For the most part, our individual physician practices are small businesses, each employing four to five additional workers per physician and have relatively large overhead expenses. According to the Texas Medical Association (TMA), about 34 percent of Texas physicians are solo practitioners; another 38 percent are small groups of two to six physicians. Two-thirds of all Texas physicians, including those in larger groups, report having trouble covering payroll and other practice expenses because of difficulties in collecting timely or adequate payment from insurers and government payers. Increasingly, hospitals have been buying practices and physician groups over the last few years. In El Paso, this has been the case as much as has been seen in Dallas, Austin, Houston, and San Antonio. In time, the same pressures which have forced physicians to sell practices around the state, will force an increasing number of local physicians to pursue this strategy.

So why are physicians selling their practices? Some of the reasons cited are:

1. Desire to stabilize their income in new entities.
2. Feeling tired of dealing with the business aspect of health care and desire to spend time with patient care, not billing, collection, compliance, and regulatory issues.
3. Fear of not being able to survive in the changing health-care environment without joining forces with major players such as hospitals, payers, or large groups.

I wanted to let the membership know about a new program being organized by the TMA to bring together solo practitioners and physician groups together in one entity. The idea is to create a Physician Service Organization (PSO) which is geared to bring physician practices together to improve their performance; streamline and improve billing processes, practice management operations, and associated technologies. This would allow us to possibly avoid selling our practices to hospitals and return our primary focus to patient care, where it belongs.

As part of the Affordable Care Act (ACA), the creation of accountable care organizations (ACO) is stipulated in the law going forward. An ACO is proposed as an entity which values building long-term patient-physician relationships, more patient interaction, and preventive medicine. Furthermore, the aim is overall improving quality, reducing cost, and improving patient satisfaction. Going forward, we as physicians must decide whether the ACO will be hospital-driven, payer-driven, or physician-driven model. The TMA proposes to pilot the PSO model to provide a fully integrated delivery system which would provide for a physician-driven ACO.

In summary, the ultimate goal of the PSO model is to empower member physicians to compete on quality and cost, and to achieve market advantage with consumers, payers, and other providers through shared savings. We would thereby avoid hospital-driven ACOs and maintain independence from hospital employment.