

Solo Practice: Can It Survive?

The environment is tougher than ever. Proactive revenue management and direct pay models provide opportunities for small practices.

Like the apocryphal misquote of Mark Twain, “The reports of my death have been greatly exaggerated,” solo private practice has been dying for a long time. We’ve heard threats of its imminent demise for more than 20 years. Yet has the time finally come? With the ever expanding plethora of regulatory requirements and restrictions, the daily struggle of having one’s bills constantly challenged by insurers, and the move toward “value-based” medicine, one has to wonder if physicians can still go it alone.

We are seeing four main responses to this dilemma. The first is to throw in the towel and become employed

try to immunize your practice from unpaid bills (page 22).

The retainer-based practice model (concierge practices and some direct primary care practices fall into this category) is controversial. Twiddy’s article describes a retainer-based practice in which the physician has a very small panel (350 patients), provides 45-minute appointments, and charges an annual retainer fee ranging from \$1,200 to \$2,400, depending on the degree of access the patient desires (page 10).

Other models of direct primary care exist (see the *FPM* topic collection at <http://www.aafp.org/fpm/directprimarycare>). Some involve no retainer fees but instead use standard visit charges billed directly to the patient and collected at the time of service, leaving the patient, rather than the physician, dealing with the insurance company.

By design, it would appear, retainer-based practices are a niche product, one that will seem affordable only to a small subset of the populace. Unless the retainer


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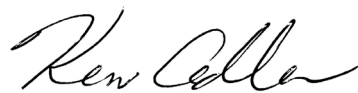
by a hospital or health care system. This appears to be the most popular response. The second is to join a large group practice in the hope that a bigger group of physicians with more resources and market clout will be able to do reasonably well while maintaining some autonomy. The third is to transition to an alternate model of care, such as concierge practice or direct primary care practice. The fourth option is to hunker down, keep at it, and hope the storm will pass.

In this issue, two of our four feature articles deal with the issue of getting paid. Reimbursement is a problem for all health care providers but a particularly onerous one for the resource-limited solo physician. With the recent rise in the number of high-deductible health plans, patients are increasingly failing to pay their bills. This obviously hurts our practices. The article by Ciletti discusses how you can

fees drop dramatically, it is highly unlikely that we’ll see these types of practices on every corner.

On the other hand, the growing number of relatively healthy patients with high-deductible plans may be attracted to direct primary care practices that offer clear, standardized, reasonable cash prices for their services. Only time will tell if the model gains traction.

I would be very interested in hearing from our solo-practice readers regarding what choices they are making and why. 



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