

Physician employee, partner or owner? 3 paths for young doctors

JUN 2, 2022

Brendan Murphy

Senior News Writer

Whether you are pondering the next move in your career as a young physician or preparing for the job search in your final year of residency or fellowship that gets underway this summer, you may find the process of evaluating their practice options overwhelming.

An AMA?STEPS Forward[®] toolkit, “What to Look for in Your First or Next Practice: Evaluate the Practice Environment to Match Your Priorities,” offers young physicians a breakdown available practice settings and how they differ.

One arena of the decision that is covered in depth by the toolkit is employment status. Here is some insight into the potential pros and cons of working in employed and private settings.

The perks of being the boss

The most autonomy—and certainly the most risk—comes with being the owner of your own solo practice. In this setting, you are essentially your own boss. You run the books, control personnel decisions and manage your schedule as a solo physician.

“If you're looking for the most autonomy, then that's the way to go,” said Stephen Parodi, MD, an AMA member who is also associate executive director The Permanente Medical Group.

Dr. Parodi, a member of the AMA Integrated Physician Practice Section Governing Council, spoke of watching his father run a solo dental practice when he was growing up, and he believes the health care landscape has seen considerable change. “It's a lot harder—at least looking at the practice environment across the country—to go hang your own shingle nowadays, considering the amount of regulation, management and overhead.”

It takes astute clinical judgment as well as a commitment to collaboration and solving challenging problems to succeed in independent settings that are often fluid, and the AMA offers the resources and support physicians need to both start and sustain success in private practice.

Find out more about the AMA Private Practice Physicians Section, which seeks to preserve the freedom, independence and integrity of private practice.

Learn more about why private practice isn't one size fits all.

Partnering up

Partnering in a group practice generally offers a measure of autonomy that isn't available to employed physicians, but it isn't quite the same level of freedom in decision-making as those who work in a solo practice.

The Permanente Medical Group is the largest such group in the nation, with more than 9,000 physicians working in a multispecialty practice. Dr. Parodi has found that day-to-day clinical care is still up to the individual physicians working in this arrangement while the management of the business is evaluated on a larger scale.

The Permanente Medical Group is a member of the AMA Health System Program, which provides enterprise solutions to equip leadership, physicians and care teams with resources to advance their programs while being recognized as a leader.

"Every practice has financial risk, but large groups are able to decide how to distribute it," he said. "Business-related decisions are more personal if you are in a smaller group practice setting and you are directly running it. However, we certainly have conversations about how to ensure our practice clinically and financially performs. There can be more security in being in a large group practice."

Find out more about the pros and cons of four practice settings.

Changing nature of physician employment

As an employed physician, your level of risk tends to be the lowest. That is part of the reason why employed physicians now exceed those who own their practices, according to AMA research. Along with that, however, your employer sets the framework of your employment and what that looks like is going to vary.

While the tradition has been for less autonomy in an employed setting, the current labor market might be changing that.

Alexandra Ristow, MD, is the lead primary care physician at Patina, an in-home and virtual care primary care practice for seniors in Pennsylvania. She wrote the AMA STEPS Forward toolkit on choosing practice settings.

“You don’t know until you ask what level of autonomy might be on the table,” Dr. Ristow said. “Especially now, the market is so tight that people are much more open to thinking creatively about what elements of autonomy are afforded to you and what that might look like.

“So, for example, we see many more people integrating some element of virtual care into their practice which may, in some cases, potentially allow you to work from home. A few years ago, many people would have laughed at you if you asked for that. People would take it seriously now in this job market.”

Find how the AMA Young Physicians Section gives voice to, and advocates for, issues that affect doctors under 40 or within the first eight years of professional practice after their training as residents and fellows.