

# Guest Post: MGMA's Bill Jessee Discusses How MGMA Can Help You Meet 4 Key Medical Practice Trends

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Spend one day in the shoes of an MGMA member and you'll experience the challenging, changing environment of a practice administrator. Our industry is always in flux: new healthcare information technology to implement; new CPT and ICD codes to bill; new insurance plans to support. MGMA is changing, too, to support new and current members and help them thrive in the face of change.

While 70 percent of our membership remains directly employed by medical practices, new member trends indicate that about a quarter of all MGMA members who joined in 2009 came from other types of healthcare organizations, including integrated delivery systems (IDS). Also this year, more than half our new members are 45 or younger. More current and new members are attaining or have attained Master's degrees.

As our membership changes, so does the state of healthcare. Members frequently ask me about current healthcare trends. Here are four we're watching and what MGMA is doing to support our members during these changes:

- **Larger systems, influenced by the government, to become the norm**

In 1975, 68 percent of physicians worked in one- or two-person practices (1). By 2005, that proportion had fallen to 32 percent and has probably declined more since then (2). I

think group practices will increasingly merge to form larger groups, integrate with other specialties to form multispecialty groups or become fully integrated with hospitals (our new membership numbers reflect this) in order to compete in the marketplace.

Also, much of the Federal reform legislative language favors larger, more complex practices, e.g., incentives for implementing electronic health records, electronic prescribing and quality reporting. Penalties for not adopting new technology could hit smaller practices harder. There is even talk of exempting physicians in systems from any Medicare Part B payment caps that might otherwise apply.

#### • **Hospital-owned groups already on the rise**

**MGMA's physician compensation survey data** indicate the proportion of physicians working in hospital-owned groups has steadily grown over the last several years. Both primary care and specialties are affected. The economic reasons for this are clear: Between 2001 and 2009, the Medicare conversion factor rose only 1.1 percent, while the consumer price index rose 24.2 percent; and median practice operating costs (for multispecialty groups) went up 43.1 percent. No matter the business, it's a challenge to remain a viable, free-standing practice when revenue is flat and expenses increase by 6 percent or so a year.

This year we've ramped up efforts to provide **practice management support for organizations that are part of IDSs**. In our various print and electronic member publications, we're featuring more stories and examples of what it takes to successfully run these health systems, and we recently published a book dedicated to the topic. At the MGMA 2009 Annual Conference, Oct. 11-14, we held IDS-specific sessions that drew more than 900 people, proving this aspect of practice management is here to stay.

## ▪ **Practices increasingly collecting from patients**

MGMA polled members earlier this year about their top challenges, and collecting from self-pay patients landed at number four (3). As high-deductible health plans, health savings accounts and uninsured self-pay patients have increased in recent years, collecting the patient's share of the bill has become a greater challenge. MGMA is completing research on patient collections and we will release results early next year.

## ▪ **Healthcare reform on the mind**

We couldn't forget about this topic. Impending healthcare reform legislation means even bigger changes to come "" ones that require adaptation so healthcare management professionals and their organizations won't become irrelevant.

No matter what the outcome, health insurance is likely to expand, and new taxes and/or payment cuts seem likely. MGMA is monitoring the latest developments and sending weekly e-newsletters to members through the **MGMA Washington Connexion** (membership required.) Our public policy and advocacy staff in Washington, D.C., is advocating on behalf of medical practices and has **sent numerous comments and letters to Congress and the Administration** regarding proposed legislation, especially to assure that administrative simplification measures are included in any bill that is eventually passed.

### Notes

1. Goodman L, Bennet E, Odem R. Current status of group medical practice in the United States. Public Health Rep., 1977;92 430-433.
2. Cook R. Finances driving physicians out of solo practice. American Medical News, Sept. 10, 2007.
3. Schneck L, Margolis J. Medical Practice Today: What you have to say. MGMA Connexion, July 2009, Vol. 9, No. 6, p. 28.

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