



Working for Yourself or for Somebody Else

By Margie Satinsky

Throughout the past year, we've written a series of articles to help physicians understand the importance of managing a balanced practice. That balance includes organization and management, financial management, managing staff and outside resources, improving health care delivery and outcomes, and compliance. Each month we have focused on a topic within one of these broad categories. Now that you have a good idea of what practice management involves, ask yourself an important question: do you want to own and manage your own practice or do you prefer to work for someone else?

ORGANIZATION AND MANAGEMENT

If you own and manage your practice, you must address the way in which you set up your business and affiliations with other health care organizations. You need proper documentation to support your decisions, and you need to revisit your choices regularly. Will you be comfortable collaborating with a professional practice administrator or manager and, if so, can your practice afford the salary and benefits? How will you

divide administrative responsibilities among physicians, your practice administrator/manager, and external resources? Are you willing to do strategic business planning marketing on an ongoing basis?

Working for someone else doesn't mean you are exempt from organization and management challenges. "Entangled" might be a more appropriate adjective. Given your personal and professional goals, can you work with the organizational management so both of you meet your needs and goals? If you want to participate actively in managing your practice, can you learn how to do so within the context of organizational priorities? Can you tolerate decision-making processes that may move more slowly than you personally might like?

FINANCIAL MANAGEMENT

When you own a medical practice or any other business, the financial health of that business is always on your mind, even at times when you are not caring for patients. It's your responsibility to develop operating and capital budgets that support your strategic plan. You must deal with multiple different payers, making sure you regularly renegotiate managed care contracts so you can maximize reimbursement. The responsibility for billing and collections is yours, even if you take advantage of some of the sophisticated practice management systems on the market that emphasize revenue cycle management.

When you work for someone else, you work within financial constraints. You may contribute to the development of the organizational budget, but you don't make the final decision. Obtaining the resources that you want may be more difficult since you are competing with other physicians who believe their priorities are as important as yours.

MANAGING STAFF AND OUTSIDE RESOURCES

Physicians who own their own practices claim that they spend more time managing internal staff than on any other activity. You need to understand the many laws that govern employment. You need systems for recruitment and performance evaluation. You need pay grades and scales for your employees and a compensation system for physicians. You need a personnel handbook and operating policies and procedures. If you attempt to manage without the systems, you'll spend much longer than you should and you are likely to manage inconsistently.

When you work for someone else, the systems for managing internal resources will be in place. You personally don't have to create the systems, but you have to learn what they are and work with them.

With respect to outside resources, if you own your practice, you decide if and when to seek outside help. You determine which professionals should be on your team and how to find them. After you find one or more external consultants with whom you want to work, you must sign a formal agreement and develop a strategy for overseeing the work.

Your practice...



Prehistoric or 21st century?

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When you work for someone else, you can still access outside resources, but the decision may be somewhat complicated. Depending on your scope of authority and your organization's rules, you may have to follow a list of specific steps to obtain the help that you yourself want.

IMPROVING HEALTH CARE DELIVERY AND OUTCOMES

Regardless of whether you own your own practice or not, the delivery of care to patients and the outcomes that you achieve are the focus of your efforts. The practice of medicine demands attention to both quality of care and quality improvement. When you own the practice, you and your entire workforce have opportunities to create processes that meet patient and clinical needs. You can analyze your workflow and improve what isn't working well. You can decide how to use patient registries to benchmark your care. You can measure the impact of the changes you have made — provided you know how to do it. Your decisions on supporting information technology can help with both delivery and outcomes.

If you work for someone else, you have input into how that organization delivers care, measures outcomes and demonstrates quality. If the organization is a mid-sized or large medical group or an academic medical center, it may have substantial financial resources and information technology to support quality improvement programs.

COMPLIANCE

The final area of practice management is compliance. Federal, state and local laws, regulations and rules govern both administrative and clinical aspects of health care. As a practice owner, you must be familiar with the concepts and requirements regarding antitrust, anti-fraud and abuse, Stark, HIPAA Privacy and Security and OSHA. You are obligated to establish and maintain compliance programs. When you work for someone else, others will create the systems. Your job will be to learn how the organization approaches each area of compliance and to respond to the requirements.

So what's your response to the question? Do you want to own your practice or not? We can tell you what ownership requires, but you know best what aspects of ownership appeal to you or don't! If you decide that owning your own practice is the right strategy for you, be sure to order our new book, *The Handbook for Medical Practice in the 21st Century*, written by Marjorie A. Satinsky with Randall T. Curnow, M.D. and scheduled for publication by Radcliffe Medical later in 2006.

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