Consultant Greg Mertz feels there is a robust future for private practice, even though practice models will have to change.

Few will argue with the statement "private practice isn't what it used to be" and in the future, it won't be what it is today. Depending on your personal preferences this can either be good news or bad. Certainly gone are the days when physicians were paid increasing amounts for the care that they rendered and working harder always equated with earning more. Gone too are the days when running a private practice was relatively easy. If you long for those days to return you are out of luck. They won't. Healthcare economics have changed, federal regulations now impact office operations, and the workforce has dramatically changed.

Without a doubt there will always be a place in the market for entrepreneurial physicians who want to control their practices. If controlling practice operations does not always need to include owning practice assets then it is certain that physicians will continue to have the option to run their own show. This will especially be true in larger single or multispecialty practices that can afford professional management and have diversified their services so that they can benefit from revenue that does not require physician effort. Somewhat at risk are the small practices that require day-to-day management by the physician. Economics are working against this model. As the physician supply tightens, hospitals bid starting salaries for physicians higher than small practices can afford, and the costs of supplies, rent, utilities, and staff will likely grow faster than reimbursement. The combination of these forces will make these types of practices attractive only to those who value control more than income.

Now for the longer answer. There are dramatic changes in how healthcare will be purchased in our future. Regardless of the outcome of the debate over the recent healthcare reform legislation there can be no argument that the classic fee-for-service model cannot be sustained if Medicare is to survive and insurance premiums are to be affordable by working Americans. The Accountable Care Organization is on the horizon, although it is still unclear what these networks will look like and exactly how they will function. What is known is that networks of providers will receive bundled payments to provide the care needed by a defined population. If that care can be delivered efficiently then the network wins. Inefficient care (or poor quality) means potential failure. How does this impact private practice? Hospitals will surely be the drivers behind the formation of integrated networks and they will assume that their employed physicians will serve as the engine. Innovative groups of physicians will quickly learn how to manage care and these groups will become indispensable in a shared-savings environment. The physician groups, even though they are private, will be sought out and will be able to negotiate attractive relationships with hospitals while they maintain their independence.

So what is the message in all of this? Physicians need to start exploring now what they want their future to look like. If control of their practice is important then they need to invest in the technology and key resources that will allow them to become a key part of the changing care process. Those who want control in the traditional fee-for-service world may need to seek settings that will allow this model. Boutique practices, practices in rural settings, and some subspecialties may be the most viable. You may have to trade income for the life you want.

If you are tired of the business of medicine but are adamant that you want a say in how things run then it might be the time to broker discussions with the local hospital system about the creation of a physician-governed practice network.

If you are willing to accept that the definition of private practice may have to change then there is no doubt that there is a robust future for private practice.

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