

CHOOSING YOUR FIRST JOB

ORTHOPAEDIC SURGERY PRACTICE TYPES

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Orthopaedic Hand Surgery

I have no conflict of interest disclosures

Choosing Your First Orthopaedic Surgery Job

- A decision unlike other career decisions you have made up to this point
 - Very different from choosing training programs (medical school, residency, etc...)
 - Not data driven
 - Heavily relies on word-of-mouth, gut feelings, etc...
 - We make a lot of mistakes

50-70% of orthopaedic surgeons change jobs within the first 5 years of entering practice

Levine WN, Della Valle C, Egol KA, et al.. Life after fellowship: pearls and pitfalls. A roundtable discussion on finding a job that sticks. AAOS Now. 2012;6. Available at: <http://www.aaos.org/news/aaosnow/sep12/clinical7.asp>.

Smith AA, Craft RO, Rebecca AM, Duncan SFM. Dissatisfied Hand Surgeons: What Causes Them to Change Jobs? Hand. 2006 Jun; 1(1): 14–18.

Factors to Consider

- Location – often the primary consideration
 - Spouse/family, cost of living, quality of schools
- Mentors
- Specialty, desired scope of practice
- Compensation
 - Payer mix, local competition, tort reform
- Academic interests
- Practice Type

Practice Types

- Solo
- Single specialty group
- Multi specialty group
- Hospital-based, employed
- Academic
- Military

- Supported practices
 - University, government, hospital, HMO
- Unsupported practices
 - No guarantee of compensation or expenses

You can have a satisfying, productive career in any of these practice models

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Daniel Marek MD



Large single-specialty group, Chaska MN

Similarities: very busy hand surgery practices, fairly compensated, achieved partnership status, remain in our first practices after fellowship, are active in the orthopaedic and hand surgery community

Differences: Dan makes decisions on staffing, billing/coding, etc.... I have more practice support/protection, but do not make day-to-day decisions about the group.

Practice Setting (2014)

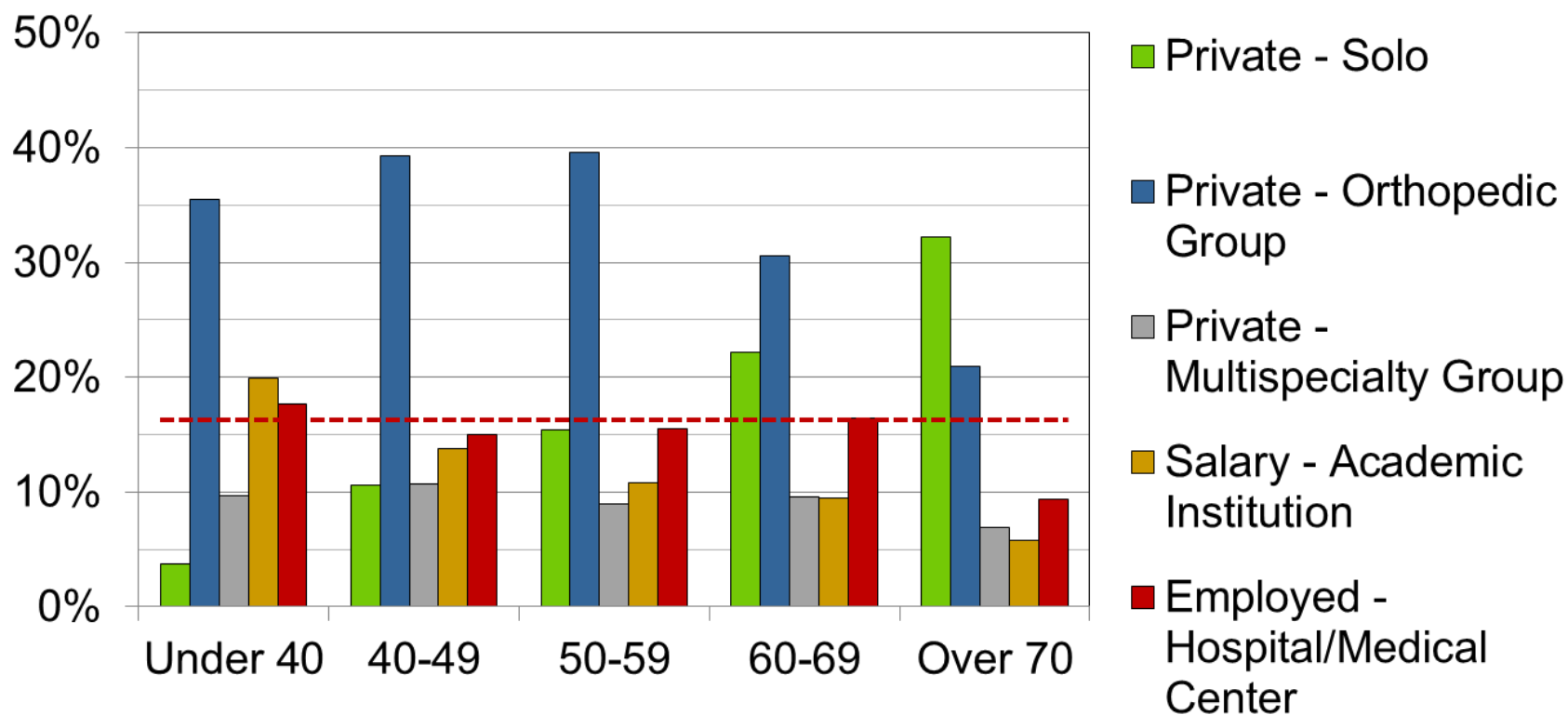


TABLE 1: PRACTICE SETTING					
Practice Setting	2004	2006	2008	2010	% Change
Solo-Private	25.8%	24%	20.9%	18.5%	28.2%
Group-Private	50.6%	48%	46.4%	45.3%	10.5%
Multi Specialty	7.0%	7.0%	8.3%	9.0%	28.6%
Academic	1%	2%	6.7%	3.6%	>200%
Hospital Employment	2%	2%	6.7%	8.1%	>300%

AAOS surveys on orthopaedic practice settings show a dramatic shift from private practice to employment settings.

58 percent of those currently employed said they would consider moving to private practice and 58 percent of those in private practice said they would consider moving to being employed full-time

Solo Practice

- Autonomy on scope of practice, work hours, where you practice, etc...
- You are responsible for most of the revenue generated, which can be financially rewarding
- Some areas may have shrinking provider networks
- Negotiating power with insurance companies may be problematic
- Overhead costs are increasing (staffing, insurance)
- Regulatory requirement may be onerous (EMR, quality reporting, ICD 10)
- Administrative responsibilities

Table 2: List of potential office expenses for solo practitioners

Payroll

Employees
Payroll service

Insurance

Workers' compensation (employees only)
Property liability
Employee disability
Fire/theft/umbrella
Employee health benefits
Medical liability

Rent (depending on purchase or lease)

Taxes

Payroll
Property/school (depending on purchase or lease)

Computer

Hardware/network
Licenses
Maintenance contract
Internet service provider

Radiography equipment

Electronic medical records/Practice management software

Office supplies

Equipment (fax/scanner/shredder/credit card processing)
Phone system
Furniture: reception, waiting room, offices, exam rooms
Durable medical equipment
Injectables, cast supplies

Phone

Office network
Cell
Maintenance

Utilities

Cleaning service

Exterior (landscape/snow removal)

Professional Fees

Licensure
Drug Enforcement Agency
Medical society memberships (AAOS, state/local orthopaedic/medical societies)

Professional Services

Attorney
Accountant

Single Specialty Group

- Most common orthopaedic practice setting
- Practice size can vary
- Ancillary services are common
- Share overhead, call schedule
- May employ other musculoskeletal physicians (PM&R, sports medicine, etc...)
- Referrals from community, emergency departments

Multi Specialty Group

- Partner with other specialties
- Provides a steady referral source
- Orthopaedic surgeons may subsidize lower reimbursed specialties in the group (overhead, etc...)
- May be increased ease of practice with a common EMR, access to imaging, therapy notes etc...

Academic Practice

- Teaching and research responsibilities
- May be on a tenure track (clinical or research)
- Models vary, often a multi specialty group practice
 - May be paid on production or may be salaried
 - Protected academic time also varies
- Can have additional overhead (e.g.. dean's tax)
- Often allows for a more narrow scope of practice

Employment of Orthopaedic Surgeons - A Hot Topic

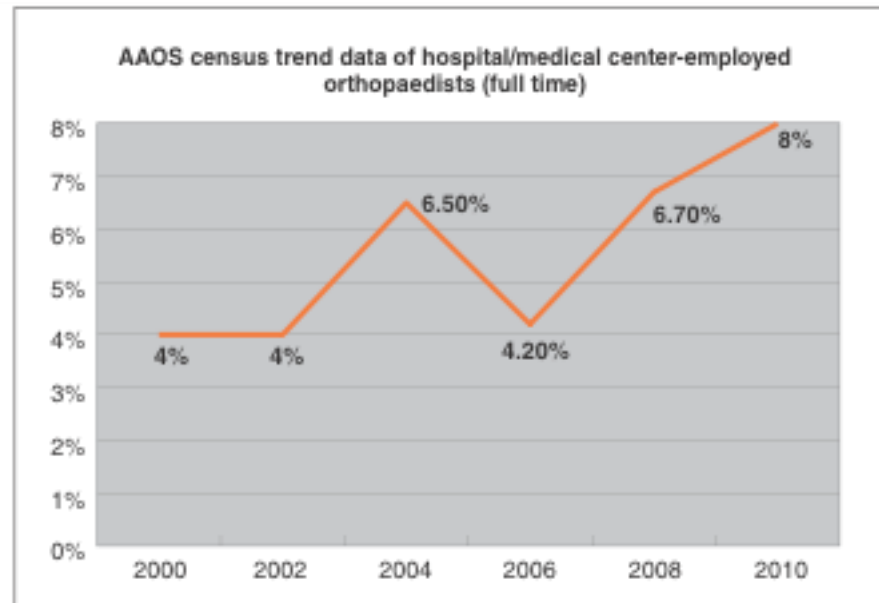


Fig. 1 According to AAOS census data, the percentage of AAOS members employed by a hospital or medical center doubled during the decade 2000–2010.

<http://www.aaos.org/AAOSNow/2012/May/advocacy/advocacy4/?ct=af595836ed73deb4bb081fbab059b66da70ed01d4519d33e1d73fdd33ee6cf2662f7cb3a005b637f426490a117885e0f7b41f8e66a1d0ceaa4a330d781e67cd7>

Reasons Given for Considering Hospital Employment

- A Survey by the AAOS Health Care Systems Committee
 - 68% - stable or improved compensation
 - 67% - lower administrative burden
 - 50% - improved lifestyle
 - 46% - off loading compliance and regulatory burden to hospital staff
 - 28% - better contracting and referrals
 - 23% - improved coordination/integration of care
 - 22% - better access to capital/equipment/personnel
 - 20% - access to hospital marketing staff and funds
 - 16% - other
 - 11% - improved location

Challenges with Hospital Employment

- Surgeon may not be involved in OR and office staffing decisions.
- Support staff can rotate, reducing OR and office efficiency
- Surgeons have variable input in time-off, OR allocation, therapy availability, etc...

- Per Dr. Michael Freehill, a health system employed surgeon with Allina Health Systems, “administrative challenges can be layered beyond belief”

Benefits of being hospital employed

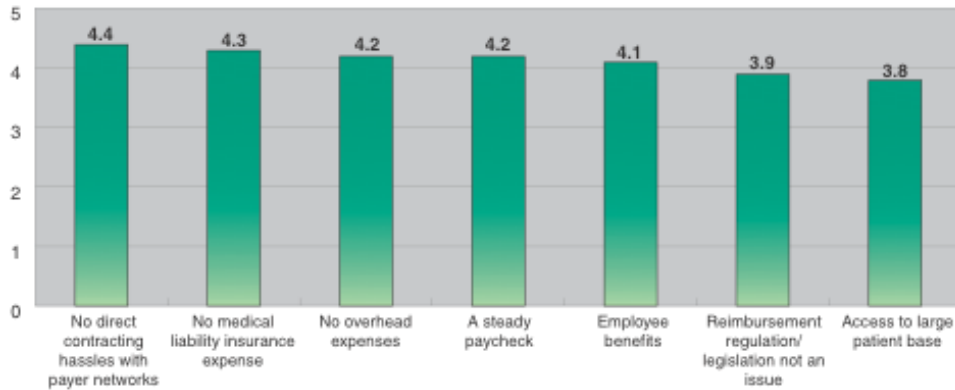


Fig. 2 On a scale of 1 (not at all valuable) to 5 (very valuable), hospital-employed orthopaedists ranked issues related to practice management as valuable benefits.

Challenges of hospital arrangements

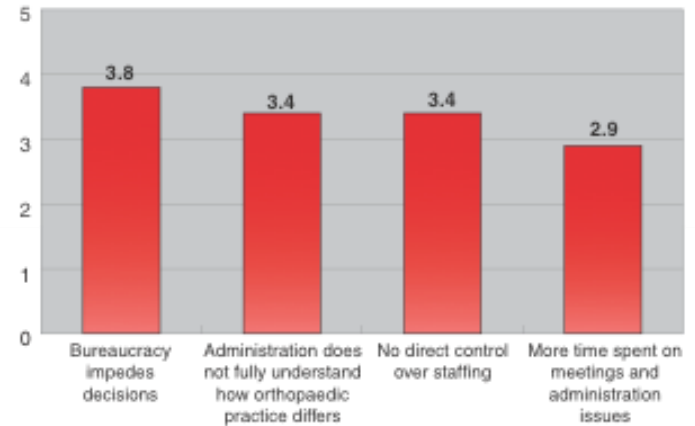


Fig. 3 On a scale of 1 (not at all challenging) to 5 (very challenging), hospital-employed orthopaedists identified the difficulties of hospital employment.

AAOS Practice Resources

Advocacy

Navigation

- › Federal Advocacy
- › State Activities
- › Orthopaedic PAC
- ▼ Get Involved
 - Staff & Contact Information
 - Legislative Action Center
- ▼ Resident Information
 - Practice Resources
 - Patient Information
 - Advocacy Now Newsletter
 - Council on Advocacy
 - NOLC
 - AAOS Liaison Program

Advertisements

JAAOS
Call for
Research

Practice Resources

Upcoming Education

Free Webinar

Save the Date: June 21, 2016

PQRS Nuts & Bolts

Course Director:
Brian McCardel, MD
Registration Opening Soon!

Regulatory and Financial Management

From financial management to legal matters, find the resources you need to run your practice effectively in the evolving physician reimbursement landscape.

- Meaningful Use
- HIPAA Compliance
- MACRA MIPS APMS
- Contract Negotiations
- Medical Record Audits



Practice Management

Find information to help you operate and staff your orthopaedic practice.

- Solo Practice
- Hospital Employed
- Principal Strategic Options for Orthopaedists to Remain Independent in our Rapidly Evolving Health Care System White Paper
- Practice Evaluation Inventory - Find the right practice with this hands-on tool

Practice Management Advice Center

BEST PRACTICE

Physician Compensation Structure

- Salary
 - May receive bonuses based on a variety of metrics
 - May or may not be paid for time on call
- Production (with or without a base salary)
 - Earned on work done
 - Relative value unit (RVU)
 - Insulates individual physician from patient non-payment
 - Earned on income
 - Billing/collections
 - Favors established physicians or physicians who do the most costly procedures

Employment Contract

- Board certification and licensing requirements
- Length of contract
- Duties (including scope of practice, location, call obligations)
- Conditions of termination, dispute resolution
- Non-compete clause/ restrictive covenant
- Compensation structure (including compensation for call)
- Terms of partnership
- Malpractice and tail coverage
- OR block time
- Staffing, office resources
- Benefits (vacation, medical/life/disability insurance, retirement, professional dues etc...)

<http://www.aaos.org/AAOSNow/2009/Sep/managing/managing4/?ct=479ca5a06467a262f2b6659a8cdbcad27fce898f8>

http://www.aaos.org/Membership/Member_Resources/Practice_Resources/Employment_Contract/

Take Home Messages

- It is never too early to start looking for a job
- Talk to as many people as possible, many jobs are found through word-of-mouth
- Your interests/priorities may change during fellowship, so consider waiting to sign a contract until you are in fellowship
- Think about what you need/want in terms of practice location, spouse considerations, lifestyle, size of practice and case volume, scope of practice, and support from colleagues.
- You may do well any one of several different practice types if the above considerations are a good fit.

AAOS Now: Life After Fellowship: Pearls and Pitfalls

- **Dr. Leesa Galatz:** That first year is very stressful. Not only are you usually moving to another community, but you are facing an entirely different level of responsibility. It is a year of tremendous learning and significant adjustment.
- **Dr. Dan Riew:** You have to have the three As: availability, affability, and ability. You've got to be around and available to anybody and everybody. You're going out and talking to referring doctors, putting yourself forward as an expert, even though you're still very green. For you to be able to come up with the optimal treatment every single time is going to be impossible.
- **Dr. Kenneth Egol:** I tell all of our residents not to worry or think about a job based on the amount of money offered. It's about the people, the situation, and the opportunity for growth. The money and the financial reward will come with quality performance.