Thinking about 'going solo'?
Seven tips to consider before opening an independent physician practice

By Lisa A. Eramo, MA

According to the American Medical Association, the number of employed physicians currently exceeds the number of self-employed physicians nationwide. However, there's a growing number of providers who say employment hasn't lived up to the hype. In fact, some studies have shown that independent providers—especially those in small practices—may actually experience less burnout due to greater autonomy, deeper relationships with patients, fewer work hours, and a more positive culture.

Healthcare business consultant **David Zetter, PHR, SHRM-CP, CHCC, CPCO, CPC, COC, PCS, FCS, CHBC, CMUP, PESC, CMAP, CMAPA, CMMP**, has actually seen an increase in the number of providers (including physicians, physician assistants, and nurse practitioners) leaving hospitals and health systems to work independently. Zetter, founder of Zetter HealthCare in Mechanicsburg, Pennsylvania, is currently working with 23 medical practices nationwide to help them open their doors independently. He says it's the highest number of independent startups with which he's worked at one time in the last 15 years.

These practices range in size and specialty. He says some providers were forced out of employment due to an inability to meet work RVU demands but that many simply wanted a greater work-life balance.

Still, one could argue that going the independent route could be particularly risky during a time when revenue is at an all-time low in the wake of COVID-19.

It's risky, but for many providers, the benefits outweigh the risks, says Zetter. "They're tired of just being a number—having no say, no quality of life, and no autonomy," he adds.

Providers fresh out of residencies or fellowships often simply have an entrepreneurial spirit. "They want control. Some may have never even thought of being employed by anyone," says Zetter.

Thinking about going solo but not sure where to begin? Zetter provides seven tips to help providers strike it out on their own:

1. Work with a trusted consultant. "If you're trying to do it on your own, you're honestly taking your future into your own hands," says Zetter, adding that one billing mistake or administrative error can force a practice to close its doors indefinitely.

He provides the example of a provider who failed to ask patients to sign a legally-binding assignment of benefits (AOB) so he could bill the insurance company and collect on their behalf. The result? The provider ended up paying back nearly $1 million to a payer that argued he hadn't complied with ERISA laws and that he had no legal authority to bill and collect revenue.

A knowledgeable consultant can help providers navigate compliance regulations, assist with credentialing and contracting, select billing and practice management software, and much more.

2. Ask patients to sign a financial policy. The policy should clearly outline that patients are required to pay their copayment and deductible at the time of service—and that they're responsible for any amounts that remain unpaid by their insurance company, says Zetter. "So many practices don't do this, and that's why they're in financial trouble," he adds.

3. Provide preventive services, when appropriate. Those working in primary care and internal medicine should plan to provide chronic care management as well as the Medicare Initial Preventive Physical Exam and the Medicare annual wellness visit. Zetter says practices miss out on significant revenue when they overlook these services and don't have a process in place to send patient reminders.

4. Consider adopting telehealth. Although telehealth wasn't widely adopted prior to COVID-19, that has certainly changed during the current pandemic with certain specialties relying more on this technology than others, says Zetter. If your specialty is one that could benefit from telehealth, Zetter says to look for a solution that enables providers to charge patients prior to receiving the service. Second, partner with someone (e.g., a certified coder or consultant) who can navigate payer-specific telehealth waivers that absolve patients of their copayment amounts during the public health emergency.

5. Use secure texting. Patients of all ages have come to expect text-based appointment reminders as well as the ability to text their provider with clinical questions. Practices that provide this option will be more likely to attract and retain patients, says Zetter.

6. Have a 'game plan' for marketing the practice. This includes the old fashioned strategy of simply asking patients for referrals as well as newer strategies using social media, says Zetter. For example, an allergist can tweet about common allergens each season. A dermatologist can post Facebook updates on skin care during the summer months. "You want to be constantly in front of your patient base," he adds.

Having a high-quality website goes without saying; however, providers also need to think about managing their entire online reputation—including knowing what patients are saying about them on third-party rating sites and striving to improve patient satisfaction.

7. Explore value-based payment arrangements. For example, it may make sense for a provider to enter a value-based payment arrangement with a payer for certain services, says Zetter. However, this decision requires careful consideration of risks vs. potential financial gains. Another option is to join an Accountable Care Organization (ACO). "However, you need to consider the ACO's goals and what it means for you, your practice, and your patients," he adds.