

# Profitability index checks financial health of practices

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(HealthDay)—An overall downward trend in profitability has been identified based on a practice profitability index, developed to assess the financial health of U.S. physician practices, according to a report published by CareCloud.

In an effort to investigate the financial health of [physician practices](#), researchers from CareCloud together with QuantiaMD gathered insights from 5,012 physicians with an interactive online survey and related discussion groups during April 2013. The respondents included [family practitioners](#) and internists (77 percent) as well as smaller numbers of pediatricians, psychiatrists, cardiologists, obstetricians and gynecologists,

and [general surgeons](#).

The researchers found that among U.S. physician practices there was an overall [downward trend](#) in profitability, with declining reimbursements leading physician concerns. Physicians reported that reform effects create the biggest operational burden, with administrative requirements often coming at the expense of patient care. However, many independent physicians want to stay independent and are not looking to be acquired by larger practices or hospitals. Operating changes are being targeted across the board to improve performance. Old practice management systems are likely to be problematic, with more than 40 percent of physicians unsure as to whether theirs can accommodate regulatory requirements and changes.

"The Practice Profitability Index was created to provide a voice to physician practices across the United States regarding issues that impact their financial and operational health," the authors write. "It reflects the belief that better [health outcomes](#) for Americans are more likely to be achieved when practices themselves are thriving and efficient."

**More information:** [More Information](#)

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