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PNN Interview: Dr. Richard Brown, XiMED Board of Directors



In a recent interview with PNN, Richard Brown, MD, who serves on the board of directors for XiMED Medical Group, said that he sees horizontal integration as being key to the survival of private practice in the changing medical landscape.

Private practice will always be important, he said, but the number of people delivering it will be less, so horizontal integration—partnering with other groups as well as private ownership of imaging centers, outpatient surgical centers and urgent care centers as a way to keep the private practice viable— will become more and more important.

The evolution of private practice and access to high-quality care are the topics that Dr. Brown, an orthopedic surgeon with Torrey Pines Orthopaedic Medical Group, is most passionate about. Larger hospital systems buying a substantial number of private practices as well as challenging reimbursement rates in San Diego County are among the factors that have altered the medical landscape, according to Brown. San Diego's challenge with reimbursement rates is partially due to San Diego being linked with Imperial County and having the same reimbursement rates without any consideration for the higher cost of living and running a practice in San Diego. "For example, for any given procedure, we make 8% to 13% less than somebody in Los Angeles," he said.

Given the lower profit margins, the idea of having a large entity like Scripps or Sharp purchase the practice is appealing to many. "The outcome of that, however, is less productivity," Dr. Brown said.

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A recent study by UC Berkeley also showed that hospital ownership of physician groups in California led to 10% to 20% higher costs for patient care.

“Scripps, Sharp, Kaiser and other systems—they do a good job treating patients, but they don’t offer the same degree of patient service that we are able to in a private practice. In private practice if a person calls us they get a person who works for us and is motivated to have that patient seen. Many of the practices that are owned by Scripps or Sharp, for example, are employees of a larger system, so they don’t feel the same level of obligation,” said Dr. Brown.

He gave the example of his trying to call his colleague, who is working at a practice owned by Scripps Clinic, to consult on a mutual patient and was not able to get a person on the phone for eight minutes. “I finally just hung up. And that doesn’t happen in private practice. You can get away with that in a big hospital system but not in private practice.”

The final factor contributing to the changing landscape, according to Dr. Brown, is rising medical school debt, which pushes physicians down the “safer” route of being employed by a larger organization instead of opening a private practice. “Their ideas about practice are different too,” he said. “Balance of work and life is more important. I am not criticizing them; it is just a variable, a change in culture.”

“The thing that’s sad,” Dr. Brown said, “is that people in the government and other organizations either don’t know or don’t care about what is being lost for the person who matters the most, which is the patient.” He said even apart from any emotions, it also comes down to society losing productivity, as people have to wait longer to get back to work.