



**CareerMoves**  
*A Series from* **AMSURG**

## **Topic #7**

Join a Practice or Go it Alone?

# **5 Questions to Help You Decide**





# Want to be your own boss?

Imagine the advantages of running your own practice. Being a true entrepreneur. Practicing medicine the way you've always wanted. Setting the course and steering the ship, with no one telling you what to do. Now imagine the disadvantages. Working alone, without regular contact with colleagues. Long hours seeing patients and doing administrative work. Less income than most of your peers in group practices.

If the pluses outweigh the minuses, you're probably a good candidate to be a solo practitioner. And contrary to popular belief, there's still a place for this approach to medicine in a world that has become dominated by large physician groups.

But clearly, a solo practice is not for everyone. And other options exist that can give you a greater level of independence without sacrificing your family life and income potential.

## Weigh the Options

Here are five questions to ask before you decide to go it alone.

### 1) Is there a future for solo practitioners?

A few years ago, as managed care was driving more and more consolidation to control costs, the answer might have been no. But today, insurers and other payers are more open to working with solo practitioners and small practices because they provide needed competition to large physician groups. Soloists are flourishing not just in small markets, but some larger cities as well. The bottom line is, as long as they can provide quality care at a competitive price, solo practitioners will always be valued.

### 2) What are the characteristics of an ideal solo practitioner?

If you enjoy being in control rather than working in a more collaborative environment, a solo practice may be right for you. But you also must take pleasure in the business side of running a practice — billing, dealing with insurance companies and government payers, managing personnel and facility issues, etc. And you must be comfortable working alone, without needing to regularly consult — or commiserate — with colleagues. Family life often takes more of a back seat for solo physicians, who spend more time on call and in the office handling administrative work compared to physicians in group practices with more regular hours.



### 3) What is the start-up investment for a solo practice?

When you take all the expenses into account — real estate, equipment, supplies, personnel, insurance, etc. — expect about \$200,000 and up. You can also expect a challenge securing financing, especially if you are young and still paying off loans for medical school. So until you have the cash in hand, your dream of becoming a solo practitioner may have to wait.

### 4) Why do physicians in a solo practice typically make less than those in a large group practice?

The answer is two fold. First, costs are usually higher in a solo practice than in a group — overhead related to facilities, technology and personnel cannot be shared with other doctors. At the same time, solo physicians find it difficult to match the revenue generated by their peers in larger groups, which typically negotiate higher reimbursement rates from health plans and other payers due to their high volume of work. Solo practitioners also must spend a greater part of the day handling administrative and other non-billable tasks. And creating a pipeline of patients is a bigger challenge at solo practices,

especially compared to large multi-specialty physician groups where PCPs in the group regularly feed patients to various specialists.

### 5) What other options exist for physicians who desire greater independence?

There are several alternatives to being completely on your own. You can join a small, single-specialty practice where you are more likely to maintain a good deal of independence compared to a larger group. Additionally, you can join a single-specialty practice that has ownership in an ambulatory surgery center. This would mean greater convenience for you and your patients. Plus, if you are a partner in the ASC, facility fees can provide you with additional income.

As a solo practitioner, you can join an Independent Practice Association (IPA), which is a network of physicians and physician groups who band together to contract with managed care plans and vendors, achieving economies of scale and securing higher reimbursement rates. Another advantage to IPAs: members often share call duties.

Establishing or joining a hospital-sponsored solo practice can be another good option. Naturally, such a sponsorship would benefit the hospital — you probably would be expected to send your patients



to the hospital for certain services and contract with some of its vendors. That in itself represents some loss of independence. But there would be advantages as well — the hospital may cover your operating expenses, give you an income guarantee, or pay for your insurance and other employee benefits. This is a short-term relationship, usually no more than two years, but it can be a good way to get a solo practice off the ground.

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