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# Pursuing Partnership in a Private Practice

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## Introduction

When I was interviewing for my first job during my chief year of residency, I knew I wanted to work at a practice where I could see myself staying for the long haul. I wanted to build relationships with families and watch my patients grow. I also knew that if I found that magical work environment where I could see myself happily spending the rest of my career, I would eventually want a voice in how that practice was run.

Before I even set up interviews with practices, I really thought about my 5- and 10-year goals. *Hint: This is a big interview question!!* Although I admittedly didn't know much about what being a partner would entail, I knew I wanted the option available to me. In that sense, my journey towards, partnership started with the interview process.

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## Be Clear on Your Goal

Joining a partnership is often compared to entering a marriage. This marriage often involves several different people with many different opinions and goals. Just like it would be impossible to pick your future spouse based on a few meetings, there is no way

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to guarantee a successful partnership based on a few interview meetings. However, the interview period is the perfect time for both parties to clearly voice their intentions. Owners should be willing to tell you whether partnership is a possibility and after how many years you would be considered for partnership. *The roadmap toward partnership should be spelled out in advance and in writing.*

You should also take some time to think about what you are looking for in a practice and in future partners. Make a list of the things that are important to you and think about that list as you are looking at practices. Finding a practice that has the same attitude and culture as your vision is one of the keys to finding a good long-term fit.

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## Work Hard

Congrats, you landed your dream job! Now the real work begins. This is your chance to show your practice that you are *productive and invested in the practice.*

1. *Be Productive* – It goes without saying that your future partners are looking at what contributions you can bring into the practice. This will likely involve not only building a strong patient base, but also being efficient and billing well when seeing those patients. A few tips that may increase your productivity:
  - Reach out to referring doctors to let them know that you are new to the practice and accepting new patients.
  - Don't be afraid to ask families that are happy with your care to leave an online review for you. This is one of the best ways to attract new patients!
  - If you are in a general pediatric practice, consider volunteering to give talks to expectant parents at your local hospitals or at new parent groups.
  - If your practice has in-house billing, take some time to sit down with your biller to review your billing habits and ask them to audit some of your charts.

- Consider taking a medical billing or coding course. This is something you will not regret! The AAP's coding guide is a good resource as well.
- Refer to this book's chapter entitled *Billing and Insurances* for more tips on billing and coding.

Improving your efficiency is another vital way to improve your productivity. Efficiency can be one of the hardest skills to learn when first starting in practice. Pick out your most productive partner and ask for tips on time management. Do they chart in the room? Do they review charts the night before? Do they focus on keeping their problem lists up to date to save time? Do they have each patient focus on a set number of problems during their visit and save the rest of the issues for a follow-up appointment? Since each practice is set up differently, your senior partners may be your best resource for maximizing your efficiency in the office.

2. *Be a Team Player and Invest in the Practice* – You already made it through medical school, a challenging residency, and have now landed your dream job. You KNOW how to work hard, and this is the time to show it. Be available for your patients and your fellow physicians. Be the physician that everyone wants on their team. Offer to trade calls when someone is in need. Be willing to see an extra patient when someone else is swamped. Being a team player will not only help show your investment and worth to your practice, but it will also likely increase your overall happiness in your work environment and help cultivate stronger relationships with your fellow physicians.

One of the best ways to show your investment in your practice is to look for deficiencies and try to be the one to fill that need. For example, if your practice does not yet have a social media presence, offer to start a social media page to increase your practice visibility. If you notice that your EMR is lacking in certain templates, offer to help build and share new ones. This can help improve everyone's efficiency. If you are more interested in billing and coding, offer to research more optimal coding or reim-

bursement options. There is no better way to show your star potential than by finding ways to improve your practice and taking the time and initiative to implement them!



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## Do Your Research

There is a big reason that the partnership track usually takes a minimum of 2 years. Not only are the partners assessing if you are right for them, but you need this time to decide if the partnership is right for you. Use this time wisely and analyze the practice as a potential future owner, not just as an employee. Some big items to assess include:

- *The overall “feel” of the practice:* Do you agree with the overall culture of the practice? How do the owners promote this culture among staff members? Do you anticipate the office location(s) working for you long term? Do you have a similar practice style with the other physicians in the prac-

tice? Do you feel valued? Do the partners seem to respect each other and work together well? Are patients shared or is there a “competition” for patients? If this will one day be your practice, you want to make sure that it represents your long-term visions well.

- *The financials*: Buying into a partnership is a large financial investment. Just like other investments, you will want to investigate if this is going to be beneficial for you financially. While the partners may not be willing to let you see all of the financials until you are officially offered to join the partnership, you want to make sure that the business is profitable and well run. It is also important to understand how income distribution works for partners. Some partnerships split profits equally while others use productivity with varying methods of calculating production. Others allot extra income to partners that have extra administrative, research, or teaching duties.
- *The responsibilities*: It’s important to understand what will be expected of you as a partner. Some partnerships have fixed roles based on individual abilities, some rotate to share the responsibilities, and some have a senior partner that takes on a larger percentage of responsibilities in exchange for less clinical time or more compensation. It is necessary to determine if the time commitment and obligations are truly what you want long term.

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## Buying In

Your time has come! You have been offered the position of a partner! Now it’s time to be sure this is the best decision for you before signing on the dotted line. *Do not rush this decision!* Gather your information early and do not sign before all of your questions have been answered and details analyzed.

1. *Hire a practice management company or an attorney who specializes in working with medical offices.* While this may seem

expensive, this can save you thousands of dollars and years of headaches and regret. These hired experts should be able to help you analyze the structure of your buy-in. Be sure that your contract specifies what percentage of ownership you are buying and if it is an equal share to the current partners. Will you have full voting power immediately or only when you are fully bought in? Make sure you are clear on who has decision-making authority and that you are comfortable in your role in the decision-making process.

2. *Analyze the full financial picture.* Look at the cost of the buy-in and how it was calculated. Be sure to understand how the value of the practice was determined and that it is clearly spelled out. Will the buy-in come out of your profits over a certain time period, or will you need to take out a loan (and thus pay interest)? The practice should be willing to provide you with the last few years of profit and loss statements. Be sure to ask if there will be a partner retiring soon and how that buyout will look for you. Ask about any debts that the practice may have or any large purchases that are planned. If your practice owns the building you work in, ask if you will be buying into this as well. Be clear on how overhead and bonuses will be determined. With this information, you should be able to estimate how long it will take to start seeing a profit on your investment. *An accountant who is familiar with medical practices should be able to help you analyze this potential investment including the tax implications for you.*
3. *Prepare for separation.* One of the most important things to do while preparing to buy into a practice is to prepare for your buyout. Be sure that your contract clearly spells out your vesting in the practice and how buyouts will be determined. In addition, your contract should specify what happens during leaves of absence, disability, termination, retirement, and death. This is where having your own employment lawyer is essential.

Being a partner in a successful private practice has been one of the most rewarding experiences in my career to date. Partnership has the potential to increase your work-life satisfac-

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tion while affording you the time and resources to increase your personal life satisfaction. While it's important to determine if partnership is a smart financial decision for you, the most important part of a partnership is the people in it.