Podcast Intro and Host Background

Why do some medical groups thrive while others constantly struggle, even in the same market? Have you ever looked at two practices in same city with similar physicians, similar patient populations and similar payer contracts and wondered why one group seems calm, strategic, financially healthy and growing while the other feels stressed, chaotic, reactive and constantly fighting fires?

That difference is rarely luck. Welcome to Medical Money Matters, the podcast where you can find experts, answers, and resources so that you achieve mastery over the financial and business aspects of your practice.

Hello everyone, I'm your host, Jill Arena. I began my career in accounting and finance, and I have more than 30 years of experience running medical groups.

In 2020, I co-founded the Physician Leadership Project, and in 2025 I released Physicians Edge, the first of its kind CME accredited online business education for physicians.

My passion is to increase financial and business literacy for Physicians. Episode 184. Busy, burned out, and barely profitable? Here's what high-performing groups do differently, part one.

What High-Performing Medical Groups Do Differently

Why do some medical groups thrive while others constantly struggle, even in the same market? Have you ever looked at two practices in the same city, with similar physicians, similar patient populations and similar payer contracts, and wondered why one group seems calm, strategic, financially healthy and growing, while the other feels stressed, chaotic, reactive and constantly fighting fires?

That difference is rarely luck. High-performing medical groups think differently. They make decisions differently, they build systems differently they lead differently and they invest differently And perhaps most importantly they understand that success in healthcare today requires far more than simply being clinically excellent.

Because, let's be honest, almost every physician group is working hard. That's not the differentiator anymore. The differentiater is operational intelligence.

A differentiated is leadership. Differentiator is culture. It is the ability to think strategically instead of reactively. And today, we're going to talk about what high-performing medical groups actually do differently, not from a theoretical textbook perspective, from the real-world trenches of healthcare operations.

Because thriving organizations don't happen accidentally. They are built intentionally. One of the biggest differences you see immediately in high performing groups is that they think long term.

Struggling organizations tend to operate in survival mode. Everything feels urgent. everything feels reactive. Every problem quickly becomes a crisis.

Leadership spends most of its energy responding instead of designing. And honestly, that's understandable in healthcare right now. Margins are shrinking.

Staffing is difficult. Physician burnout is real. Payers are beyond frustrating. Regulations continue to increase. It's easy to become trapped in short-term thinking.

Long-Term Thinking vs. Survival Mode

But high-performing organizations resist that trap. Instead of constantly asking, how do we cut costs? They ask,

How do you build a stronger organization five years from now?

That mindset shift changes everything. Because fear-based organizations tend to make defensive decisions. They delay investments, avoid innovation, understaff teams, postpone upgrades, ignore leadership development, suppress spending.

And while that may temporarily preserve cash flow, it often slowly weakens the organization operationally. High-performing groups understand something critically important.

Health care is noble work. But medical groups are also businesses. And healthy businesses create healthier organizations. That's not greed, that's stewardship.

Strong financial performance allows organizations to retain staff, invest in technology, improve patient experience, reduce physician stress, expand services, and strengthen communities.

Financial health supports mission, And the strongest organizations understand that deeply. Another major difference is how high-performing groups think about staffing.

This is a huge one. Many struggling organizations operate chronically understaffed, and often leadership believes they're being financially disciplined by keeping staffing ratios lean.

But in reality, under-stafing is frequently one of the most expensive operational mistakes a medical group can make, because under staffing creates hidden costs everywhere.

It slows workflows, increases burnout, creates turnover, damages patient experience, reduces physician efficiency, increase errors, weakens communication, and eventually the organization starts losing money indirectly through operational dysfunction.

High-performing organizations understand that strategic staffing is an investment, not simply an expense. They recognize that physicians should be practicing at the top of their license.

A physician should not be spending enormous amounts of time on tasks that could be delegated appropriately to trained team members. When staffing is strong, physicians become more efficient.

Documentation improves. Patient throughput improves, communication improves stress decreases, revenue cycle performance improves and perhaps most importantly physician cognitive overload decreases.

That matters enormously. because overwhelmed physicians make slower decisions, become more frustrated, and are far more vulnerable to burnout.

Staffing, Retention, and Culture

Straw organizations understand this intuitively. And here's something else they do differently. They build teams, not just payrolls. They invest in retention.

They develop leaders internally. The train people intentionally. they understand that turnover is incredibly expensive. And not just financially expensive, culturally expensive operationally expensive emotionally expensive Every time an organization loses experienced staff, institutional knowledge walks out the door.

Strong organizations work hard to prevent that. And this is where culture becomes incredibly important. Culture is not fluff. culture is operational infrastructure.

Healthy cultures improve communication, reduce drama, increase accountability, and create psychological safety. And psychological saftey matters far more than most healthcare leaders realize.

Organizations function better when people feel safe speaking honestly, when employees can identify problems early without fear, When physicians can challenge workflows constructively, and when staff members feel respected and heard.

That creates adaptability. And adapt ability is becoming one of the most important competitive advantages in modern healthcare. Now here's another important distinction high performing groups understand.

As we've said in past episodes, busy does not automatically mean profitable. This is one of the biggest misconceptions in healthcare. Some practices are incredibly busy and financially struggling at the same time.

The physicians are exhausted, schedules are packed, everyone feels overwhelmed, yet margins remain thin. Why? because volume alone doesn't guarantee operational strength.

In many cases, the organization has poor workflows, weak revenue cycle management, excess overhead, inefficient scheduling, undercoding, poor payer mix, technology inefficiencies, communication breakdowns.

In other words, activity is not the same thing as strategy. And high-performing organizations understand that deeply. They use data differently. They measure things consistently.

They understand where money is leaking operationally, because strong organizations do not guess, they measure. And honestly, this is where many practices begin separating themselves operationaly.

The best organizations develop what I call operational curiosity. They constantly ask, what is this data telling us? Where are the bottlenecks? What systems are failing?

Why Busy Practices Can Still Struggle

what processes create friction? They treat operations almost like physicians approach clinical medicine. They diagnose problems systematically, and that mindset becomes incredibly powerful over time because small operational leaks compound.

A little inefficiency in scheduling, a little undercoding, the little staffing instability, little revenue cycle flippage. Over time, those small problems become enormous financial and operational burdens.

and high-performing groups refuse to ignore them. If you're looking for more ways to strengthen your business skills, check out Physicians Edge, the first of its kind CME accredited online business education for physicians.

It's a mini MBA online course designed to help you master the financial side of your practice. You can find that and more about how we support practices like yours at healtheps.com.

That's www.healtheps dot com. And don't forget to follow or subscribe so you never miss a new episode. Now here's where things get even more interesting, because once organizations become operationally mature, they start thinking differently about investment.

Many struggling organizations develop what I would call financial fear paralysis. They become so focused on avoiding spending that they unintentionally stop growing.

The postpone upgrade, delay hiring, avoid expansion, ignore technology improvements, stay understaffed. under invest in leadership, and eventually the organization becomes stagnant.

High performing groups think differently. They understand the philosophy of spending money to make money. But, this is critically important, they do not spend emotionally.

they spend analytically. That distinction matters enormously.

Strategic Investment and Diversified Revenue

Straw organizations are rigorous about evaluating investments. The ask smart questions before making major decisions. Will this improve patient care? Will it improve physician efficiency?

This will improve margins. What operational burden does this create? Do we have staffing to support this? What is the long-term strategic value? what is our return on this investment at one year?

3. Could our money do better being invested elsewhere? And they apply this thinking to everything. New equipment, technology upgrades, ancillary services, new providers, service line expansion, additional locations, AI tools, and workflow systems.

High performing organizations understand that strategic investment is often necessary to remain competitive. But they also understand, that not every bright shiny object deserves investment.

That balance is important. For example, organizations may evaluate adding imaging, infusion services, physical therapy, ambulatory surgery, chronic care management, remote patient monitoring, med spas, or weight loss programs.

But the decision isn't emotional. It's analytical. Strong organizations perform rigorous financial modeling. They evaluate market demand, staffing requirements, payer reimbursement, capital costs, operational complexity, and long-term sustainability.

And perhaps most importantly, they evaluate whether the investment aligns with organizational strategy. Because not every revenue opportunity is the right opportunity.

That's where discipline matters. And high-performing groups also understand the importance of diversified revenue. This is becoming increasingly important in modern health care.

Practices dependent on only one revenue stream become vulnerable, especially when reimbursement pressures increase. Strong organizations diversify intelligently.

They create multiple streams of revenue strategically. Ancillary services, employer contracts, telemedicine, direct pay services educational offerings, real estate ownership, membership models, consulting, and specialty programs.

Diversification stabilizes organizations. It reduces payer dependence, strengthens cash flow, improves enterprise value, creates operational resilience, and for independent practices especially, diversification can become one of the keys to long-term survival.

because independence requires strategy now. The days when clinical excellence alone guaranteed success are largely gone. Today, sustainability requires operational sophistication, and the organizations that recognize that early tend to thrive.

Next week, we're going to continue this conversation by talking about how high-performing groups scale intelligently, develop physician leaders, strengthen revenue cycle operations, and build organizational cultures that attract and retain great people.

Because growth without leadership creates chaos, some of the most important differences between struggling and thriving organizations have nothing to do with medicine at all.

Thanks so much for joining me for this episode of Medical Money Matters. If this conversation resonated with you, share it with a physician leader, administrator, or colleague who needs to hear it.

And if you haven't already, be sure to subscribe so you never miss an episode. Until next time.

Closing Thoughts and Practice Consulting

Before we wrap up, if you're listening to this and thinking, it's not just one thing, there are multiple parts of my practice that could be running better, I want you to know that you are not alone.

Most physicians were never taught how to run the business side of medicine, and yet you were expected to lead complex, multi-million dollar organizations.

That's no a personal failing, its a systems gap. At Healthy Practices, our operational and strategic consulting is designed to help you close that gap.

We work alongside physicians and leadership teams to bring clarity to the business. Everything from workflow and staffing models to financial performance, growth strategy, and long-term planning.

The goal is to move you from reactive and overwhelmed, to structured, intentional, in control. For some practices, that means solving immediate operational pain points.

For others, it's about stepping back and building a clear strategy for sustainable growth, profitability and leadership development. And often, its both.

Because when your systems, your people and your financial performance are aligned, everything gets easier. Decisions become clearer, teams function better, and the day-to-day stress starts to come down.

So if you're ready to take a more intentional look at how your practice is operating and where it could go next, I'd encourage you to reach out and start the conversation.

You can find more information in the show notes or at healtheps.com.