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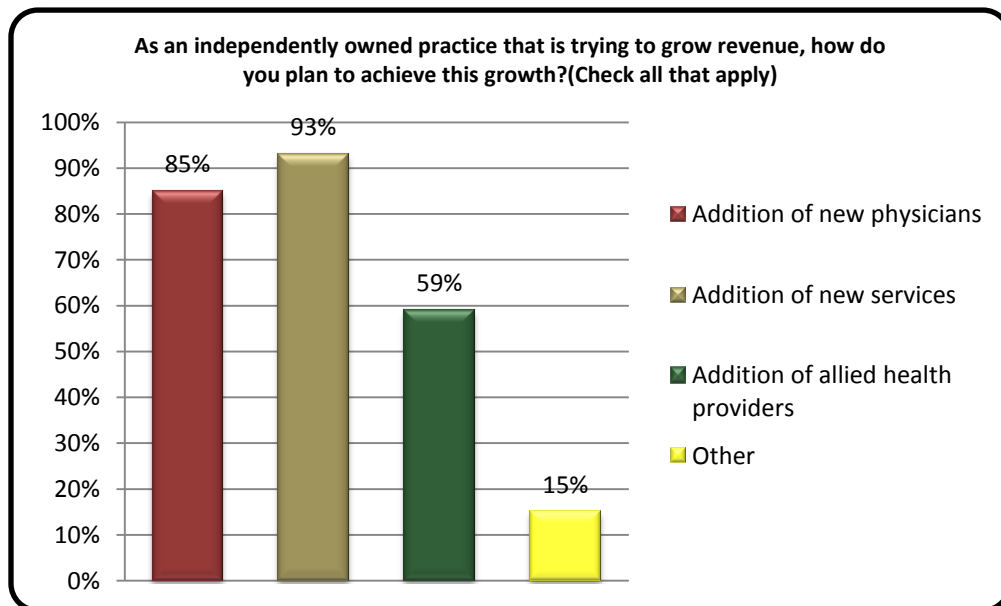
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Physician Practices: Identifying Sustainable Growth Strategies and Challenges During Reform

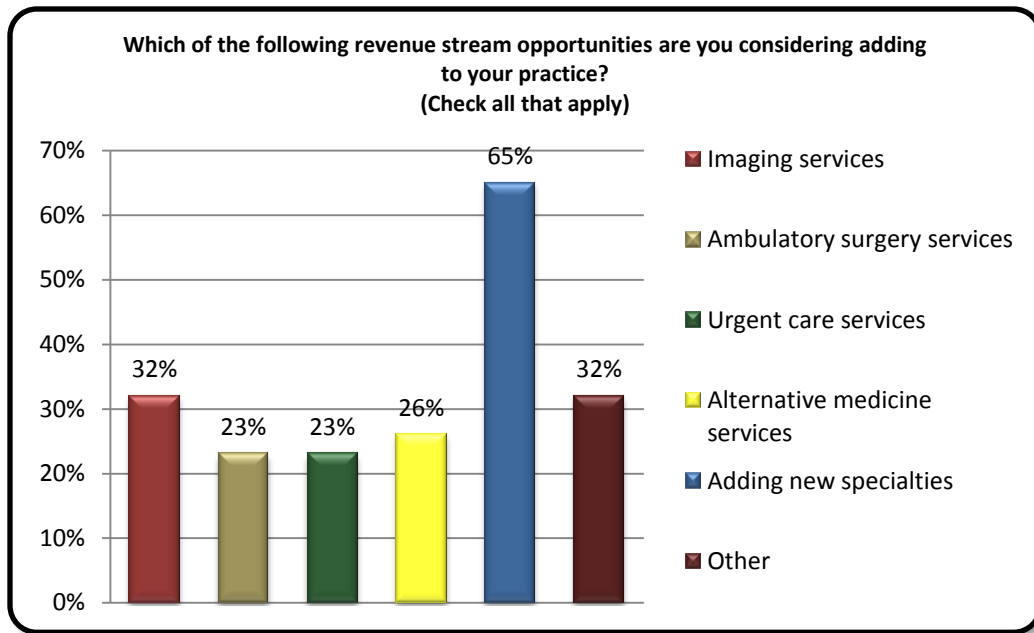
Presented by Integrated Healthcare Strategies
as Authored by Mark Madden

In August of 2009, the MSA Executive Search practice of Integrated Healthcare Strategies conducted a survey of physician practice executives. The survey evaluated how their practices are faring in the current economy, and what their anticipated plans are for the future. The survey received a strong response rate that came from all regions of the country, and it represented a wide range of practice sizes and specialties.

As illustrated in the graph below, the analyzed results found that 85% of the respondents have developed growth strategies for the next 12 months, while 15% are planning to maintain their current revenue. Based upon current and projected economic conditions, 11% of the independently owned practices are considering the option of selling their practice to a hospital or health system. Of the independent practice respondents, 86% are planning to add new revenue streams to support their growth strategies that include adding new services and additional physicians.

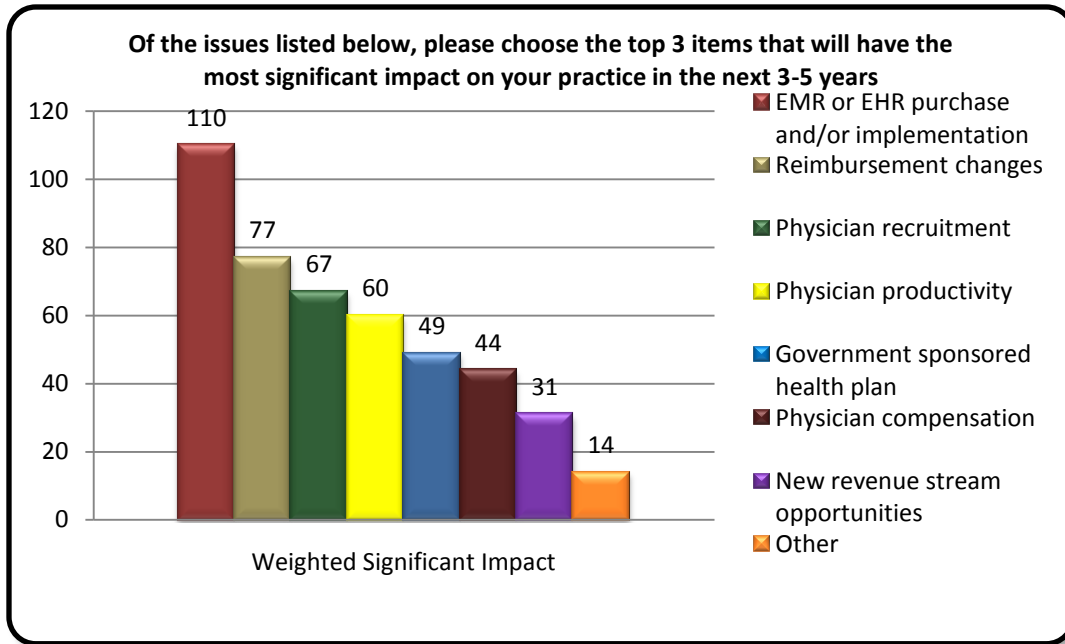


The following graph shows the responses from participants when asked to specify the revenue streams they are planning to add to their practice. New specialties was most frequently identified by the respondents as the revenue stream.

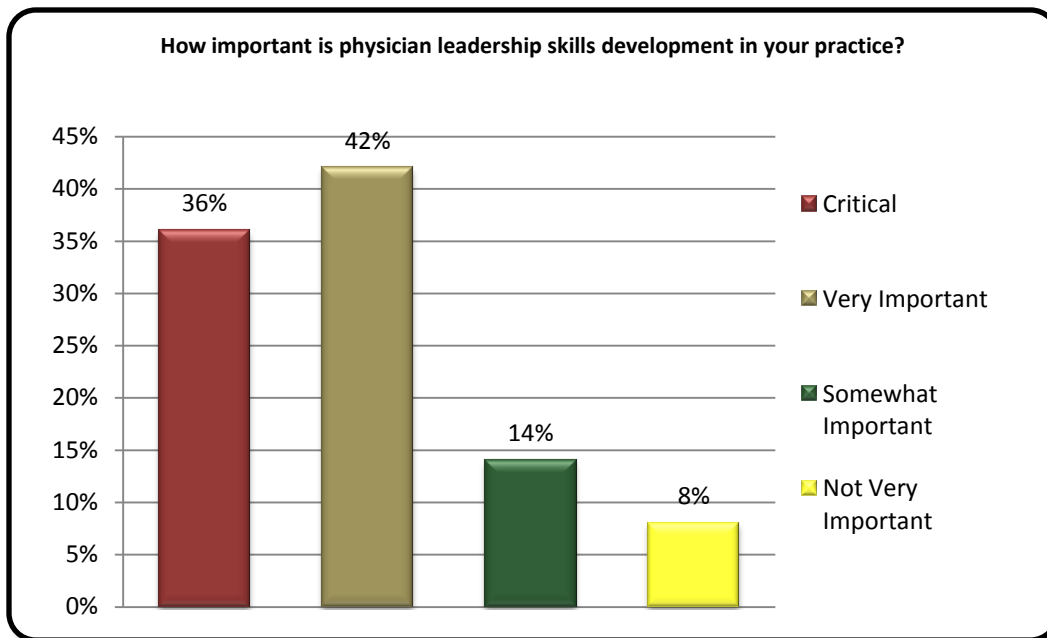


The survey revealed that one of the sensitive topics for hospital or health system physician practices is identifying and tracking “down stream revenue” generated by the practice. Currently, 66% of the integrated practices respondents have implemented information systems to track this revenue, and 36% are researching systems for implementation.

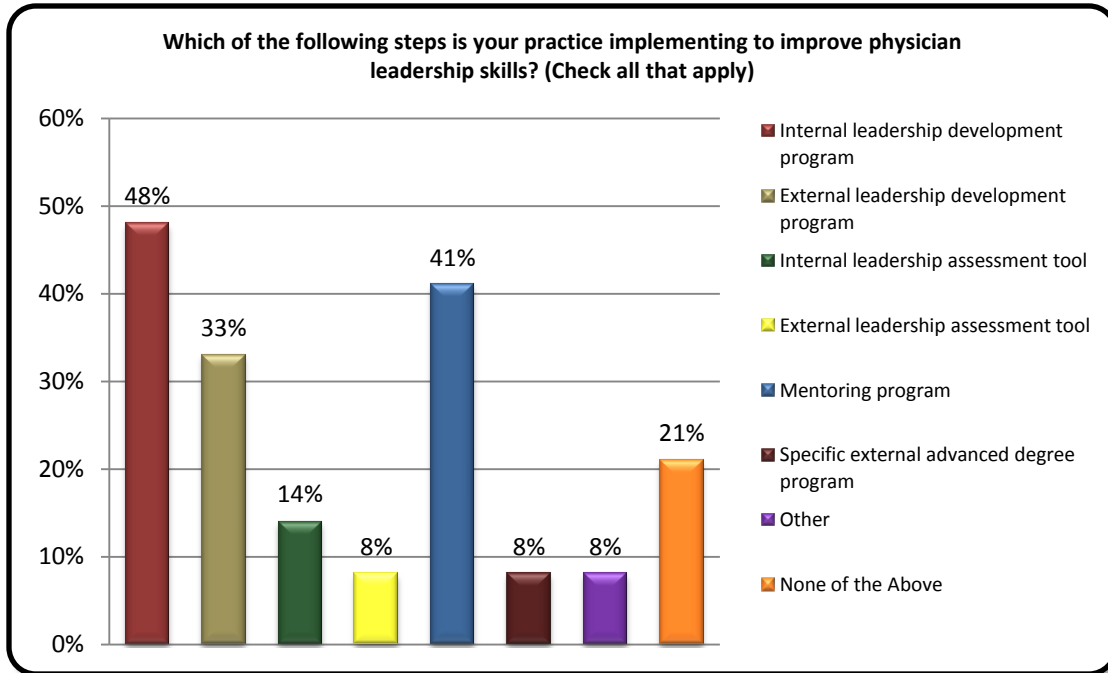
For all of the respondents, EMR/EHR purchase and/or implementation was identified as the top issue that will have the most significant impact on practices over the next 3 – 5 years, followed by reimbursement changes.



The respondents identified physician leadership development as an important current and future issue. Over three fourths of the respondents indicated it as very important or critical for their practice.



Results show that the respondents' organizations are addressing this need for physician leadership skills development with a mix of both internal and external programs.



Summary

The majority of physician practices are still developing aggressive and creative growth strategies during this down economy, which is projected to have a lengthy recovery period. The growth strategies are focused on adding new specialties and services, as well as recruiting additional physicians and allied health providers. Will these growth strategies be sustainable considering the challenges of physician shortages, projected lower reimbursement in key ancillary services, and healthcare reform? It is clear that physician leadership development is a key component to current and future success of group practices.

About Integrated Healthcare Strategies

Integrated Healthcare Strategies offers the most comprehensive array of healthcare-specific human resource consulting services available. Our five specialty practices provide clients with convenient access to insightful consulting advice from industry professionals. Services encompassed within our five practice groups include executive total compensation design; executive search; governance and leadership consulting; physician services; and human capital management consulting services. The MSA Executive Search practice of Integrated Healthcare

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About the Author

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