Reflections: The Dark Side of Being an Employed Physician

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Goals:

Medicine's landscape is ever changing. The working model in which an orthopaedic surgeon operates is no exception. These models can be very confusing for the orthopaedic surgeon who has little training in the area of business, but especially to the young orthopaedic surgeon who has focused their efforts nearly 100% on medical training over many years. This short presentation examines some of the issues that might not be obvious to the physician who is trying to decide between hospital employment and private practice or some combination thereof. Finally, introduced are some advocacy steps that we, as orthopaedic surgeons, should consider to continue to improve medicine and our work environments.

Points:

1. The Good News: Salary Guarantee, Payer Mix Worries Gone, Cost Shift to the Employer, Vacation and Other Benefits Paid
2. Salary Guarantee: But there needs to be physician productivity for the model to work (last time this was tried in 1990s it failed due to drop in physician productivity[1]). Also, targets for productivity are set differently (wRVU, billings, collections, etc) and are often unobtainable because the physician lacks the information to set reasonable goals.
3. There is a cost to be paid for "The Good News" and it comes in the way of physician autonomy. The four areas of lost autonomy being having less authority over billing and charge coding, not being able to make decisions about staff and personnel, being told what to do by less educated administrators, and being forced to use certain equipment and technology.[2]
4. Less authority over billing and charge coding: This can mean no access to the process itself or lack of follow up. It is important to remember that not only will this potentially affect our pay check, but more importantly we are responsible to the government and our private payers for the final product even if we do not see it.
5. Not being able to make decisions about staff and personnel: The staff and personnel are no longer our employees but the companies. We cannot hire and fire who we like. Therefore, we can have people working with us that do an inadequate job or at the very least create an environment that is not conducive to the efficient delivery of good health care.
6. Being told what to do by less educated administrators: As a great example, of the 10 best hospitals for economically efficient and clinically effective care as rated by Centers for Medicare & Medicaid Services using 12 measures of clinical care, patient satisfaction, and readmission rates, 9 of 10 of them were physician owned.[3] There can be no doubt that the people who do the job of delivering health care are more efficient and better at managing it because they understand the intricacies. This can be a major point of frustration for the orthopaedic surgeon.
7. Being forced to use certain equipment and technology: Almost inevitably bureaucracy will be greater in an employed position. Our new employer was able to offer us a consistently large paycheck for a reason. They are a large institution or health system. Like any large institution, they are filled with bureaucracy and inefficiency. There are

policies and contracts galore, which make changes, even simple ones, very difficult. Physicians have little power to persuade the hospital to be able to use the technology or equipment we want when we are "owned" (as many administrators put it), by the hospital.

8. Loss of intellectual property rights. Many orthopaedic surgeons are entrepreneurs and innovators. These surgeons desire to do business outside of their primary job. Employers consistently have the sense that their employees belong to them and anything employees do while employed with them therefore belongs to them by the transitive property.
9. Trust No one! Always get everything in writing[4], as those that we negotiate with may have little or nothing to do with actually implementing what we have negotiated or those people we negotiated with may have even left the company completely or have "forgotten" what we talked about.
10. The Future: The economic type of scenario has already been postulated by economists where the employed model will "squeeze" employed physician compensation and we will beholden to more hospital policies in the delivery of health care which will ultimately lead to a real misfortune in patient treatment by moving most care to the inefficient hospital setting.[1] However, we should not resign ourselves to some extent that most of us will become employed physicians. We can change the way the model is put together by working together. It has been suggested that to help maintain the non-employed model in the future, we should work to "eliminate the SGR formula, reduce medical school debt, and pass liability and antitrust law reforms."[5] In addition to those ideas, it has been suggested, that while the push for vertical integration of health care offers many potential benefits, there are also potential chances to increase the cost of health care by reducing competition, moving away from more cost-efficient settings to the traditional hospital setting and decreased productivity that is found more common among salaried than fee-for-service physicians.[6]

References:

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