In a challenging landscape, new support for private practices

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Most of the physicians who choose private practice want to spend as much of their professional time as possible with patients. But to achieve high performance, private practices will need to allocate at least 10% of their time to administration to keep pace with hospitals, health systems and other physician employers, according to M. Zuhdi Jasser, MD, chair of the new AMA Private Practice Physicians Section.

Dr. Jasser, a Phoenix internist with more than 20 years’ experience in private practice, said the new section is dedicated to supporting practices of up to 50 physicians with training in business practices and work-life balance, among other topics.

“The landscape for private practices has changed in recent years. The highs are higher, and the lows are lower. Work-life balance is more important. Just look at the burnout factor for physicians,” Dr. Jasser said.

He and Kathleen Blake, MD, MPH—the AMA’s vice president of health care quality—discussed the private practice environment during an AMA webinar focusing on what practice leaders can do to improve their performance and compete in communities with significant numbers of hospital and health system-operated practices.

The session is part of the AMA STEPS Forward™ webinar series that focuses on physician well-being, practice redesign and implementing telehealth during COVID-19.

Purposes of new AMA section

The new AMA section—voted into being at the November 2020 AMA Special Meeting—seeks to preserve the viability of private practice for physicians who choose this setting. In addition to providing a voice for private practice physicians in the AMA’s policymaking process, the section will support AMA’s work on physician satisfaction and practice sustainability, which has three general purposes.
coming out of a new understanding of the condition of private practices, Dr. Blake said. The AMA is the physicians’ ally in patient care, she added.

“We do this by removing obstacles that interfere with patient care, leading the charge to confront today’s public health crises, and restoring joy, meaning and purpose to the profession,” she said.

The need for this support is driven by changes in the medical marketplace, she said. As of 2018, fewer physicians, 45.9%, own their own practices than are employed by other organizations, about 47.4%. This evolution of practice ownership away from private practice and toward health systems has not resulted in hoped-for improvements in care.

Dr. Blake cited studies indicating that hospital acquisition of private practices—which doubled from 2012 to 2018—has actually led to “modestly worse patient experiences and no significant changes in readmission or mortality rates.”

Also, there is concern that the growth of hospital and health system-based practices may undermine competition and increase patient costs, she said. Furthermore, new entrants such as insurance companies, private equity groups and external practice-management companies are buying private practices. The COVID-19 pandemic has also undermined the financial sustainability of some practices, Dr. Blake said.

Impact on care

The loss of private practices may lead to other negative trends, the physicians said. Doctors could experience a loss of autonomy, threatening their professional satisfaction. Patients, meanwhile, could see less choice in where to get care and that can affect their experience of care.

Also, the loss of private practices may reduce access to care, particularly in rural communities.

There are many positive reasons for physicians to maintain a private practice, such as greater control to ensure work-life balance as well as more freedom to make decisions and to engage with your community. Yet private practices are under fire from multiple directions, the presenters said.

Ongoing AMA research, which includes interviews with 25 high-performing practices—as measured by Centers for Medicare & Medicaid Services bonus criteria—considers what private practices can do in order to be successful and build high performance.
In addition to allocating more time to practice management, physicians may need help with negotiating contracts and securing fair payment, leveraging technology, and recruiting and educating medical students, residents and young physicians in the business as well as the clinical practice of medicine.