

## **PRACTICE OPTIONS**

Psychiatrists today have a number of practice options open to them. In this chapter we'll attempt to define some of those options and give you an idea of what they have to offer. Each practice option has its advantages and disadvantages, and, not only that, most of them don't have to be exclusive. You need to choose what makes the most sense for you both practically and emotionally.

### **SOLO PRACTICE**

Clearly if you go into solo practice, you're the one in charge. Whatever rewards are to be gleaned will be all yours, and whatever debts accrue will also be all yours. Although consolidation seems to be more and more the norm, there will always be room for some fee-for-service and non-managed-care niche business. And as a solo practitioner you can also try to get on as many managed care panels as you can, at least until you get your own referral system going.

### **IPA (INDEPENDENT OR INDIVIDUAL PRACTICE ASSOCIATION)**

The IPA is an open-service HMO (health maintenance organization) model. Unlike closed-service HMOs, which are staffed by salaried physicians, the IPA is a physician organization with which an HMO contracts to provide medical care to its patient population. Sometimes an IPA may have its own subscribers. The IPA negotiates on the part of the physicians, setting fees, reviewing and altering contracts, and performing utilization and peer reviews. The physician-members of the IPA practice in their own offices and are generally paid on a fee-for-service basis. The key characteristics of IPAs are:

- Subscribers pay a fixed monthly amount in advance, as with all HMOs.

The sum of these prepaid monies is used to reimburse the physicians on a fee-for-service basis.

- Physician reimbursement reflects an agreed upon schedule that is based on usual and customary guidelines.
- Each IPA physician allows a percentage (usually 10-20 percent) of each charge to be withheld and placed in a shared risk pool. If the IPA is under budget at the end of the year, any remaining funds may be distributed or may be used to cover an overextended hospital fund.
- Each IPA has some type of utilization and/or quality assurance program.
- Subscribers may only select physicians from within the IPA.

### **GROUP PRACTICE WITHOUT WALLS (GPWW)**

A group practice without walls, also known as a clinic without walls, is a group of physicians who share administrative and management costs, but maintain their practices in separate locations instead of working together in the same place. Some GPWWs are like IPAs, with physicians sharing some administrative services but maintaining their own billing. Others are more integrated, and the legal entity that is the GPWW may employ the physicians, purchase assets from the individual practices, and set compensation schedules. As a member of a practice without walls, you still maintain the financial emphasis on your own practice, but as part of the group you have joint marketing capability.

### **MULTISPECIALTY GROUP PRACTICE**

If you become part of a multispecialty behavioral group practice, you'll have offices at one or more sites with other psychiatrists, psychologists, and social workers with whom you'll work and share cases. Practitioners in a multispecialty group practice are often on salary and receive bonuses based on their productivity and other factors. Instead of having to market your own psychiatric

practice, you are part of a very marketable, multifaceted healthcare group. If your group is successful enough and has the administrative capacity, you may even be able to compete directly with MCOs for contracts. This is happening in parts of California.

### **PHYSICIAN HOSPITAL ORGANIZATION (PHO)/ INTEGRATED DELIVERY SYSTEM (IDS)**

A PHO/IDS is similar to an IPA, but represents a broader group of practitioners. It unites a hospital, a group of physicians, and, possibly, other healthcare providers. A PHO/IDS is usually so large that it's governed by a board of directors. Since hospitals often provide the startup capital for the group, they generally want a lot of say in what happens. Ideally, at least one of the elected board members will represent your interests. A PHO/IDS has the capacity to be a very efficient and effective operation for patient-care delivery. In theory there is an information system based on the patient's medical care records. Under such a system, your patient's primary care physician, or another specialist, can know immediately when you've prescribed a new medication, and you will always have access to what they're doing. Physicians usually receive a salary plus bonuses.

### **SALARIED STAFF POSITION WITH AN HMO OR DEPARTMENT OF PSYCHIATRY OF A MEDICAL GROUP**

When you become a salaried staff member of an HMO or medical group you may not receive as much of a financial reward as you could in other forms of practice, but neither will you have to deal with the financial risks. You probably will not have much influence on how the practice functions and may have to adjust your practice style to comply with the group's system of care. On the positive side, you will be free of having to deal with the business aspects of practicing medicine. It's important to remember, however, that psychiatry is usually a very

small part of an HMO or general medical group, and because of that you may have difficulty influencing policy and getting access to resources.