

PHYSICAL THERAPY & BALANCE CENTERS

PHYSICIAN PARTNERSHIP MODEL HEADED FOR EXTINCTION



HIRING PHYSICIAN
EMPLOYEES DOESN'T
HAVE TO BE DIFFICULT

This past year, Dr. Viengsouk Phommachanh and his partner successfully recruited and now manage 3 physician employees, significantly increasing the value of their business. They both realize the future of private practice ownership relies on employing physicians, and have worked diligently to implement this employee-based model with the help of FYZICAL.

Phommachanh is an otolaryngologist, and has been in private practice since 2010 in Sarasota, Florida. In March of 2016, Phommachanh and his partner opened a FYZICAL balance center inside their practice.

Before opening their balance center, these two physicians were handcuffed to their business. “We were completely maxed out,” Vien said. The physician team consisted of himself, his partner and a locum physician that would work an irregular schedule, filling in when volume was high, or when one partner had to be out of the office.

We added an ancillary that changed everything.

“After launching our FYZICAL balance center, the practice saw a rapid expansion, and clinical volume increased significantly. It was at this point my partner and I realized the time was now, and we needed to hire additional labor to assist with the patient load. We were also seeking more freedom of time. We wanted a self-sustaining business, rather than the ego-centric one we had run for the past 7 years. Imagine if either of us were injured? We wouldn’t produce any income. The practice was fully dependent on the two of us being present at all times,” Vien explained.

“When we opened our balance center, we saw the power of employees. Our physical therapists were generating significant income, and their presence actually increased our audiologists’ productivity. The practice was starting to generate revenue not dependent on my partner and me performing surgeries to stay competitive with hospitals.”

That’s when we started focusing on employing physicians.

“FYZICAL became the “Economic Engine” that powered our ability to hire physician employees and build a self-sustaining practice. Because of the increase in income from providing balance therapy services, leading to additional ancillary revenue across the practice, we now had a financial cushion to hire great otolaryngologists and develop an extremely competitive compensation model, helping us stand apart from hospitals.”

“Physicians are now fairly accustomed to an employment model because of larger groups and hospitals. Physicians aren’t adverse to it. The partnership model has been losing traction because of compliance regulations and declining reimbursements. For those physicians looking for financial benefits *without* the challenges/risks of business ownership, the employment model has been attractive.

Physician-centric employment model

Vien’s employment model takes it a step further, creating a “physician-centric” employment model.

“Physicians have a lot more autonomy here than at hospitals, but at the same time they’re employees. They don’t have to deal with administration stuff, and physicians usually prefer it that way.”

Attracting all-star, physician employees has been easier than Vien expected at first. He says, “There’s a lot of visibility because we are different, because FYZICAL is different—it grabs curiosity. Within our

community we've attracted 2-3 physicians without advertising anything. They approached us looking for opportunities because they know our success has been visible."

"The difference is we have to structure bonuses and incentives in a way that the physician is willing to stay on. What most ENT owners don't realize is that there are people willing to forego ownership if their earnings are not affected, and they don't have the administration burden."

Vien's physician team now consists of himself and his partner, as well as two non-surgical physicians and another providing a full range of services.

A seamless system physicians are attracted to

"We have a much more seamless system now. In the past, we would see dizzy patients but send them off to a therapist elsewhere. Now we can treat them in-house with our balance center," he explained.

"The addition of our balance center has been tremendously beneficial in providing ancillary revenue and improving patient care. FYZICAL has provided both our ENTs and therapy staff with expert training and protocols for balance and vestibular dysfunctions."

Building an exit strategy

"FYZICAL has also helped us serve more of our patients' needs. The revenue we are now able to generate is not strictly from our own hands. We had the freedom of time and financial cushion to make the changes we needed to build our practice for a secure future."

"My partner and I now have more freedom of time to treat patients, manage our practice and spend time with family. This has allowed us both to plan for the future and build an exit strategy so that one day we can choose to sell the practice or maintain ownership through retirement, and the practice will continue producing income. I can cut back and allow my employees to treat patients and still make money. I can go on vacation for a month!"

"Prior to adding our FYZICAL balance center and hiring physician employees, our practice was only worth asset value. Now, we have a profitable business sustainable on its own."

"The partnership model is not the way to do business into the future of healthcare. There is great value in having employees rather than partners. In order to one day sell your practice, you have to turn your practice into a valuable product worth buying. Hiring physician employees is a great way to build a systems-driven practice and secure your financial future."

"FYZICAL didn't just help us build a successful balance practice. In fact, FYZICAL helped us implement the employee partnership model too, including how to manage and compensate physician employees. If you're in private practice today and want to remain in private practice, you've got to check out what FYZICAL can do for your practice."

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