How some private practice physicians are thriving despite decreasing reimbursement, increasing overhead, and hospital acquisition pressures.

Across the country, private practices are closing up shop. But with a little creativity and ingenuity, some physicians are hanging on — and expect to keep hanging on — for the long haul.

A white paper recently released by the Physicians Foundation, “Survival of the Fittest: A Review of Promising Models for the Maintenance of Independent Private Medical Practice,” identifies a number of tactics physicians are using to keep their practices independent and thriving. “There is a range of financially viable options that allow physicians to remain in private practice and achieve a high level of personal satisfaction in their practice, even in today’s very challenging healthcare environment,” the report states.

Here’s a brief overview of four of the “survival tactics” highlighted in the report:

**Form an IPA or merge with other practices.** Though forming an IPA or merging with other practices could cause physicians to lose some autonomy, physicians within such organizations are still technically independent, and they are definitely more independent than employed physicians. The reason these options are so effective for physicians, is that they give physicians and their practices strength in numbers, which is crucial to remaining financially successful.

For instance, the report notes Atlanta pediatrician Norman Harbaugh, who is part of a pediatric group includes 13 physicians, two physician assistants and four nurse practitioners. Harbaugh said forming a physician-owned IPA, which is made up of more than 200 pediatricians in more than 30 practices, provided him with important negotiating leverage.

Keep in mind that negotiating leverage can benefit practices and physicians both when in talks with payers (think higher reimbursement), and when in talks with vendors (think EHRs).

**Become a micropractice.** Micropractices operate with the bare minimum of staff members, likely just a physician working in a practice with no administrative or clinical support. By cutting down costs as much as possible, micropractice physicians can retain more revenue and therefore stay independent, according to the report.

The report notes Seattle-based family physician L. Gordon Moore, who left a hospital-owned practice to form a micro practice. Moore employs no other staff members and his overhead costs are only 35 percent, compared with 60 percent at other small primary-care practices.

**Go the concierge route.** Though controversial for some, concierge practice is an attractive option for physicians looking to spend more time with patients and thrive financially.

Typically concierge physicians cut back on their patient load and require that patients pay an additional fee for services. In exchange, concierge physicians promise patients additional perks, which can include things like 24/7 access to care, same-day appointments, and house calls.

The report notes Manchester, Vt.-based solo internist Keith Michl who, with a patient panel of only 600, charges patients an annual fee of $1,500. Michl said the model allows him to practice high-quality medicine and survive financially, according to the report.

The report points to several other ways private practice physicians can remain independent. And though otolaryngologist Lawrence Braud, a Physicians Foundation board member and a private practice physician himself, said he knows how hard a road it is for private practices, he also said he agrees with the report that there is reason to hope for an independent future.

“There are people who are surviving, who are thriving,” he told Physicians Practice.

Many of the “survival tactics” included in the report take a lot of hard work and effort. Do you it’s worth making such changes in order to remain independent?