

June 30, 2014

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## What Switzerland Teaches Us About Medical Group Structure

Quick: Who is the President of Switzerland?

Medical group organizers generally confine their entity's business structure to a corporate or partnership type entity and then proceed to conduct business through it. That single entity is the competitor. It often competes within the confines of one medical specialty.

But there are other ways of structuring medical group business arrangements and Switzerland provides some examples.

So, back to the President of Switzerland. Don't know who he is? It's probably no big deal because the President of Switzerland is neither the head of government nor the head of state. His function is to break the tie vote of an odd numbered panel.

Switzerland is a federation of self governing cantons, whose representatives together form a collective governing body.

Which leads us to a Swiss business structure that mirrors this notion of independent entities holding themselves out to the world as unified: the "verein."

A verein is a confederation-type entity, like a partnership but also very unlike a partnership.

In a partnership, the partners conduct a unified business, with each partner having joint and several liability. In other words, Partner "X" is liable for the obligations of the partnership even if those obligations were incurred by Partner "Z."

In a verein, however, although the overall organization itself presents a unified structure to the outside world, for example, "Medical Associates of the United States," each of the members is an independent business entity and is not liable for the overall organization's debts. And, in similar fashion, no member is liable for the debts of any other member.

Therefore, a fictitious "Medical Associates of Canton, NY" is not liable for the debts of "Medical Associates" nor for the debts of another member, say, "Medical Associates of Canton, MA."

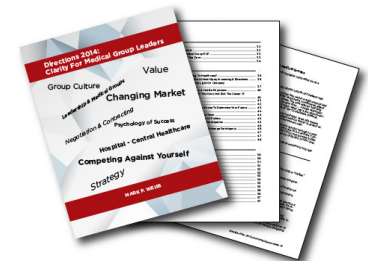
The point of this isn't that you should reorganize your medical group by filing in Switzerland as a verein; rather, it's that there are more conceivable forms for entity organization than simply partnership or corporation.

Although alliance type structures in healthcare come with a set of unique compliance issues, from anti-kickback to Stark, and, as a result, are oftentimes suspect, with the correct strategy and structuring they present a world of opportunity, whether within a single specialty or, perhaps more interestingly, among multiple specialties and, across the bounds of professional services/facilities/and others.



### Wisdom. Applied. 66 - Two Wolves And A Lamb

Hospitals and the government have decided that physicians must collaborate financially in order to deliver quality healthcare. Of course, that's a lie.



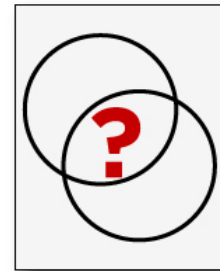
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The healthcare market is changing rapidly, bringing new sets of problems.

How can you find a solution, how can you engage in the right development of strategy, and how can you to plan your, or your group's, future without tools to help clarify your thinking?

Directions 2014 is a collection of thoughts as thinking tools, each intended to instruct, inform, and even more so, cause you to give pause to instruct and inform yourself.

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Mark's article **OIG Opinion Adds Clarity to Illegality of Company Model** was published in the February issue of Anesthesiology News. Read or download [here](#).

## All Things Personal

I've been thinking about change.

You change your clothes. You change your car. You change your mind. But does your business ever change?

I don't mean just adding another employee or partner. I mean does your practice or business change its focus or change its services or even change its whole reason for being?

So many think that all hell is breaking loose career-wise. Their referral sources are shifting. Their relationships with hospital are falling apart. National groups are taking market share. Obamacare.

As a result, to paraphrase the writer Robertson Davies, many seek a future that's simply a return to an idealized past. At best, they're digging in. At worst, they're digging their heads into the sand.

On the other hand, I'm working with people who are starting entire new healthcare ventures, others whose practices are turning on a dime, and yet others who are implementing new practice models.

You're not the person you were 15 years ago. Why is your practice or business?

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Mark's article ***Doctors Rush To Employment as Corporate America Lays off Workers*** was published in the December 2013 issue of General Surgery News and Gastroenterology & Endoscopy News. Read it [here](#).

Mark's article ***Anesthesia Profits Are Off-Limits*** was published on page 32 of the digital edition of Outpatient Surgery. Read it [here](#).

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