

BUILD FOR WHAT'S NEXT

2026 State of Independent Practice: Trends, Threats & Opportunities

The Executive Playbook for Preserving Independence Through Operational Excellence

99%

Revascent clean claim rate

38

Average AR days, Revascent clients

\$1B+

Managed A/R by Revascent

4

Integrated service lines, one partner

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CAMPAIGN

Build for What's Next

SERVICE LINE

Practice Management

AUDIENCE

Practice Administrators · Physician Owners

ABOUT THIS REPORT

This executive guide is written for practice administrators, physician owners, CFOs, and operations leaders at independent practices, specialty groups, and ambulatory surgery centers. It examines the six trends reshaping independent healthcare in 2026 and provides a strategic framework for building operational foundations that protect long-term independence.

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ABOUT REVASCENT

Revascent is a healthcare services and operational solutions company specializing in Practice Management, Revenue Cycle Management, Software and Technology Services, and Clinical Informatics. Revascent helps independent practices, specialty groups, and ambulatory surgery centers reduce administrative burden, optimize financial performance, and preserve independence.

EXECUTIVE SUMMARY

Independent practices that build stronger operational foundations today will be better positioned to remain competitive, financially healthy, and prepared for tomorrow.

Independent healthcare organizations are navigating one of the most complex operating environments in modern medicine. Consolidation pressure, staffing shortages, reimbursement complexity, and rising administrative burden are converging in ways that threaten the sustainability of independent practice.

Yet the data tells a more nuanced story. Practices that invest in operational infrastructure, financial visibility, and strategic partnerships are not merely surviving consolidation pressure. They are outperforming their peers, retaining their independence, and positioning themselves for long-term growth.

This white paper examines the six trends reshaping independent healthcare in 2026, the operational disciplines that separate high-performing practices from those at risk, and the strategic investments practice leaders should prioritize to build a more resilient, scalable, and independent organization.

KEY FINDINGS

- The AMA's most recent Physician Practice Benchmark Survey documents a sustained trend toward hospital and corporate physician employment, with employed physicians now representing the majority of the active physician workforce for the first time in the survey's history.¹
- Prior authorization requirements have expanded substantially, with AMA survey data showing that physicians and their staff spend an average of nearly two business days per week completing prior authorization requests.²
- Healthcare staffing shortages continue to affect the majority of practices, with front-office, billing, and clinical support roles among the most difficult to fill consistently.
- Administrative burden remains the leading driver of physician dissatisfaction, with documentation, compliance, and billing oversight consuming a significant portion of non-clinical working hours.
- Practices with integrated operational partnerships consistently report improvements in revenue cycle performance, reduced administrative burden on clinical staff, and greater financial predictability.

SECTION 1

The State of Independent Practice in 2026

The AMA’s Physician Practice Benchmark Survey has tracked a consistent trend toward hospital and corporate physician employment over the past decade. As of the most recent survey data, employed physicians now represent the majority of the active physician workforce.¹ But a meaningful segment of independent practices is not only surviving but thriving. The difference between practices that remain independent and those that are absorbed is rarely about size. It is almost always about operational maturity.

The practices that sell to larger systems share common characteristics: cash flow unpredictability, denial rates above specialty benchmarks, administrative teams stretched beyond capacity, and limited visibility into financial and operational performance. These are solvable operational problems that high-performing practices address before they become existential threats.

The most common reason practices lose their independence is not lack of clinical excellence. It is lack of operational infrastructure.

SECTION 2

Six Trends Reshaping Independent Practice

TREND 01

Consolidation Pressure Continues at an Accelerating Pace

Private equity acquisition, hospital employment, and large specialty management companies are compressing the space available for truly independent organizations. According to Health Affairs, consolidation has materially affected physician compensation, referral networks, and patient access.³ The strategic response is building operational efficiency that neutralizes the disadvantage.

TREND 02

Prior Authorization and Payer Complexity Are Consuming Clinical Capacity

The AMA’s Prior Authorization Physician Survey found that physicians and their staff spend an average of nearly two business days per week completing prior authorization requests, a burden that has grown significantly over the past five years.² For independent practices without dedicated staff, this falls directly on clinical team members, reducing patient care capacity.

TREND 03

Staffing Shortages Are Becoming a Structural Reality

The healthcare workforce crisis has moved from acute to chronic. Front-office coordinators, medical billers and coders, and clinical support roles are among the most difficult to fill consistently. Practices building standardized operational models that reduce dependence on any single staff member are managing this challenge most effectively.

TREND 04

Administrative Burden Has Reached a Breaking Point for Many Providers

NEJM Catalyst has documented the relationship between administrative burden and burnout, noting that documentation and EHR requirements consistently rank among the top contributors to physician dissatisfaction.⁴ Practices combining scribe services, outsourced billing, and operational support report meaningful improvements in provider satisfaction.

TREND 05

Technology Is a Differentiator, but Only With Human Oversight

Healthcare technology adoption continues to accelerate, but technology without implementation expertise and operational oversight rarely delivers on its promise. The most effective model combines modern technology with human expertise. Technology amplifies operational excellence. It does not replace it. Managed software services help practices extract maximum value from existing investments.

TREND 06

Patient Experience Has Become a Competitive Differentiator

Scheduling efficiency, wait times, communication quality, and billing transparency are now primary drivers of patient retention and referral generation. Independent practices have an inherent advantage in personal relationships and care continuity, but that advantage is undermined when administrative inefficiency creates gaps in the patient experience.

SECTION 3

What Separates High-Performing Independent Practices

Research and operational experience consistently reveal a set of disciplines that distinguish practices that thrive independently from those that are eventually acquired or exit the market. These are not complex strategic differentiators. They are execution disciplines that require consistent investment and leadership commitment.

01 Operational Clarity and Business Visibility

High-performing practices operate with real-time visibility into financial performance, claim status, denial rates, AR trends, and staffing utilization. They use operational data to make proactive decisions and identify improvement opportunities before they become revenue problems. Achieving this visibility requires either significant internal infrastructure or an operational partner who delivers reporting and analysis as a standard component of the relationship.

02 Revenue Cycle Performance at Specialty-Specific Benchmarks

Clean claim rates, denial management, coding accuracy, and patient collections are non-negotiable operational competencies for financially healthy practices. Practices that allow revenue cycle performance to drift below specialty benchmarks create a compounding financial problem that becomes progressively more difficult to reverse. Revascent maintains a 99% clean claim rate and an average of 38 AR days across its client base.

03 Workforce Strategy Built for Structural Shortages

Rather than treating staffing as a reactive problem, high-performing practices approach workforce as a strategic function. This means building operational models that reduce single-staff dependencies, investing in retention through role clarity and administrative relief, and leveraging external resources for functions that do not require full-time internal staff. Practices with standardized operations can onboard new staff faster and maintain consistency when turnover occurs.

04 Strategic Use of External Partnerships

The most resilient independent practices are strategically selective about what they build internally and what they outsource to trusted partners. Administrative functions, revenue cycle management, managed software, and staffing support are consistently better handled by specialized partners than by lean internal teams attempting to manage operational complexity while also supporting clinical operations. The question is not whether to partner. It is which functions benefit most from partnership.

05 Planning for Growth, Not Just Survival

Practices that remain independent over the long term approach operations as a growth platform, not just a cost management function. They invest in scalable infrastructure that allows them to add providers, locations, or service lines without proportional administrative complexity. They track metrics that predict future performance, not just current performance. And they engage in strategic planning with the same seriousness they apply to clinical quality.

SECTION 4

The Case for Outsourced Practice Management

The decision to outsource practice management functions is often delayed by concerns about cost, control, and complexity. These concerns frequently reflect a comparison to an idealized version of internal operations rather than the operational reality most practices are actually experiencing.

COMMON MISCONCEPTION	THE REALITY
<i>“We will lose control of our practice operations.”</i>	High-quality operational partners increase visibility and control through reporting, transparency, and proactive communication. Most practices find they have more operational insight after engaging a partner than before.
<i>“Outsourcing is only for large practices.”</i>	Practices with 5+ providers consistently benefit from outsourced operations. The return on operational improvement scales with practice size, and smaller practices often experience the greatest relative impact because they start from a lower baseline of internal infrastructure.
<i>“It costs more than doing it ourselves.”</i>	Many practices pursue outsourced management to reduce administrative burden, gain specialized expertise, and improve operational efficiency. When accounting for recruitment, benefits, training, turnover costs, and compliance risk, external partnerships frequently deliver comparable or lower total cost alongside improved performance outcomes.
<i>“We will lose the personal touch with our patients.”</i>	Operational partners handle back-office functions. Patient-facing relationships remain entirely with clinical teams. In many cases, reducing back-office burden on providers improves the patient experience by freeing clinical staff to focus on care.

What Outsourced Practice Management Actually Includes

A comprehensive practice management partnership covers the administrative and operational functions that consume the most practice bandwidth without contributing directly to clinical outcomes. When delivered by a concierge-level partner with specialty-specific expertise, these services provide independent practices with capabilities that previously required in-house teams most practices could not sustain:

- Financial management, accounting, and practice performance reporting
- HR support, credentialing, and staff management
- Scheduling optimization and patient throughput management
- Compliance oversight and regulatory risk management
- Payer contracting and contract optimization
- Strategic planning and growth advisory services

SECTION 5

Building Your Operational Foundation

Independent practices that want to build sustainable operational foundations should prioritize the following investments in 2026. These are not transformational overhauls. They are sequenced operational investments that produce measurable returns when implemented with discipline and a trusted partner.

PRIORITY 1

Revenue Cycle Performance Assessment

Start with a comprehensive assessment of claim submission accuracy, denial rates, AR aging, and patient collections processes. Benchmark current performance against specialty-specific standards published by MGMA and HFMA, and identify the highest-impact improvement opportunities. Revenue cycle performance is the most direct lever for financial health, and most practices discover recoverable revenue through a thorough review.

PRIORITY 2

Administrative Burden Assessment

Document how physician and administrative time is currently allocated across clinical and non-clinical functions. Identify the highest-burden administrative tasks and evaluate whether those functions are better handled internally, through technology optimization, or through a trusted external partner. The goal is to redirect internal capacity toward clinical excellence and patient relationships.

PRIORITY 3

Workforce Resilience Planning

Assess current staff dependencies and identify operational risks associated with turnover or shortages. Develop standardized operating procedures for core administrative functions and evaluate scribe and staffing support options for high-burden clinical documentation roles. Practices with standardized processes can onboard staff faster and maintain performance consistency when turnover occurs.

PRIORITY 4

Technology Optimization

Evaluate current utilization of existing practice management and EHR technology. Most practices are underutilizing the systems they already have. Managed software services can identify optimization opportunities that improve data quality, reduce manual work, and improve reporting without requiring technology replacement. Technology amplifies operational excellence. It does not replace it.

PRIORITY 5

Strategic Partnership Evaluation

Identify the operational functions where external partnership would deliver the greatest return, and evaluate potential partners against criteria that include specialty expertise, service model quality, transparency, and long-term relationship orientation. The right partner functions as an extension of your practice leadership team, not a transaction processor. Evaluate partners on their accountability for outcomes, not just their list of services.

SECTION 6

Revascent and the Build for What’s Next Framework

Revascent was built for exactly this operating environment. As a healthcare services and operational solutions company, Revascent helps independent practices build the operational foundation that enables long-term independence.

One Partner. Four Solutions. One Mission.

Practice Management Full back-office operational support including HR, financial management, compliance oversight, scheduling optimization, and strategic advisory services. Revascent functions as an extension of the practice leadership team, not a back-office vendor.	Revenue Cycle Management End-to-end billing, coding, denial management, and collections. Revascent reports a 99% clean claim rate and 38 average AR days across its client base, demonstrating what is achievable when revenue cycle management is treated as a core operational competency with dedicated specialty expertise.
Software and Technology Services Technology optimization, EHR support, and system integration that maximizes the value of existing investments. Revascent helps practices identify and implement improvements that reduce manual work, improve data quality, and enable better operational reporting without requiring technology replacement.	Clinical Informatics Clinical documentation support and staffing solutions that reduce provider burden, improve patient throughput, and enable providers to practice at the top of their license. Scribe services and clinical informatics programs have demonstrated meaningful impact on provider satisfaction and documentation quality.

Revascent operates as an extension of the practice, not a vendor. The relationship is built on transparency, shared outcomes, and long-term commitment to independence.

99% Clean Claim Rate (Revascent client base)	38 Average AR Days (Revascent client base)	\$1B⁺ Managed A/R across Revascent clients	4 Integrated service lines, one trusted partner
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FREQUENTLY ASKED QUESTIONS

10 Questions Answered for Practice Leaders

01 What is driving physician practice consolidation in 2026?

Administrative burden, reimbursement complexity, staffing shortages, and competitive pressure from hospital systems and private equity are the primary drivers. The AMA's Physician Practice Benchmark Survey has documented a sustained trend toward employed physician models, with administrative relief and financial stability cited as primary motivators.

02 Can independent medical practices survive consolidation pressure in 2026?

Yes. Independent practices that invest in strong operational foundations, including revenue cycle performance, operational visibility, and strategic partnerships, consistently compete effectively with larger systems. Consolidation pressure affects all practices, but operational maturity determines which ones remain independent.

03 What are the biggest operational challenges for independent practices today?

Administrative burden, prior authorization complexity, staffing shortages, and revenue cycle management are consistently cited as the top operational challenges. The AMA has documented that prior authorization requirements alone consume nearly two business days per week of physician and staff time.

04 What is outsourced practice management and what does it include?

Outsourced practice management covers the administrative and operational functions that strain independent practices, including financial management, HR, scheduling, compliance, payer contracting, and strategic advisory services. A comprehensive partner handles back-office complexity so practice leaders can focus on clinical operations and patient care.

05 How does outsourced practice management compare in cost to in-house operations?

Many practices pursue outsourced management to reduce administrative burden and gain specialized expertise. When accounting for recruitment, benefits, training, turnover costs, and compliance risk, external partnerships frequently deliver comparable or lower total cost alongside improved performance outcomes.

06 How do high-performing independent practices stay independent?

High-performing practices invest in revenue cycle excellence, operational visibility, workforce resilience, and strategic external partnerships. They treat operations as a growth platform, address operational challenges proactively, and use specialized partners for functions requiring expertise difficult to maintain internally.

07 What revenue cycle performance standards should independent practices target?

MGMA and HFMA publish specialty-specific benchmarks for clean claim rates, AR days, and denial rates. Practices should benchmark against their specialty's top-quartile performance. Revascent reports a 99% clean claim rate and 38 average AR days across its client base.

08 How does staffing shortage affect independent practice sustainability?

Staffing shortages reduce operational capacity, create revenue cycle vulnerabilities, and increase burden on clinical staff. Practices that standardize core workflows, reduce single-staff dependencies, and leverage external support for billing and administrative functions manage shortage-related risks more effectively.

09 What is the impact of prior authorization requirements on independent practices?

The AMA's prior authorization survey found that physicians and staff spend nearly two business days per week on prior authorization requests. For practices without dedicated administrative staff, this burden falls on clinical team members and directly reduces patient care capacity and provider satisfaction.

10 When should a practice consider outsourcing administrative operations?

The right time to evaluate outsourcing is before administrative challenges become financial emergencies. Key signals include claim denial rates trending above specialty benchmarks, AR aging deteriorating, revenue cycle staff turnover disrupting collections, and clinical staff absorbing administrative functions that should be handled by dedicated operations personnel.

SOURCES & CITATIONS

- ¹ American Medical Association. Physician Practice Benchmark Survey. 2024. ama-assn.org/about/research/physician-practice-benchmark-survey
- ² American Medical Association. 2024 AMA Prior Authorization Physician Survey. ama-assn.org/practice-management/sustainability/prior-authorization
- ³ Health Affairs. Hospital Consolidation and Physician Market Power. Vol. 43, 2024. healthaffairs.org
- ⁴ NEJM Catalyst. Physician Burnout and the Clinical Environment. 2024. catalyst.nejm.org

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Your independence depends on the operational decisions you make today.

Schedule a complimentary practice assessment with Revascent. We will benchmark your current operational performance against specialty standards and identify the highest-impact opportunities for your practice.

Book a Strategy Call

revascent.com/practice-management