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Nuanced Trends in Practice Consolidation (and Why I Like My Group's Size)

One Monday evening while taking call, I saw a 60-year-old patient with bilateral sixth nerve palsy. I sent a group text to the neuro-ophthalmologists in our practice to be sure my workup plan was thorough and then talked to my neuro colleague Evan Price by phone.

Having instant access to subspecialty advice during clinic and after hours might be my favorite thing about practicing in a large ophthalmology group. Our roster of 34 ophthalmologists isn't unusual anymore. There's a trend in ophthalmology toward larger group practices.

Mayo Clinic researchers documented this trend in an analysis of the CMS database.¹ While the number of ophthalmologists remained stable from 2015 to 2022 (-0.2%), the number of ophthalmology practices decreased by 18% during these years. The study demonstrated a significant shift from smaller group practices to larger groups. Ophthalmology practices with one or two physicians decreased by 22% while groups with 10 or more physicians increased by 6%. Some are even planning to develop a Medicare Advantage plan that favors their own physicians and facilities.

Even though there's a consolidation trend in ophthalmology, how it is occurring is nuanced. Our group grows organically, adding a few physicians each year and occasionally a new location. Some groups grow by merging or acquiring smaller practices. With the promise that "bigger is better," private equity is also driving consolidation. Some large health systems acquire or build ophthalmology practices with the intent to provide comprehensive health care in all specialties.

What are the benefits of a large practice? For one, coordinating subspecialty care is simplified. I can easily arrange follow-up with a cornea specialist for the next day or even the same day, if needed. A patient with endophthalmitis can be treated by a retina specialist within a few hours of diagnosis. A neuro-ophthalmologist colleague in the room next door to me often provides curbside advice.

Advocates for consolidation cite the benefits of economies of scale, negotiating power, better contracts, and shared business expenses. But the long-term effects of consolidation on quality of care have yet to be demonstrated. Critics of consolidation worry that it will drive up costs as it has for hospitals.²

It's important to point out that small practices can still thrive and that a large practice is not for everyone. An Academy survey shows that the percentage of ophthalmologists in solo practice has only decreased from 28% to 26% over the last decade. There's a robust listserv for solo practitioners and many of them are young ophthalmologists sharing their challenges and successes. Some have left a large group to build a new practice and to develop a culture that aligns with their own needs and values.

As for ophthalmology groups increasing in size, the business of running a practice continues to need tending, but sometimes in new ways. It's tempting to hire a CEO with a business-only background, but keeping an ophthalmologist at the helm helps preserve the culture and mission of the organization and protects the interests of the physicians. Physicians can be very good businesspeople, and if they need help, they can consult with business experts. Or large groups can hire a chief operating officer with business acumen. It's also important to develop good and clear governance and to cultivate leadership among mid-career ophthalmologists.

Consolidation of ophthalmology practices will likely continue and its effects on quality of care and cost will need to be studied. I predict that groups that do well over a long period of time will prioritize quality of practice life for their ophthalmologists and employees. Meanwhile, because of the growing need for ophthalmic care, there will still be a place for solo and small practices.

My second favorite thing about being in a large practice is sharing the on-call rotation with 33 other people.



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1 Smith JF et al. *Ophthalmology*. 2023;130(9):983-992.

2 KFF. [bit.ly/4bvwlXN](https://www.kff.org/health-policy/issue-brief/2023/04/2023-04-20-physician-workforce/). Accessed May 6, 2024.