POLICY BRIEF

One-Third of Family Physicians Remain in Independently Owned Practice, 2017–2019

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The rise of health system and hospital ownership of primary care practices raises policy questions about the survival of independent physician-owned practices. Our data indicate that a substantial proportion of FPs in 2017–2019 remained in independently owned practice: 81% of solo practitioners and 35% of FPs in practices with 2–5 clinicians. These findings suggest that independent practice is surviving, and that it's incumbent on researchers, payers, and policymakers to better understand their unique contributions and challenges in the effort to improve primary care access, quality, and cost. (J Am Board Fam Med 2021;34:1033–1034.)

Keywords: **Delivery of Health Care, Health System Affiliation, Physicians, Policy, Practice Organization, Primary Health Care, Quality of Health Care**

Throughout the 20th century, small independent physician-owned primary care practices formed the bedrock of the health care system in the United States. In recent years, private equity firms, hospitals, and health systems have purchased primary care practices of all sizes, leading to accelerated market consolidation.[1] The proportion of primary care physicians practicing in organiza tions owned by a health system or hospital increased from 28% in 2010 to 44% in 2016.[2] Independent physician-owned practices often have better patient care outcomes,[3] and their loss may have negative impacts on access, quality, and costs. Our objective was to examine the prevalence of independent physician-owned primary care practices by practice size.

We used data from the 2017–2019 American Board of Family Medicine (ABFM) Family Medicine Certification Examination Registration Questionnaire. Each continuing certification examination cohort represents the larger Diplomate pool, and the questionnaire is a mandatory component of registration with a 100% response rate.[4] We included only those family physicians (FPs) providing continuity care (excluding those FPs reporting emergency or hospital care as their principal site of practice). We calculated the proportion of FPs reporting that they worked in a practice that was independently owned. We then stratified responses according to practice size (solo, small [2 to 5 clinicians], medium [6 to 20 clinicians], and large [more than 20 clinicians]). The American Academy of Family Physicians Institutional Review Board approved this study.

We analyzed data for a total of 13,618 FPs over the 3-year period. The proportion of FPs whose principal practice site was independently owned declined slightly from 34.2% to 32.1% over the study period (Table 1). In 2019, 80.6% of solo practice FPs reported working in independently owned practices, compared with 33.8% of small practice FPs, 21.7% of medium-sized practice FPs, and 18.2% of large practice FPs.

This article was externally peer reviewed.
Submitted 5 February 2021; revised 3 March 2021; accepted 22 March 2021.
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Funding: None.
Conflict of interest: AWB, LEP, and ZJM are employees of the American Board of Family Medicine.
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J Am Board Fam Med: first published as 10.3122/jabfm.2021.05.210051 on 17 September 2021. Downloaded from http://www.jabfm.org/ on 7 November 2026 by guest. Protected by copyright.

Table 1. Percentage of Family Physicians in Independent Practice, by Practice Size from 2017 to 2019 (n = 13,618)

	Physicians in Independent Practice (%)			
	2017	2018	2019	3-Year Average (%)
Practice size				
Solo physician	81.4	81.0	80.6	81.0
2 to 5 clinicians	36.6	34.9	33.8	35.2
6 to 20 clinicians	24.3	23.3	21.7	23.1
>20 clinicians	19.9	15.9	18.7	18.2
Average for all practice sizes	34.2	32.3	32.1	32.9

We found that independent physician-owned FP practices remain a significant part of the US primary care delivery system landscape. The proportion of FPs in independent practice varies greatly with size, with a vast majority of solo practices being independent but only one-third of 2 to 5 clinician practices being independent. While evidence shows that they deliver care that is equal to or better than that of practices owned by hospitals and health systems,[3] these independent practices face substantial administrative burdens by not having access to the resources of larger health care systems.

Longstanding physician payment policies disadvantage independent physician-owned primary care practices, contributing to closures and buyouts.[5] Meanwhile, the coronavirus disease 2019 (COVID-19) pandemic is increasing stress on independent practices due to a decrease in visit volumes, the need to access personal protective equipment, and access telehealth solutions.[6] Ongoing tracking of buyouts and closures and their consequences is critical to informing policies required to maintain access to affordable health care, particularly in rural and urban underserved areas. In addition to payment reforms, support for independent physician-owned primary care practices could be established through accountable care organizations with a primary care focus, a primary care extension service,[7] or a new national primary care service corps.[8]

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