

## Physicians open practices in suburbs, draw more patients

A significant portion of Austin's population is reluctant to make long commutes to traditional medical centers clustered near, and adjacent to, hospitals to receive health care from a physician.



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In order to have successful practices, health care providers need to build business with new patients, many of whom have busy lifestyles and find it increasingly difficult to pack their schedules into a 24-hour day.

Younger patients have less available personal time and prefer to use health care providers within close proximity to their homes and jobs.

Following this mind-set, a trend is emerging for health care providers to open their practices in rapidly growing middle-income, as well as affluent, community developments.

Population growth in newly developed suburban areas has created a need for convenient, comprehensive and well-qualified health care providers.

Despite patients' needs for convenient medical office locations, a large portion of health care providers choose to stay within the boundaries of the traditional medical center areas.

In addition, it's necessary that acute care providers — surgeons, cardiologists, vascular specialists and anesthesiologists

— have offices located near a hospital.

One factor that contributes to the shift in suburban office locations is competition for patients. As medical school graduates contemplate the establishment of their practices, they're considering whether to open in an area with high potential for new patients.

In addition, they want to avoid having to compete with established local practices.

As the newer providers' leases expire, they're choosing to relocate to suburban areas for several reasons:

- Operating expenses are lower.

- New offices are available with more efficient layouts.

- Suburban areas have good road networks, more plentiful parking, less traffic congestion and good signage.

These factors, as well as changes in patient demographics, are encouraging the migration of providers to the suburbs as they are becoming more attuned to the needs of the public.

New residents of Austin may not have a network of trusted acquaintances on whom they rely for dependable referrals.

As population centers shift, the business of medicine dictates that newer practices benefit by being located within close proximity of their potential patients.

In the past, doctors needed to practice medicine in a hospital or within close proximity of one.

Advanced health care technology now allows many health care providers to have remote interaction with hospitals.

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Health care providers can receive and study medical records and assist in consultations and procedures from their offices.

Fee structure pressure within the health care industry is squeezing profit margins and is causing physicians to be far more attuned to their operating expenses.

Real estate costs are a doctor's second-largest overhead expense. Lease costs in the suburbs are 10 percent to 30 percent lower than those in medical centers.

It's easier to hire qualified employees in the suburbs, due to population growth. Opening a practice in the suburbs can lead to more availability of employees and can lower payroll costs.

Rising fuel costs also create a greater demand for neighborhood general practitioners and specialists.

The health insurance industry has changed the relationship between the provider and patient by restricting the patient's personal choice of health care providers and by mandating provider choice.

As individuals change jobs, the new employer may provide an insurance plan that approves a new set of physicians, breaking continuity in long-term relationships among patients and providers.

The trend of health care systems that use inpatient care models to deliver services to confined hospital patients further challenges continuity of the traditional patient-provider relationship.

Hospitalists, board-certified independent physician groups that work in hospitals full-time, administer care to admitted patients solely during their hospital stays. Upon release, patients are encouraged to resume receiving medical care from their primary care providers.

Health care providers flock to new areas and locate in clusters due to the synergistic nature of their referral systems. In order for suburban health care providers to provide high-level, comprehensive care to their patients, it's imperative that a full array of providers be located close to one another.

The referral process begins with family practice, internal medicine and pediatric practitioners who move to new areas and establish successful practices. A general physician will refer patients to a specialist where appropriate.

New providers are good matches for newly established suburban areas.

The mix of new patients and new health care providers are often within the same age group. They're also likely raising young children and are at similar stages in their lives.

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