SPECIAL FOCUS ISSUE

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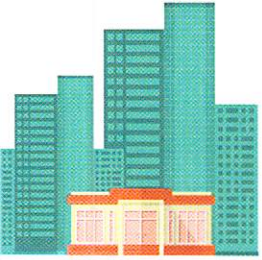
Navigating Practice, Policy, and Patient Care

THE FUTURE *of* DERMATOLOGY

Who'll be practicing? How? Where? And how will they be paid?



The FUTURE *of* DERMATOLOGY PRACTICE SETTINGS

Curbing costs is a huge factor fueling this shift. Former AAD President Brett Coldiron, MD, who is in private practice in Cincinnati, maintains that there is a lot of pressure to form larger groups and share costs. The solo practitioner or small practice is being squeezed out by all of the demands being placed on them by the federal government from electronic health records and the Physician Quality Reporting System (now being rolled into the Medicare Access and CHIP Reauthorization Act of 2015 [MACRA]) to the Affordable Care Act (ACA). The government is still trying to control costs, this time by implementing bundled payment plans, none of which pertain to dermatology yet, he said. "It's capitation revisited," Dr. Coldiron said, arguing that the only piece of the health care puzzle the government can control is the doctors, who make up only 17 percent of the cost. "Accountable care organizations are paying doctors less to do more. And most of the state health exchanges as part of the ACA are paying Medicaid rates, making the cost of seeing these patients higher than the reimbursement."

Meanwhile, dermatology residents are coming out of training owing upwards of $200,000 in student loans. "They can't afford to set up their own practice," he added. "They can't afford to do anything but work for somebody."

A viable option

But the future of solo and small practices may not be as bleak as it appears. Dr. Coldiron believes that the model will remain viable for some dermatologists. "There is a huge value in running your own practice, from picking your own employees to setting your own hours," he said. "More freedom and control will likely make you happier." Moreover, corporate medicine inserts somebody between the physician and the patient. "In your own practice, you answer to the patient. In a corporate environment, you're an employee," Dr. Coldiron said. He believes that some employed physicians will eventually become disgruntled and disillusioned and return to solo practice. Additionally, the residents who are now flocking to large groups may switch to private practice after they pay off their student loans and are more financially solvent, he said.

Working for a large group comes with a loss of autonomy, but it also may reduce the stress associated with the ever-increasing administrative burdens facing physicians and dealing with the business aspect of owning a practice. "There's a trade-off," Dr. Heymann said. "People need to decide for themselves what the right balance is." Although Dr. Heymann does not see the solo/small practice model disappearing, he does acknowledge that it will be a harder model to maintain moving forward. "Being a solo practitioner or in a small practice takes a real commitment in today's day and age," he said.

Karin I. Harp, MD, took on that commitment when she opened a private practice in Westlake Village, California in July 2014. "Small practices allow physicians to connect to their patients over their lifetime," she said. They also offer high-quality, personalized care. "I hear over and over again patients' experiences. It's like a cattle call. They sit for an hour or longer to be seen for 30 seconds. They're given medications and they leave the doctor's office without understanding what was done and why. Some people come to see us because of these experiences. We respect our patients' time. We recognize their faces and names. We explain their options, procedures, tests, and medications. People feel comfortable and safe. They're not getting that in the big systems."

Dr. Harp had worked at a large physician-owned multispecialty clinic with eight other dermatologists across multiple locations in Everett, Washington. There, she received training in the "lean management" model, learning about patient satisfaction and efficiencies. After relocating in 2011, she worked for a small dermatology practice in Los Angeles. "After working for a highly successful multispecialty practice and then a small practice, I recognized there could be a blend between the two," Dr. Harp said. It took 18 months to set up her corporation and practice. She built the space to accommodate two providers, plus a room for an aesthetician and laser services.

After working solo for six months, Dr. Harp added a physician assistant with family practice and dermatology experience who works one and one-half days per week. After an 18-month long search, she hired a dermatologist to work full time at the full-service practice. "Patients want their moles checked and rashes treated, but they also want you to help them reduce wrinkles or enhance their cheeks," she said. "I see the latter as an adjunctive service because the patients trust me."

Although Dr. Harp accepts insurance, including Medicare, it has come at a price. She started the practice with one receptionist, who became the office manager and is now the billing supervisor. Although Dr. Harp uses a dermatology-specific billing service, it requires a lot of coordination. She has since hired a new office manager. "I am willing to deal with the hassles of insurance for now," Dr. Harp said. "We'll see what it's like when the new payment models come out. I foresee challenges and it's definitely getting more expensive, the more we grow." Many patients who have high deductibles or limited networks, as well as those who don't have insurance, pay in cash.

Saying goodbye to insurance

Some solo practitioners and small practices have opted out of insurance. Doris Day, MD, MA, a dermatologist who specializes in aesthetics and laser dermatology in private practice in New York City, stopped taking insurance as of June and will be out of Medicare by year's end. "It's not what I wanted to do, but it's what I felt forced to do in order to survive as a solo practitioner," she said. During the past five years, working with the insurance plans has become increasingly difficult. Before opting out, Dr. Day hired extra staff to deal with insurance issues, but even that didn't help.