

Process Improvement Initiative in a Physician-owned Medical Practice: a Pretest-posttest Study

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ABSTRACT

In the past two decades, the U.S. healthcare marketplace has seen a dramatic shift away from physician-owned private practices. Once the norm, as of 2022 the American Medical Association reports less than 50% of physicians work in private practice (AMA, 2023).

Faced with declining reimbursements and increasing administrative burden and costs, many physicians have acquiesced to vertical integration and now work for a hospital or healthcare system. This trend towards system-acquired practices means that to remain competitive, private practices have to provide exceptional patient care and outcomes while streamlining processes, cultivating lean practices, and increasing profitability. This pre-test post-test study spotlights ABC Sports Medicine, a privately-owned medical practice that was the focus of a clinical coding process improvement initiative. The study provides an overview of challenges facing the practice, describes a process improvement initiative, and offers a two-year follow-up demonstrating initiative's impact on the practice. This study compares the pre- and post- intervention coding of patient office visits and found that when physicians are aware of coding anomalies, coding can be improved, leading to higher collections. Key discoveries include the importance of accuracy in ICD-10 billing codes, ease and minimal cost or effort of process improvement implementation, and the importance of viewing a private medical practice as a for profit business that maintains a focus on excellent patient care and quality outcomes. The study also offers insights into private practice management issues and challenges faced in modern healthcare practices in the U.S.

Keywords: Lean Six Sigma, private practice, ICD 10 codes, process improvement, physician ownership, hospital acquisition, small business, partnership, vertical integration.

American Medical Association. (2023). AMA Examines decade of change in physician practice ownership and organization.. *American Medical Association*. <https://www.ama-assn.org/press-center/press-releases/ama-examines-decade-change-physician-practice-ownership>