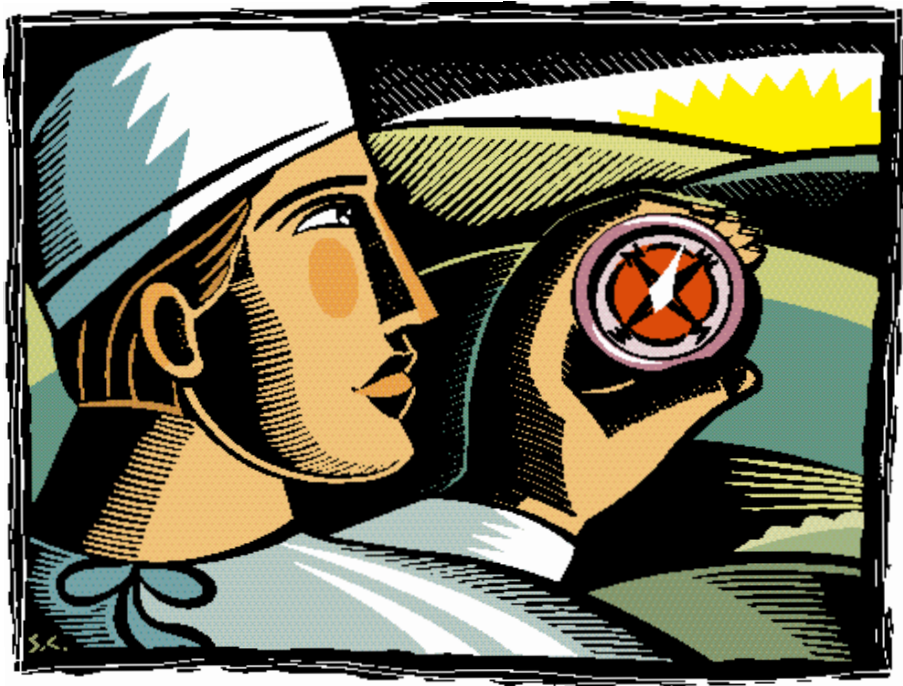


FLYING --- SOLO



**In the age of integration, today's solo practitioners
find freedom mixed with heavy responsibilities**

When James Feloney, MD opened his internal medicine practice in 1978, he didn't have a tough decision to make about what form his practice would take. "I went into solo practice because that seemed like the best way at the time," the Burbank, California, internist says. "Everybody was doing it then."

Almost 20 years later, Todd Buchanan, MD faced very different choices as he started his medical career. "It's less and less of a trend to do solo practices these days," Buchanan says.

According to a report by the AMA Council on Medical Service, the number of physicians in solo practice fell from 41 percent in 1983 to 29 percent in 1994. Though evident in every physician population, the trend away from solo practice is especially noticeable among newer physicians.

Nevertheless, doctors like Buchanan, a family practitioner in the Austin, Texas, suburb of Dripping Springs and many others still prefer to practice medicine alone. What advantages and disadvantages do they find in bucking the trend toward consolidation and group practice?

Calling all the shots

"Some people are leaders and others, followers," says Claudia Koppelman, MD a solo practitioner in Holyoke, Massachusetts. "Some people like to create something where there was nothing, and others are satisfied with 'ready made.' Some people like challenge and opportunity to express their individuality, while others are content being part of a group, with someone else making the decisions."

Koppelman opened her internal medicine practice in 1991, after 18 months as an employee of an urgent-care center. "I realized if the physician is 100 percent responsible for 100 percent of everything involved in taking care of patients, regardless of employment status, then being your own boss allows you to make all the decisions, too!" she says.

Feloney agrees. "Being in with another doctor is like being married," he says. A good 'marriage' benefits both partners, but a bad match can make everyone miserable. "As a solo practitioner, you can do things your own way," Feloney says. "You don't have to answer to someone else."

The chance to chart his own course also attracted Buchanan to solo practice in 1997, after several years as an employee doctor at a corporate-owned clinic. "I talked to bigger groups in town, and there were other people who expressed interest in making me part of a larger thing," he says. "But I was so frustrated being a part of a group. It was just such an aggravation all the time. For me, it's just nice to be my own boss."

Among the freedoms solo doctors enjoy that may

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PHOTO/JIM GRIE

be curtailed by the dynamics of group practice are the freedom to set their own office hours, the freedom to hire and fire staff, and the flexibility to spend extra time with some patients without a partner or management company looking over their shoulder to measure 'productivity.'

"It takes time to build relationships and trust," Koppelman says. "Patients respect and remain loyal to doctors who take time to answer their questions, to explain and discuss all aspects of their medical care using language understandable to the patient. Patients don't mind waiting to see a doctor when they know, when it's their turn, they will have 100 percent attention from the doctor."

Buchanan also appreciates the opportunity to have the final say in billing and collections. When he

worked as an employee physician, billing and collections were managed out of a central office in another city. "If patients had a question, they had to call three times to get a straight answer," he says. "Now if they have a question, they walk in the door and they're going to get an answer right then and there from people they see a lot. I think, businesswise, that's a big advantage."

For Buchanan, the Marcus Welby ideal of a small-town doctor in touch with the community lives on. Not only does he enjoy a close relationship with his patients, he finds it good for business. "It's a small town; patients see us in the grocery store, and they know if they owe us money. We really have a great rapport with the people as far as paying our bills."

Solo doctors also have total control

Claudia Koppelman, MD, a solo practitioner in Holyoke, Massachusetts, prepared for running her own practice by working in a corporate-owned clinic for 18 months then buying out her employer. "I learned as much as I could about the business side of medicine and built my practice to a healthy number of patients. I know how everything works in the office..."

over staffing. The right staff can make or break a practice. "It's hard to run an office alone," Koppelman says. "I am lucky to have a wonderful staff. We have mutual respect for each other. And if my key person, the first staff person a patient encounters at the window, were to leave, I'd be in real trouble! I'm married to him."

Many solo practitioners find their spouse is the perfect manager for their office. Though Buchanan has not chosen this route, he agrees that a good staff is priceless, and he appreciates hand-picking his own people. "I've got intelligent, mature, responsible people working for me who can take responsibility for making sure that the job gets done without having someone looking over their shoulders telling them what to do," he says. In the corporate practice where he was employed previously,

What you need to soar

Doctors considering going into solo practice need to consider a number of issues before making the leap, including the following:

Buy, or start from scratch?

Should you purchase an existing solo practice or open your own practice? An existing practice already has an established patient base, equipment, and even a staff in place. You may also benefit from the goodwill established by your predecessor. You could just as easily, however, walk into someone else's mistake. And the cost of buying out an existing practice may be prohibitive.

Building your own practice allows you to hand-pick everything from office space to staff. But it can take months, even years to build a practice to a starting level, and, like any small-business owner, you have to have money to invest in setting up the practice.

How much money will this take? "The dilemma for people starting out is if they've got enough money to get the practice going," says Todd Buchanan MD, a family practitioner in Dripping Springs, Texas, who opened his own solo practice in 1997. "Most people coming out of residency are already in significant debt." For Buchanan, the solution was to work for someone else for a few years while he paid off some bills and saved money to make the switch.



A business plan that includes a list of the expenses you're likely to incur, and funds to keep going for six months to a year, can help you deal realistically with money issues.

Where will you locate?

Though you might choose your practice location by looking at where you'd like to live, it's more important to consider whether or not that location needs another doctor. As the new kid on the block, you'll have a hard time attracting patients, as well as signing on with managed-care plans, if you're drawn to an area already saturated with physicians in your specialty.

To research the area where you'd like to settle, check the phone book for physicians in your specialty. Talk to administrators at the nearest hospital, and people at the chamber of commerce. Look at the current population of the area and growth trends. When Buchanan talked with people at the Dripping

Springs Chamber of Commerce, he found a booming suburban community with no primary-care physicians closer than thirty minutes away. His practice quickly flourished.

Another option is to go to work for a local clinic or hospital for a while to get a feel for the community and the business possibilities and establish name recognition in the area.

Get to know your peers in the medical community. Not only will you depend on other area physicians for referrals, but those who have lived in the community for a while can offer a wealth of advice about everything from which insurance companies pay most favorably to what office locations to avoid. Other doctors in your specialty are also potential sources of on-call and vacation coverage.

Why go solo?

Consider why you are attracted to solo practice. Do you enjoy being in charge and making your own decisions? Are you energized by the challenges of the business side of medicine? Are you committed to practicing medicine your own way? If the answers to these questions are yes, then solo practice may be for you. ■

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he found that the numerous rules and restrictions placed on staff led to unhappy employees and inefficient operations. His more flexible office style, with employees allowed to set their own schedules and add their input to office policy, has made for a better work environment and more efficient office.

Bearing the burden alone

The advantages of solo practice come with a price, however: increased responsibility without guaranteeing profitability. "The buck stops with me!" Koppelman says. "When there's something that must get done but the employees have finished for the day and leave, guess who gets to do the work?"

Buchanan also sees drawbacks to going it alone. "I can't say that I get to take time off whenever I want to," Buchanan agrees. "If I'm not here, it doesn't get done."

Koppelman, Feloney, and Buchanan don't see their work loads as being any heavier than their counterparts in group practice, however. "Most group doctors are swamped with patients," Feloney says. "I believe they work long, hard hours, too."

"Hours worked is really dependent on each physician's personality, mentality, and work ethic," Koppelman says. "In the present atmosphere of delivering health care, the constant turnover of patients due to premium wars is resulting in physician attitude changes with reference to levels of dedication and how many hours one is willing to work. Doctors in group practices generally are not as involved in the daily operations of the practice, and therefore spend less hours working on the administrative business of medicine."

When it comes time to schedule vacation and time off, solo practitioners don't have the advantage of a partner standing by to take call. Still, they find

ways to make it work. Buchanan has a retired physician in town who enjoys coming in for a few days or a week to provide office coverage. Buchanan doesn't see patients in the hospital, instead referring those patients to a hospital-based physician who assumes patients' care for the length of their hospital stay.

Feloney and Koppelman each have formed alliances with other solo doctors in their specialty to trade off coverage. Feloney takes call most nights and is on call every fourth weekend. Koppelman cross-covers with two other physicians on a rotating schedule. "Essentially, we cover each other as if we were a small group practice, except that no one is counting the days you take off to be sure it's equal," she says.

The money crunch

While Buchanan, Feloney, and Koppelman have adjusted to, and even thrived on the increased responsibility of solo practice, coping with narrower profit margins presents a greater challenge. Managed care, with its discounted fee schedules and increased paperwork requirements, has put a significant strain on the solo practitioner, and is cited by many as the chief reason for the increase in group practices. "The overhead, no matter how efficient you are, will still be higher for a solo practice when compared to the costs being shared by more than one," Koppelman says.

However, Koppelman also sees potential for streamlining costs, the possibility for better collections, and thus a better bottom line, in a solo practice.

Feloney has seen a need for increased staffing to handle the flood of insurance paperwork. "Every time you hire another person, it takes money out of your pocket," he says. "In the old days, you could increase your fees to make up the difference, but you

can't do that today."

The physicians have handled the financial realities in different ways. "We've laid off, cut back," Feloney says. "We've done without. We've gotten rid of services that were less profitable."

Buchanan operates out of a small office, and uses a lot of part-time staff, though he's found this to be a very efficient way to operate. "My nurses job share. My front office people do, too," he says. "They work out amongst themselves what hours work best for them." He reports his staff, all with small children, appreciate being able to spend more time with their children, while he avoids expensive overtime pay. Plus, with several part-time employees, he has found it easy to maintain staffing if someone has to be off.

Koppelman, Feloney, and Buchanan have also been selective in signing on to managed-care contracts. "Some solo physicians may have a hard time getting contracts that are based on risk-sharing with the insurer unless they belong to an IPA or PHO," Koppelman says. "Personally, I won't sign risk-sharing contracts because if I wanted to be an insurance company, I would have gone to business school. Whenever financial risk is directly tied to services rendered, the potential exists to influence the behavior of the physician."

Feloney has recently withdrawn his membership from some HMOs that did not reimburse adequately for his services, or companies that required him to keep longer office hours than he found profitable. A member of an IPA, he has not experienced problems being accepted by HMOs.

Buchanan also reports no problems being accepted by area managed-care organizations. "The groups in town are really happy to have people in the outlying areas," he says.

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Hope for the future?

In fact, as managed-care companies compete for patients, there could be a trend to woo more solo practitioners to their ranks. "Patients like coming to solo doctors," Feloney says. "And HMOs like to advertise that they have all these solo doctors. But they don't want to pay for them."

Feloney compares the situation to a person who enjoys shopping at a small boutique, where they can deal directly with the owner and receive personal service. "But then they want to pay the same price they'd pay at Marshall's or KMart."

Some doctors see the growth of medical savings accounts, which allow employees to 'bank' tax-exempt funds from each paycheck and withdraw the funds for medical expenses of their choice, to be a movement toward the freedom for patients to purchase 'boutique' medical services at a higher price. Despite the heavy inroads managed care has made in some areas, private pay patients are still out there. Though he has some managed-care patients, the majority of Buchanan's practice remains private pay. "When I look at my month-end and my year-end figures, the biggest percentage is people who walk in the door and pay me cash," he says.

William Anderek, MD, chairman of the California Medical Association's solo and small-group practice subcommittee, likens the situation of the solo practitioner today to the plight of independent bookstores attacked on all sides by marketing giants like Barnes and Noble. The independent stores continue to thrive in many areas of the country by focusing on personalized service and customer loyalty, even though their prices are higher than the national chains. He suggests a similar strategy for solo and small-group physicians.

"Physicians who plan to continue thriving in small practice need to distinguish themselves in each patient's mind for the quality of medical care and also for the sense of personal attention focused on each patient's particular condition," he advises

Feloney thinks technology could help solo practitioners become more efficient and help decrease the expense of running a practice. He predicts new techniques such as computer storage of records could eliminate the need for the large portion of office space devoted to storing charts, while other technology might increase efficiency in filing claims and processing patients, allowing for a smaller, less-expensive staff.

As long as there are physicians willing to bear the burdens of flying solo in exchange for the autonomy offered by going it alone, it's unlikely the one-doctor practice will disappear entirely. For new physicians considering solo practice, a sound knowledge of the business side of medical practice can be one of the best defenses against expensive mistakes.

Both Koppelman and Buchanan had the opportunity to work in corporate-owned clinics before striking out on their own. In both cases, the doctors ended up buying out their employer and opening a solo practice in the same physical location, with the same patients. "During the 18 months I was employed, I learned as much as I could about the business side of medicine and built my practice to a healthy number of patients," Koppelman says. "I know how everything works in the office: mechanical, technical, procedural, all the office policies. I do almost all my own coding (CPT and ICD-9), and if necessary, I can perform billing, claims and collection procedures. In other words, the staff is cross-trained in a few areas, but if someone were to leave my employ, I would be

able to teach a new hire what they needed to know if another staff member could not."

Buchanan also had the opportunity to learn his practice inside-out before launching on his own. "I got to be here a year before I bought the practice, so I got a chance to get in here, get it established, and build it up," he says. He also turned to his father, a retired businessperson, for help with the business aspects of the practice.

For new physicians wondering if solo practice is an option for them, Koppelman advises asking a lot of questions. "Be honest with yourself with reference to your abilities, expectations, and most important, your limitations," she says. "Above all, ask yourself, where and in which practice situation will I be able to practice medicine to the best of my ability in order to attend to my patients' medical needs? How strongly do I feel about my ethical values, control, and responsibility issues? In what practice will I be happiest practicing the 'Art of Medicine?'"

Having worked in a group practice and on his own, Todd Buchanan has no regrets about his decision to become a solo practitioner. "On one hand, it's more responsibility. I've got to be sure I meet payroll and pay my payroll taxes and that kind of stuff, and if I'm not here, there's nobody to cover for me. Basically, it all rides on my shoulders now. But the upsides outweigh the downsides for me." ■

Cynthia Myers is a free-lance writer who specializes in medical topics. This is her first article for Unique Opportunities.