

THE AESTHETIC GUIDE



Multi-Physician Group or Private Practice?

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Mara Shorr, BS, CAC and Jay A. Shorr, MBM-C, CAC | Jul 30, 2020

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One question that is often asked (but not nearly as often as blue or black ink) is whether or not you should open a private practice without a partner or join a multi-physician group. While being the only provider affords you the freedom to build the practice how you want, a multi-physician group gives you the ability to spread out the workload, and more importantly, the liability.

Financial Decisions

One important advantage of a multi-physician group is the lower overhead cost. With multiple providers to help share the burden, your cost of doing business will be less. Keep in mind that this means decisions on where and how the practice spends its money will require multiple approvals. And while there may be more to go around, careful attention must be paid, making sure all financial decisions are equitable for all parties.

Conversely, as a private practice, these decisions only come down to one individual - you. You have much greater control as to the financial direction of the practice, but at the same time, you are solely responsible for all start-up and operating capital.

Faces of the Practice

Another advantage of a multi-physician practice is the brand recognition of the group as a whole. With a multi-physician practice, you can rely on multiple networks and the collective visibility of each physician. This means that the practice will usually have more built-in referral sources and a healthy patient base to draw on. At the same time, there are shared advertising and marketing efforts.

As a solo practitioner, you only have one network to draw from. The key advantage is that you are able to receive all of the benefits of your marketing efforts directly. While you won't have the advantage of having multiple "faces" of the practice, you have much greater control of the messaging.

Staffing

Starting a solo practice also comes with a whole host of logistical and infrastructure challenges. In addition to building the physical practice, you are now responsible for all of the administrative responsibilities or staffing those roles appropriately.

A multi-physician practice allows you to pool resources. The administrative and clerical staff would be shared, decreasing the burden of payroll. Also, it allows for cross coverage, giving you the built-in ability to have your partners fill in when your workload becomes too great or you are out of town.

As a business owner, you already wear plenty of hats; sharing these resources will give you greater flexibility in your hours and the number of patients you see.

A Singular Vision

When considering a multi-physician practice, everyone needs to be a good "fit" for the practice. In addition to the obvious medical specialty alignment, take personalities into account as well. While a multi-physician practice gives you complementary specialties and expanded scope of practice, it also means several different viewpoints and different visions for the future. Everyone must understand

their voting share ahead of time, and it is important to create a system in which each equitable partner gets their say on how things should move forward.

Remember that you are not only business partners, you are coworkers as well. Personalities may clash, so when building your team, make sure that everyone's values are aligned. Make sure all partners are on board with one coherent vision and plan for the future of the practice. Spend a good deal of time interviewing each other. Find out if their business approach fits with yours. In many ways the different members of the practice can complement each other's skills. Make sure their clinical approach aligns with yours as well. Other important questions to ask include what will the financial arrangement be? What happens to existing and future patients? And what would happen if you were to leave the practice?

Get a good feel for the other members of the group. The team you surround yourself with if you decide to go that route is vitally important to the success of the practice. Remember, you're all in this together!

Ethical Alignment

Most importantly, you need to be vigilant of any ethical concerns that may come up when transitioning. Conflicts of interest may arise, and with those come potential legal ramifications for the practice. Perhaps you have an existing non-compete agreement with your current employer. Something like this may severely limit where, when and what you can practice. With a physician group, this is multiplied by all the different members. You never want to burn bridges; however, your new practice may pose direct competition to your current employer in terms of a breach of contract.

Avoiding Conflict of Interest

When you know it is time to leave, it is time to leave. Maybe the hospital or your previous practice has you feeling burned out or overwhelmed; maybe you want to perform new and exciting procedures. In any case, to avoid any conflict of interest,

find a need your former practice was not serving. If you were working in a hospital prior to venturing into medical aesthetics, this may not be as much of an issue.

Conversely, if you are a plastic surgeon focused on body shaping and contouring procedures, coming from a larger practice, try to focus on an underserved niche. For example, perhaps your new solo practice could focus on treatments for men or the mommy makeover.

At the same time, your move may be influenced by your specialty. In that case, try targeting a different market. Unfortunately, this may mean a change in geography. In any case, try to predict and address any conflicts of interest before they become a larger problem.

In closing, both private practice and multi-physician options have pros and cons, and whether you decide to go solo or team up with other doctors, it is important to have a solid plan moving forward and to rely on your existing resources. Ask the right questions and be tactful about making the switch. And, in either case, make sure you have the best team!

About the Authors



Mara Shorr, BS, CAC

Ms. Shorr serves as a partner and the vice president of marketing and business development for Shorr Solutions, assisting medical practices with the operational, financial and administrative health of their business. She is a Certified Aesthetic Consultant (CAC) and program advisor, utilizing knowledge and experience to help

clients achieve their potential. A national speaker and writer, she can be contacted at marashorr@shorrsolutions.com.



Jay A. Shorr BA, MBM-C CAC

Mr. Shorr is the founder and managing partner of Shorr Solutions. He is also a professional motivational speaker, an advisor to the CAC program and a certified medical business manager from Florida Atlantic University. He can be reached at jayshorr@shorrsolutions.com.

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