quality measures, closing clinical care gaps, implementing and maintaining baseline IT connectivity for data exchange and working with other actors in the health care neighborhood in a more collaborative manner than ever before.

Physicians who believe they can opt into value-based contracts in order to realize value to their practice without a more significant, philosophical alignment with the triple aim and simply fly under the radar are sadly mistaken. This is a misconception that cannot be tolerated by a high achieving health care organization. Especially if the organization is looking to bring together disparate independent practices where an even higher bar of clinical integration is sought to satisfy the payers.

Participation in population health management through value-based contracts necessitates accountability that is shared by all stakeholders. Physicians must understand that they are accountable to the patients they serve; they are accountable to the managed care payer partners, and they are accountable to each other. Poor performers, naysayers or laggards who underperform cannot be accepted if networks of independent physicians are going to be successful. Moreover, this will be counterproductive to their goal of realizing the positive returns successful performance can bring to their own practice and maintaining independence.

Networks all over the country have formed with the goal of bringing these remaining independent practices together for a shared purpose. Many of the independent networks will continue to do everything possible to educate and assist in facilitating successful behavioral and operational changes that yield positive results towards the collective best interest... but, in the end it is up to the individual physician practice to make a choice. What is more important, complete independence or survival?

Teamwork has become a common core value for successful health care organizations, and it is increasingly clear that health care is a team sport. The time has come for independent practices to embrace this, pick a partner and join a team. Many physician networks offer a great value proposition for independent practices that are realistic with their expectations. While physicians may no longer be able to achieve complete independence, as a sensible, viable path, with the right mindset there is still great opportunity in private practice if physicians can accept being *almost* independent.

Simon Prince is CEO, [Beacon Health Partners](#).

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