

PREFACE

The academic community has shown an increasing interest in group practices and the ambulatory care environment as these entities have begun to play a more central role in the healthcare system and the delivery of healthcare services. Many of the graduate programs in healthcare administration began as hospital-oriented degrees but have made a gradual change to a more systems-oriented approach that includes other organizations, especially group practices. The curricula in most undergraduate and graduate programs in health administration have increased in breadth to cover most provider and supply chain organizations. Group practices have been an area for new emphasis. Few texts are available that make the transition from the core healthcare administration disciplines to the more specialty-oriented aspects of a group practice.

The book is designed to meet the needs of those programs that offer a group practice course as well as those that incorporate group practice issues into the regular curriculum. The book will also be useful for the professional working in the group practice arena who wishes to gain a broader knowledge of the special issues facing group practices. It will be especially helpful to those managers who come to a group practice without prior experience in the area.

The book is organized to be used to teach a full semester course on group practice fundamentals. Each chapter begins with learning objectives, an introduction, and a “Case in Point” which describes a true to life experience to provide a context for the student to understand the information in the chapter. At the end of each chapter are questions that cover the information in that chapter and that can be used as discussion points.

The history of the development of group practice is described in Chapter 1 and includes examples of the founding of several large multispecialty practices as well as the founding and purpose of two of the professional associations that represent group practices. The three organizations that focus their activities on group practice are the Medical Group Management Association (MGMA), the American Medical Group Association (AMGA), and the American College of Physician Executives (ACPE). These organizations have long histories and continue to make important contributions to the development of the group practice concept. Chapter 2 follows with a discussion of the leadership and management of medical groups both large and small. All practices, whether they function as part of an integrated system or a freestanding organization, must have an understanding of this evolving area. Members of the senior leadership and management team are defined in terms of their relationship.

Chapter 3 deals with organizational issues including the different structures within which group practices operate along with some of the special legal considerations of group practices. The chapter also includes a discussion of the culture of the

organization, which must be understood along with the conflicts that not infrequently are found in professional organizations.

Chapter 4 deals with planning from the perspectives of strategic and market positioning of the group practice. The principle that, to be effective, strategic and marketing planning should be done in concert with one another serves as the foundation for the discussion. There is special emphasis on the clinician's view of marketing. Chapter 5 deals with the special financial and accounting principles that are peculiar to group practices, with emphasis on reimbursement, financial statements, and compensation for physicians. Chapter 6 considers human resources and staffing issues in group practices; these issues are not unlike those in other healthcare institutions in certain ways, but some differences must be observed.

Chapters 7 and 8 are companion chapters dealing with information systems and the operational issues facing group practices. Information systems have become the central nervous systems of physician organizations just as they have with other healthcare organizations. However, some data and management information issues are unique to group practices, especially issues related to the adoption of automated systems by professionals. The operation of day-to-day practice is also different than in the hospital setting, and an understanding of the need for "right now" approaches to operational issues is important.

Chapter 9 deals with three issues that are closely related to one another: quality, risk, and managed care. Although we do not provide a comprehensive discussion of these topics, the chapter contains sufficient information to provide the student with a good background on the importance of quality assessment and improvement and the risks that are found in group practices. Managed care has become a way of life for physician organizations and an understanding of managed care principles and their relation to risk and quality is key.

Chapter 10 has a most important discussion of physician-hospital relations and how those relationships have evolved over the past 10 to 15 years. In this chapter the student will find emphasis on the importance of professionals and hospitals working together for the future success of the healthcare delivery system. Despite an often significant competition between the two groups, they must move to cooperation if they are to be successful. The future of group practice is discussed in the final chapter in the light of the many issues and complexities facing the healthcare system. The primary role that group practices will play as the system becomes more integrated is considered from the perspective that the group practice will serve as the principle building block of the system.

In summary, this book has been written to provide sufficient background on the fundamentals of group practice and the ambulatory care environment. The book will also have value for managers entering group practice organizations who have not had experience in that area. This is especially true for managers who move

from the hospital to the group practice setting. Managing in a group practice is different than in a hospital, and a successful manager must understand the physician culture and the uniqueness of the professional organization.