What physicians need to excel with their private practices

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Thriving in Private Practice

Private practice physicians: how they can focus on their patients and sustain their practice

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Long days and weekends, management concerns and stretched resources are all part of the challenges for physicians in private practice. But with the right support, physicians can build a sustainable private practices and deliver high-quality care, according to AMA Senior Adviser Kathleen Blake, MD, MPH.

Why private practice? Dr. Blake discussed the risks and rewards and the future of private practice with Carol Vargo, the AMA’s director of physician practice sustainability, for the premiere episode of the “AMA Thriving in Private Practice” podcast, available on Apple Podcasts and countless other podcast apps.

The 10-episode series explores the unique needs of physicians in private practice settings through the eyes of experience and expertise of physician leaders. Dr. Blake, a New Mexico cardiologist who was a long-serving board member and became president of a statewide private practice, kicked off the first episode.

“There will be risks and benefits, no matter what type of practice setting a physician chooses. And so, for some … they find the integrated health system to be the right fit for them. For others, it may be practicing in an urban environment or in a rural environment,” she said.

With choices, come challenges

Private practice physicians have considerable autonomy, resulting in myriad opportunities to evaluate and decisions to make, Dr. Blake said, and those choices raise many questions. One of the most important resources that physicians have is their time. “It's a nonrenewable resource. And the second is their attention. How much attention can they give to something, such as managing their private practice?”

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“How do you determine if it's right for you? What are the different arrangements? What are the implications of different payment models with respect to generating revenue and managing risk that we talked about earlier? What are the contracting considerations—whether you're dealing with a health plan or with a private employer that's doing direct contracting?” said Dr. Blake, who detailed some of the findings of a white paper co-published by the AMA and Mathematica, “Supporting and Promoting High-Performing Physician-Owned Private Practices: Voices from the Front Lines” (PDF).

That paper reports findings from a qualitative study conducted to define, analyze and assess the factors that create and sustain high-performing, physician-owned private practices.

Bottom line: It takes astute clinical judgement, effective collaboration with colleagues, and innovative problem-solving to succeed in an independent setting that is often fluid, and the?AMA offers the resources and support physicians need?to both start and sustain success in private practice.

Explore the AMA Private Practice Simple Solutions, rapid learning cycles designed to provide opportunities to implement actionable changes that can immediately increase efficiency in private practices. ?

**Markets and resources matter**

Markets matter, Dr. Blake said, and one size does not fit all.

“Features of the population you are serving does matter. In my practice in New Mexico, 78% of our patients—adults with cardiovascular disease—had diabetes. So, the approach that someone practicing in New Mexico would take might be quite different than the physician who is in Minnesota or Maine.”

Private practices also have opportunities to achieve economies of scale through an accountable care organization or an independent practice association.

“Another opportunity is to more fully leverage the electronic health record systems that have been implemented by almost all practices in America for more than 10 years,” she said. “The physicians interviewed told us they knew that they were not using the full horsepower, the full capability of the electronic health record system. So conveying that concern and being able to address it through tools and resources, I think, is an opportunity for physicians and the AMA.”

Dr. Blake said “sustainability depends on strategic allocation of resources. Do you have enough revenue coming in to cover your practice expenses and provide competitive salaries, not just for physicians but also for non-physician clinical staff and administrative staff so that you're able to recruit and retain the people with the skills that are essential to having a strong practice?”
Many of the practice leaders interviewed described themselves as being both judicious and strategic about practice expenses, and benefitting from a nimble approach to decision-making that was made possible by the independent ownership model.

Learn about theAMA Private Practice Physicians Section, which seeks to preserve the freedom, independence and integrity of private practice.