The Crystal Ball: Private Practice in 5 Years

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Conflict

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I’ll recommend your stock to the public, but first I need some conflicts of interest to make it worthwhile.

The Death of Private Practice?
Washington’s Plan To End Private Practice Medicine

In the heated system that Medicare uses to pay American doctors, Congress has set off a series of cuts so many complications that physicians, bluntly, will inevitably follow the embedded desire of private, independent medical practices.

Many in Washington fear this outcome. Reforms to the Center for Medicare and Medicaid Services have long been used to deal with large empires and corporations that employ physicians, rather than try and reform medicine in a fragmented system of small, independent doctors’ offices.

Meanwhile, the “reporters” on Capitol Hill, those seeking to explore the perfect solution to the nation’s healthcare system and its challenges around cost and quality, believe that large health systems modeled after the Boston or Harvard or Massachusetts General Clinic are the optimal structures. And that those models are expected to continue.

For their part, the already huge number of healthcare tomorrow, meaning, under the current arrangement, we see large health systems with increasing their market share as a way to absorb non-profit expenses and serve under-served areas.

The result is a disjointed package of “reforms” that will cost any new rules and regulations on doctors that individual physicians simply won’t be able to participate.

The failure of these programs leaves us with the same problems. We’ll have non-profits and into a hospital or health system. Or ask their older networks to help Medicare.

Practice Setting Based on Source of Salary

2014 – 83% Private Practice

Orthopaedic Surgeon Practice Setting

2014 – 60% Private Practice
Not so Fast!

- Established physicians are not likely to sell.
- Physician population is aging:
  - 2006 – 35% > 55 yoa
  - 2016 – 42% > 55 yoa
- Larger groups are becoming bigger and more integrated.

Historic and Projected Population
State of Georgia 1990 - 2030

Congressional Budget/Debt Limit Proposal
Includes Site-Neutral Provisions

- Site-neutral provision that places a moratorium on hospitals purchasing off-campus facilities, such as ambulatory service centers (ASCs) and physician offices, and then charging the Medicare program and beneficiaries the higher hospital rates.
- The moratorium will apply to any outpatient department/physician practice acquired or established after the enactment of the legislation. Medicare payment adjustments will begin on January 1, 2017.
- Outpatient departments, ASCs, physician offices or other off-campus facilities that are currently operating will be exempted from the payment changes.
- AAOS BOS Washington Update 11 November 2015
Threats

- MACRA
  - MIPS
  - APM
- EMR/MU
- Other requirements

Predictions!

- Consolidation into larger practices.
- Stabilization of hospital employment.