
More New Jersey Physicians are Changing Their Practice Structure in an Effort to Improve Cash Flow and Operational Efficiencies

Brach Eichler's 2017 *New Jersey Health Care Monitor* Underscores How Challenging the Practice of Medicine is in New Jersey, but Physicians Remain Committed to the Practice

October 10, 2017 (Roseland, NJ) – Over the last year, nearly half (48%) of New Jersey physicians surveyed that changed their practice structure did so by either integrating with another healthcare organization, joining another practice, or contracting with a healthcare facility, a trend that grew slightly from 2016 (44%) and has been consistent for the last five years. The findings were reported in the newly-released 2017 [Brach Eichler *New Jersey Health Care Monitor*](#), the sixth annual survey of New Jersey physicians. In summer 2017, 111 physicians including solo practitioners, members of a group practice, and employees of a health care facility were surveyed.

According to Joseph M. Gorrell, a Member in the Health Law Practice at Brach Eichler, “We have seen a consistent trend with regard to physicians changing their practice structure as they look for ways to reduce expenses and inefficiencies in their practice, improve cash flow, and bolster market share. Integrating or changing one’s practice structure is not just a path for growth; for some, it is a matter of survival.” He continued, “It’s a challenging environment for New Jersey’s practitioners, where our regulatory environment and competitive industry have become bellwethers for the practice of medicine nationwide.”

According to the survey, 50% of physicians plan to change their practice structure in the near future by integrating with another healthcare organization, joining another practice or contracting with a healthcare facility. Some will reduce their staff (13.5%), while others will end up leaving New Jersey to practice elsewhere (15%).

“Despite this, almost half (48%) of those surveyed said they would recommend that a young person enter into the medical profession,” noted Gorrell. “It’s obvious their commitment to the practice of medicine supersedes the burdens and challenges, something that patients here in New Jersey should find compelling.”

Increased administrative burdens remain the greatest challenge for physicians in New Jersey’s changing healthcare environment, with nearly 83% saying so (slightly up from 81% in 2016). Also ranking high were reduced reimbursements (67% versus 65% in 2016), reduced time spent with patients and growing technology expenditures (each at more than 56% versus 53% in 2016).

“On top of this, consider that 6 in 10 physicians said that their practice income decreased over the last year. Currently, physicians are under a great deal of pressure to find a way to make their practices financially viable,” noted Brach Eichler Managing Member and Health Law Practice Chair John D. Fanburg. “Physicians are becoming increasingly resourceful as they seek ways to continue to treat their patients by reducing expenses (more than 30%) and changing their practice structure (nearly 40%).”

Among the 2017 *Brach Eichler Health Care Monitor*'s other key findings are:

- While much has been made of the OMNIA Tier program more than half said they have not been affected at all; 40% said they have been negatively impacted.
- Most physicians are billing in network, with 73% reporting this.
- Physicians are bracing for a difficult year ahead, with 53% having an unfavorable or very unfavorable outlook. Only 16% said they had a very favorable or favorable outlook.
- Going into 2018, the majority of physicians (53%) were concerned about reduced reimbursement rates; others cited increased administrative burdens (50%), keeping up with regulations and compliance demands (42%), and increased pressure to give up their independent practice (29%).
- Insurance companies were cited as the primary reason for the healthcare crisis in the U.S. today, with nearly 67% of physicians agreeing. Only 7% said that too many people without insurance was the problem.

“For physicians, the business aspects of practicing medicine have become increasingly important over the past several years,” said Gorrell. “It will be interesting to see what kinds of partnerships emerge as the industry continues to consolidate. He continued, “We anticipate that with greater efficiencies, an even higher standard of care will evolve and ultimately benefit all New Jerseyans.”

Full results of the survey can be found [here](#).

About Brach Eichler's Health Law Practice

Leaders in health care representation, the attorneys at Brach Eichler serve individuals and entities from every corner of the health care industry. The firm's knowledge across a wide spectrum of issues, including contract negotiations; business sales, purchases, and other alliances; Medicare and other reimbursement issues; corporate and regulatory compliance; and other matters helps the firm's clients successfully negotiate today's complex health care environment. The attorneys at Brach Eichler are trusted advisors, working closely with health care providers to address the myriad legal and business issues that arise in the delivery of health care. The firm is known for innovation, flexibility, and a focus on practical solutions. The Chambers USA Guide to America's Leading Lawyers for Business acknowledges Brach Eichler as having one of the leading health care law practices in New Jersey.



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Brach Eichler LLC is a full-service law firm based in Roseland, N.J. With over 70 attorneys, the firm is focused in the following practice areas: Health Law, Real Estate, Litigation, Trusts & Estates,

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