From Entrepreneur to Employee: Part 1. Ambiguity in Attitudes About Hospital Employment

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esults from a recent survey have shed new light on the trend of hospitals' employing orthopedists. In short, nothing about these orthopedists' experiences with, or opinions about, hospital employment is crystal-clear. In fact, the survey data indicate that opinions are adrift about whether hospital employment is the right way, or wrong way, to go.

The American Society for Surgery of the Hand (ASSH), the Academy of Foot and Ankle Surgeons (AOFAS), and the Orthopaedic Trauma Association (OTA) invited their members to participate in the survey, which was designed and tabulated by Chicagobased practice management consulting and training firm KarenZupko & Associates, Inc.

As 785 (99%) of the 787 participants were surgeons, the survey results provide very specific insight from the perspective of physicians. In summary:

•Orthopedic trauma surgeons were more likely to be employed; foot and ankle specialists and hand specialists were more likely to be in private practice, and they wanted to stay there.

•Employment negatives included the "usual suspects" of autonomy loss, mistrust of hospital administrators, politics, bureaucracy, and lack of hospital understanding about practice management, but many orthopedists found good trade-offs in stable income, lack of management responsibility, and vacation time.

•Satisfaction with practice management once employed varied widely, though most respondents said that management reporting and coding compliance had improved with employment.

•Most employed orthopedists did not receive ancillary revenue.

•Ambulatory surgery center investors probably will

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Am J Orthop. 2010;39(6):299-301. Copyright Quadrant HealthCom Inc. 2010. All rights reserved.

not see these revenues as part of their compensation packages once employed.

WHO'S MAKING THE MOVE?

For hand surgeons, private practice was alive and well, and most of them planned on staying there, even if a hospital came knocking. Seventy-five percent of hand surgeon respondents said they were in private practice, and most were quite vocal about their desire to stay independent; 67% said they would not consider hospital employment if approached.

Although several commented that a move to employment would depend on salary, terms, and so forth, the vast majority stated a preference for continued independence. Lack of trust with hospital administrators was cited multiple times, but "Live free or die!" and "My ethics are not for sale" summed up the majority opinion. Twenty-seven percent said "maybe" they would consider an offer.

Most (68%) of the foot and ankle surgeons were not employed, and 81% had not been approached. More than half (58%) said they would not take the bait even if approached.

Of the trauma surgeon respondents, 54% said they were employed, and 51% had been employed for more than 14 years. These surgeons cited predictability, stability, and lack of billing and administrative concerns as big advantages.

DOES PRACTICE MANAGEMENT IMPROVE WITH EMPLOYMENT?

We asked surgeons employed within the past 5 years about satisfaction with practice management, collections, reporting, coding compliance, and other indicators. Although responding on this rating scale was optional, 168 surgeons gave us their input.

Consistently, the largest percentage in each of the 3 groups agreed that coding compliance and management reporting had improved with employment, as had overall satisfaction with how the practice was being managed. But the responses to other questions varied widely, and few responses indicated a majority. Thus, it is difficult to come to any iron-clad conclusions overall or within any of the subspecialties. See Tables I through III for the response data for each subspecialty.

Table I. Orthopedic Trauma Surgeons Rate Satisfaction With Practice Management Since Being Employed (<5 Years)</td>

Indicator	Response, n (%)					Response
	Agree	Disagree	No Change	Too Soon to Tell	Don't Know	Count
Our overall satisfaction with how the practice is managed has improved	7 (26.9)	7 (26.9)	4 (15.4)	3 (11.5)	5 (19.2)	26
Collections have improved	4 (15.4)	10 (38.5)	4 (15.4)	1 (3.8)	7 (26.9)	26
Staff supervision has improved	8 (32.0)	5 (20.0)	6 (24.0)	0 (0.0)	6 (24.0)	25
Management reporting is better	10 (38.5)	5 (19.2)	5 (19.2)	1 (3.8)	5 (19.2)	26
Coding compliance has improved	13 (52.0)	3 (12.0)	3 (12.0)	1 (4.0)	5 (20.0)	25
Managed care contracting has improved	6 (23.1)	9 (34.6)	2 (7.7)	2 (7.7)	7 (26.9)	26
Overhead has decreased	7 (26.9)	7 (26.9)	3 (11.5)	1 (3.8)	8 (30.8)	26

Table II. Foot and Ankle Surgeons Rate Satisfaction With Practice Management Since Being Employed (<5 Years)</td>

Indicator	Response, n (%)					Response
	Agree	Disagree	No Change	Too Soon to Tell	Don't Know	Count
Our overall satisfaction with how the practice is managed has improved	13 (32.5)	6 (15.0)	12 (30.0)	4 (10.0)	5 (12.5)	40
Collections have improved	6 (15.0)	10 (25.0)	12 (30.0)	3 (7.5)	9 (22.5)	40
Staff supervision has improved	9 (22.5)	10 (25.0)	14 (35.0)	2 (5.0)	5 (12.5)	40
Management reporting is better	13 (32.5)	11 (27.5)	10 (25.0)	2 (5.0)	4 (10.0)	40
Coding compliance has improved	16 (40.0)	5 (12.5)	13 (32.5)	2 (5.0)	4 (10.0)	40
Managed care contracting has improved	10 (25.0)	6 (15.0)	10 (25.0)	4 (10.0)	10 (25.0)	40
Overhead has decreased	3 (7.5)	9 (22.5)	11 (27.5)	5 (12.5)	12 (30.0)	40

The majority in all 3 subspecialties said their manager had not been retained when they became employed.

Compensation Is Predictable but Does Not Include Ancillaries

Not surprisingly, comments from all 3 groups indicated a boost in financial stability after paychecks starting coming from hospitals. Comments included "Steady, reliable income," "Paid vacation," "Steady paycheck," "Set salary," and "Better retirement."

But foot and ankle surgeons and hand surgeons were about equal with respect to actual income increasing (45%, 45%) or staying the same (45%, 40%) with employment. Only 10% of foot and ankle surgeons and 15% of hand surgeons had seen their incomes decrease.

Trauma surgeons painted a different picture. Sixtyfive percent had seen their incomes increase with employment, and only 27% said theirs had stayed about the same. Eight percent had seen a decline. We infer that these employed physicians were now being paid for the care being given to indigent and charity patients—cases they had carried in their accounts receivable before employment.

THE GRASS IS NOT ALL GREENER

Employed surgeons mentioned a wide array of items they deemed "not working." These items included poor payer mix and collection rate, union impact on staff and physician productivity, loss of independence and control, bureaucracy, and an "institutional" approach to patient care and problem solving. They were also vocal about the drawbacks of their employment:

- •Loss of autonomy.
- •Bureaucracy, politics, too many meetings.
- •No control over quality of ancillary services.

•Seemingly too many middle managers and administrative nurses.

•Billing company answerable to hospital, not to practice. •Awkward, poorly working mix of private and employed surgeons.

•Explanations of benefits not checked.

•Lack of Medicare reimbursement over several years.

These may be some of the reasons why 21% of trauma surgeons, 11% of foot and ankle surgeons, and 13% of hand surgeons returned to private practice after employment. Although some returned because of military retirement, departure from academia, or contract completion, several colorful comments indicate an exodus toward independence:

•"Money and ability to be own boss" and "Better salary and more autonomy."

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•"Freedom!"

•"Hospital health system did not understand orthopedics and was poorly administered."

•"Could no longer stand working in a hostile corporate environment."

Table III. Hand Surgeons Rate Satisfaction With Practice Management Since Being Employed (<5 Years)</td>

Indicator	Response, n (%)					
	Agree	Disagree	No Change	Too Soon to Tell	Don't Know	Count
Our overall satisfaction with how the practice is managed has improved	31 (30.4)	21 (20.6)	28 (27.5)	9 (8.8)	13 (12.7)	102
Collections have improved	21 (20.8)	22 (21.8)	28 (27.7)	6 (5.9)	24 (23.8)	101
Staff supervision has improved	32 (31.7)	24 (23.8)	27 (26.7)	5 (5.0)	13 (12.9)	101
Vanagement reporting is better	32 (31.7)	22 (21.8)	24 (23.8)	7 (6.9)	16 (15.8)	101
Coding compliance has improved	41 (40.2)	15 (14.7)	22 (21.6)	8 (7.8)	16 (15.7)	102
Managed care contracting has improved	34 (34.0)	15 (15.0)	24 (24.0)	7 (7.0)	20 (20.0)	100
Overhead has decreased	20 (20.0)	30 (30.0)	24 (24.0)	7 (7.0)	19 (19.0)	100

"More control over quality of care I can provide."

•"Hospital administrators hate doctors and are generally stupid."

•"There is nothing better than being your own boss. We don't train for 10-12 years and invest hundreds of thousands of dollars to work for someone else."

•"Very poor management, corrupt system with no patient choice, integrated physicians too powerful, intense sense of entitlement they feel, very powerful when integrated with the hospital. We felt a need to be independent. [It's] very difficult to compete with integrated physicians, but [we] are now making [an] honest living [in a] group of nine orthopedic surgeons."

•"I hated a hospital telling me what to do and how to

run my practice. Also, the salary in private practice was significantly better than in an academic hospital. No ancillary income when part of the hospital. I still have an academic title and teach residents, which is what I value most."

If you're considering employment, watch for "From Entrepreneur to Employee: Part 2. The Devil's in the Details, So Don't Forget to Ask About Them," in the July issue of this journal.

AUTHORS' DISCLOSURE STATEMENT

The authors report no actual or potential conflict of interest in relation to this article.

