



By Patricia A. Costante

# MEDICINE & BUSINESS:

## Uncertainty Doesn't Have to Mean Loss of Control for Physicians

Every time I speak with physicians, I get the sense that they are feeling a loss of control and even a loss of status. Physicians in small practices don't see a long-term solution for continuing to function in their current structure, and many are considering selling to hospitals or giving up their practices. More often than not, physicians indicate that they do not recommend their sons and daughters to follow their footsteps into a medical career. Clearly, this is an anxious time for physicians, filled with much apprehension and uncertainty.

While change is a constant in medicine, it seems like there has never before been a time when so many changes were impacting physicians all at once. Healthcare in the United States is on the cusp of change, and the future cannot be readily predicted from the past. We are all faced with having to make choices now about something that is not only unknown, but also presently unknowable.

Most significantly, we have the uncertainties associated with healthcare reform. In March 2010, the 2,700-page Patient Protection and Affordable Care Act became law, changing many aspects of the health insurance industry and—in a domino effect—the insurance industry, the agent and broker community, and even state government functions.

Independent of merit, healthcare reform is a big project, massive in both scope and cost. Some on Capitol Hill estimate that the regulations will surpass 300,000 pages, which will far exceed even the tax code. Many of the specific implementation details of healthcare reform have not yet been finalized, with most of the provisions not becoming effective until 2014.

Looking at the roadmap for the

implementation of healthcare reform, the challenge is to assess the likely benefits and costs in an environment where so much of the plan remains to be defined. The combination of healthcare reform's magnitude and lack of definition creates a specter leading to tremendous uncertainty, which is likely to persist for a long time. But what we do know is that the changes currently under consideration are going to radically alter how physicians practice medicine and conduct their business.

Meanwhile, we all continue to deal with the ongoing pressures on the economy, and you are probably noticing a rash of mergers, acquisitions and consolidations among your insurance carriers, brokers and other business partners. And all the while, you continue to work hard to maintain the success of your practice on a daily basis, dealing with decreasing reimbursements and increased regulatory requirements.

Physicians have a new reality in which you might say that the only certainty is uncertainty. The effects are filtering through, and complexity, interdependence, variety and change are words we will be hearing frequently in the future. The exciting aspect of change is the opportunity to improve upon your current practices and strategies, and to see all of the innovation and progress that can result.

### TAKING CHARGE IN A NEW PARADIGM

Change offers physicians new opportunities to take charge of their practice. The old business model of attempting to predict the market needs and planning for those predictions has passed. Instead, the



new model must be one of sensing market needs accurately and nimbly, and then filling those needs quickly with the appropriate capabilities. In the book *Adaptive Enterprise*, Stephan Haecel likened this to the difference between a bus company and a cab company. The bus company does its best to predict routes and trains drivers to follow those routes according to a timetable. The taxi company, on the other hand, functions by rapidly sensing the needs of individual customers and filling the needs in the most expeditious manner.

While physicians tend to be a fragmented and independent group by nature, the complexity of moving our current healthcare system from one focused on treating diseases to one focused on patient outcomes is going to require collaboration from

many parties. Perhaps, then, the most crucial decision is selecting business partners that can guide you and provide you with the services you need as your needs continue to change. Keep that taxi example in mind as you identify your future business partners. In this changing paradigm, consider which business partners have a history of stability and reliability, yet are positioned to mobilize and respond quickly to changes in your market and even to your specific situation. Consider those partners that have been responsive to your needs in the recent past and that have provided the level of customer service that meets your expectations. You will find that they may not necessarily be the largest corporations or healthcare systems. In other words, bigger is not always better, and you may need to be creative to identify partners who are willing to assist you in creating your vision for your practice.

Ultimately, the changes that are made in your practice should be your decision. They should reflect the mission, vision and values in your practice. Going forward, physicians must learn to embrace uncertainty and make it part of their operating reality. Independence, strength, autonomy and success will come not from succumbing to someone else's story, but rather from authoring your own. The real key to evolving your practice will be finding the right business partners to make that happen.

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