
# Information overload: why running a practice continues to become increasingly difficult.

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As a physician in private practice, I have a familiarity with the challenges of managing a practice that most physicians of my generation don't, based on estimates that only approximately 33% of physicians today are in private practice. Unlike many businesses where the owner is able to focus solely on running the business, physicians in private practice are usually the primary revenue source for the practice and need to wear multiple hats. It is well known that private practice is not what it used to be and the burdens of running a practice seem to increase steadily. Medical practices are not only faced with complying with OSHA, employment law, and other obligations that face most businesses, but also with laws and regulations that are unique to medicine. The newest of these facing us in 2014 is the Affordable Care Act and the transition to ICD-10, but we are still challenged with keeping in compliance with HIPAA, the HITECH Act, Meaningful use, PQRS, and other laws and regulations that are unique to the practice of medicine. While a good practice manager should take some of the pressure off of complying with HIPAA, OSHA, labor laws, billing requirements, and the myriad of other issues that businesses, and particularly medical practices, must face, a responsible business owner must still be familiar with them.

Our business is also unique in that it is not guided by the principles of supply and demand or the free market (with the exception of aesthetic services and concierge medicine). Rather, we have to accept a set payment for services from government sponsored healthcare programs and "negotiate" rates with private insurances, all the while being at their mercy with respect to decisions to bundle services, stop coverage of certain services, relegate physicians to a non-preferred provider status, or, as has been occurring around the country recently, being dropped from the network altogether. The hoops to get paid for our services get higher and harder to jump through, while costs of increased staff and services to keep up with the bureaucracy continue to increase. One does not need an MBA to know that decreased revenue and increased costs do not make up the recipe for success.

I've already touched upon some of the new challenges that we will be facing in 2014 with respect to the ACA in prior articles. One such issue is that patients who are signed up for health plans on the exchange programs will

still be listed as eligible for coverage for 90 days after defaulting on their premium payments. I know that other businesses face the risk of theft, fraud, or non-payment from clients for other reasons, but it seems that medicine is unique in that we are now legally prevented from knowing when we will be at risk of not getting paid. It is said that this provision in the law was added to protect health insurance companies who may face a delay in payments of the subsidies from the IRS. It seems to me that this in itself is an admission of how inefficient and bureaucratic the government is and why it should have less, and not more, to do with healthcare.

Another government imposed change that we will be facing this year is the change to ICD-10 in October. In addition to requiring physicians to familiarize themselves with almost five times as many codes as they now use, it is now estimated that this transition could cost smaller practices up to $225,000, which is more than three times the original estimate. Unlike Meaningful Use, where there is at least an attempt to pay us back for the costs associated with implementing an EHR, we are being told to get loans or lines of credit and are pretty much on our own for funding the transition to ICD-10. On the subject of Meaningful Use, it is just one more government imposed albatross around our necks that will result in reduced payments for services for those who don't comply, as will failure to participate in quality reporting. Add to this the looming threat of the SGR, should legislation not be passed to repeal it, and the potential for RAC and other insurance audits and the burdens facing medical practices seem to be at an all time high.

All of these create obstacles to our primary reason for going into medicine, which is to take care of patients and to provide good, quality healthcare. Rather than enhancing and streamlining our ability to provide this care to our patients, these laws and regulations take time away from it. Even at a recent meeting of my national specialty society, I found myself gravitating towards the sessions geared towards practice management in lieu of some of the scientific sessions. Furthermore, I mentioned in last month's

article that insurances are now increasing costs to patients significantly through higher premiums and/or co-pays. It is said that this is done so that patients will use the healthcare system more wisely. We recently saw a patient in our practice with poorly controlled asthma who has a $100.00 office visit co-pay. As any responsible specialist who treats asthma knows, achieving good control requires more than just one visit and involves identifying asthma triggers, prescribing the correct controller medication, educating the patient in the chronic nature of the disease and the need to comply with treatment, and following the patient periodically to assess control. A co-pay like this is more likely to deter a patient from appropriate follow up in an outpatient setting. Most of us in private practice want to provide good quality care to patients, but we must also be able to support our business. Tactics such as these to discourage patients from seeking medical care neither enhance patient care nor have a positive business impact for those in private practice. (Unfortunately, the only ones that stand to benefit in these cases are the hospitals and urgent care centers that will treat these patients emergently due to their poorly controlled chronic condition, but there are truly no winners here.)

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Given the "headaches" of running a practice, it's understandable why physicians would either want to retire early, work for someone else, go into concierge medicine, or choose alternatives to practicing medicine altogether. There are definite advantages to being in private practice, however. Practice owners have an autonomy that employed physicians aren't always able to enjoy. They can choose to run their office in the way they feels best for them, with respect to scheduling, staffing, administration of patient care, and ambience of the office.

I feel that private practitioners have another advantage over employed physicians, however. One that many might argue is an advantage to being employed. Most employed physicians do not have to be concerned with the added challenges of running a practice that I describe above. It is as if they have an extra cushion of protection between them and the effects of changing laws and regulations. This cushion may give a false sense of security, however. While it may seem that there is a bullseye on the back of the private practitioner, the reality is that our entire profession is affected and this cushion can cause some to be lulled into thinking that they are somehow protected. This likely explains why participation of employed physicians in organizations such as ours is so low. They may be aware of some of the issues, but probably assume that there is a "they" fighting against these changes. "They" are organizations like ours, however, and, as I've pointed out before, our strength is dependent on our numbers. "They" must become "we", so that we can work collectively towards the best interest of medicine. Maricopa County Medical Society continues to work hard to provide a unified voice for the physicians in our county and strives to be a resource for our members. Please encourage any employed physician that you know to become a member as our efforts also work to benefit them.

As always, we welcome your comments and look forward to hearing from you. ru

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