

Pitfalls of Private Practice

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Practice Decisions

- Group size
 - Smaller
 - More intimate
 - Fewer decision makers
 - Larger
 - Economy of scale
 - Impersonal
 - Multiple opinions
 - With each opinion maker thinking his/her way is right!
- Income distribution
 - Share the pie equally
 - Productivity

Questions About the Practice

- Why are they looking?
- What is the payer mix?
- How busy will I be?
 - How long do patients wait for appointments, procedures, etc.?
 - What will I be doing?
- How would I fit into business plan /vision?
- What is the track record for new hires?
- Competitive environment?
- Quality of life
 - Call
 - Vacation

Due Diligence

- Ask to see the bylaws
- Ask to see the previous year's tax return
- Are there multiple business entities?
 - Endoscopy center
 - Real estate (office building)
 - Research company
 - Infusion company
 - Pathology lab
- If so, will I be able to participate?
 -and when?
 -and what will it cost?

Due Diligence

- What is their system of governance?
 - Dictator vs. democracy
- Spend time with the practice administrator
 - Assess level of expertise
- Is practice stable and well respected?
 - Talk to hospital administrators and other physicians in the community

Common Mistakes

- Not knowing the details of the practice
- Not knowing the financial situation of the practice
- Not knowing the reputation of the practice
- Poor/No understanding of the nuances of the contract
 - Including exit strategies
 - Call, work reduction, weekends, etc.
 - Explicit rules for retirement
 - Accounts receivable, health benefits, disability plans

Caveats

- Thinking about the money rather than the culture
- Thinking short term and not long term
- Not being aware of the other businesses outside the practice (ASC, path labs, etc.)
- Not having a good health care attorney review your contract
- Joining a group with much older partners
 - You may be the only one left to finance all of the buyouts!

So I Have “*THE*” Job...

Now What Do I Do When I Get There?

Personal Finances

- Avoid overcommitment (housing, etc.)
 - “Wow, I finally have some money!!”
- Early investment
 - Pay yourself first (retirement plans, etc.)
- Protect your assets from creditors
 - Qualified retirement plans, trusts
 - Variable life annuities

Some Obvious *Dos*

- *Do* be nice to your employees
 - They can make your life wonderful...or miserable
- *Do* thank your referring physicians...repeatedly
 - Even for the IBS patients!
- *Do* develop a network of consultants you trust and can depend upon
 - Surgeons, radiologists, pathologists, etc.

Some Obvious *Don'ts*

- *Don't* date one of your employees
 - Similar caution regarding hospital employees
 - Sexual harassment issues
- *Don't* date a patient
- *Don't* write prescriptions for family members and friends
 - Exception may be emergent need, but even then it must be documented in a chart
 - It may be illegal

Random Thoughts

- What is your vision for your practice?
- Focus less on your feelings & more on what needs to be done
- Find yourself a practice mentor who can advise and encourage
- Medicine isn't everything!
 - Undertake some professional or personal development
 - Commit to self-care through exercise, travel, hobbies
 - Connect with your interests, passions, or spirituality

How to Keep Interested

- Learn new skills
 - Procedures
 - Become the local expert
- Teach
- Do something outside of medicine
 - MBA, Law degree, courses at local college, etc.
- Volunteer
 - ACG, etc.
- Smell the roses!!

One Final Thought...

“To each one of you, the practice of medicine will be very much as you make it...to one a worry, a care, a perpetual annoyance; to another, a daily joy and a life of much happiness and usefulness as can well fall to the lot of man”

- Sir William Osler (*Aequanimitas*, 1932)