

## **THE CASE FOR PHYSICIAN INTEGRATION**

### *Who Gets to Decide?*

The landscape in healthcare is trending ever more towards aggregation with hospitals merging into hospital systems and regional/national payors becoming more prevalent. The resulting market is driven by mantras of cost reduction, declining reimbursement rates, and highly burdensome compliance incentive programs. Looking forward across this hazardous terrain, physicians must ask themselves, “who should have the power to make decisions related to my practice of medicine?”

Initially, and non-exhaustively, these decisions will routinely include:

- ❖ **Employment Issues**
  - Who will hire, fire and supervise?
  - Who sets wage and benefit policies?
  - Who interprets questions arising from the policies?
  - Who sets size of staff?
- ❖ **Patient Policies**
  - Who decides what the patient mix should be?
  - Who handles patient complaints?
  - Who sets the office hours?
  - How much professional courtesy can each of us give?
- ❖ **Fees**
  - Who sets the fee schedule?
  - Who monitors reimbursement patterns and determines when to raise fees?
  - How will new procedures be priced?
  - Single fee schedule? Multiple fee schedules?
- ❖ **Contracts**
  - Who decides the insurance contracts in which we will participate?
  - Who handles maintenance contracts for software and equipment?
  - Who signs the leases?
- ❖ **Equipment Purchases**
  - Who decides what to buy and when?
  - Where do we shop for new equipment?
  - Who sets the spending limits?
  - What grade furniture do we need?
- ❖ **Supply Purchases**
  - How much inventory do we keep on hand?
  - Who orders routine supplies?
  - Where can we store excess inventory to take advantage of bulk purchasing?
- ❖ **Medical Billing**
  - Who will be responsible for billing?
  - How can we be assured that reimbursements are optimized?
  - If a new system is required, how will staff be trained?
  - What monthly reports will we need to review our progress?

Integration can provide a critical mass and market force to provide physicians a more equal seat at the bargaining table with the hospitals and payors, and return more decisional capacity to those professionals actually providing care. It can also allow for the pursuit of alternative revenue sources and the ability to afford highly competent management staff to navigate the increasingly complex financial and regulatory environment in healthcare.