

Private Practice Today:

The benefits of private practice vs. hospital employment

According to MGMA, more than 50% of physicians are now employed by health system organizations. In some specialties, the numbers are higher. And, while the number of physicians is continuing to increase, the statistics show that fewer and fewer of the physicians hired out of residency are looking at or heading toward private practice.

Physician Strategy Group has taken a look at the pros and cons of physician employment. We continue to strive to be a trusted practice resource for your business. Let us help you maneuver the changing healthcare environment and keep you on solid ground.

PRIVATE PRACTICE BENEFITS

Physicians have the ability to run their practice the way they want to.

- Private practice physicians enjoy the autonomy of running the show
- They enjoy setting their own schedule
- They pride themselves on the development of their unique care philosophy
- They decide what customer service means to the practice (it may not have the same philosophy as the hospital)
- They determine how much time they will spend with each patient
- Some physicians consider the ability to decorate their offices as part of the freedom of private practice
- If they choose to move to a non-insurance based practice – they can

Owning a private practice allows for the security of being the boss.

- When you own the practice, you have control of your job security
- When employed by a group or hospital system, you can be let go for any number of reasons and for reasons that are out of your control
- As a private practice owner, you establish your compensation and have control over “changes” that may occur to your salary
- Once you become part of a larger practice or hospital system, it is not easy to get yourself out of those

Private practice physicians are better able to avoid politics.

- Many of the politics and issues found in corporate America are found in hospital systems and large group practices
- Physicians who own their own practices are better able to avoid the headaches that come with adding layers of management to the decision making process
- As a practice looks to grow, through hospital employment or merger with another practice, legal issues such as non-compete restrictions and the ability to engage in joint ventures with ancillary services can come into play
- As a private practice owner you are able to take advantage of opportunities with ancillary businesses

Being a business owner allows you to choose your own staff.

- Running your own practice allows you to hire staff that works well with you – even family members
- The ability to build a trustworthy team that remains loyal to the practice is more difficult when filtered through a human resource department with little input from the physicians
- When you own the business you make the decisions as to who your partners will be. This is not the case with large ownership interests
- You set the clinical standards for your professional staff – nurses, nurse practitioners or physician assistants

A private practice means creating a legacy.

- Building your practice allows a physician to reflect their own personality
- Private practice ownership allows you to build long term relationships with patients, often over generations
- Being a business owner allows you to leave your mark on your community whether that's serving an under-served population or sponsoring the local little league team

PHYSICIAN EMPLOYMENT BENEFITS

- The security of knowing that payroll will always be met
- Administrative tasks such as human resources, billing, collecting and daily operations become someone else's duties
- Some physicians are able to do substantially better financially in an employment arrangement than they did in private practice
- Salary guarantee and stability helps offset the burden of medical student debt
- Freedom from regulatory pressures leaves more time to see patients



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