



SimpliMD™

SimpliMD.com

7 Secrets to Physicians Restoring Control Over Their Lives

How to Restore
Your Professional Autonomy



doctorincorporated.com

Introduction

Physician burnout is at an all time high, and much of this trend relates to a loss of personal and professional autonomy for doctors.

The burnout trend for doctors parallels physician employment which is now the majority practice model for doctors in the US. With 91% of graduating residents choosing this option, the proportion of employed doctors will only grow. Preventing burnout among employed physicians begins with restoring their professional control.

Professional Control

No doubt there are many good reasons you chose to be an employed physician in today's complicated medical economy. It is a safe choice and provides numerous positive benefits.

However, it also places you in a position to have your employer become your micro-manager. In some cases, it puts them in control over your workload in addition to how, when, and where you provide clinical care; thereby, undermining your autonomy:

- Insurances with their PA's and Peer to Peer requests.
- Subjective patient feedback reports, skewed by complainers.
- Hospitals restrict your access, procedures, and medical care.
- EMRs that burdensomely detract from your time with the patient.

Over the months and years, the safe harbor of employment begins to erode into a devaluation conditioning process that catapults you into the path of burnout. Your love for medicine is lost.

Read on to discover how you can regain control.

Tod
aha Dr. Inc





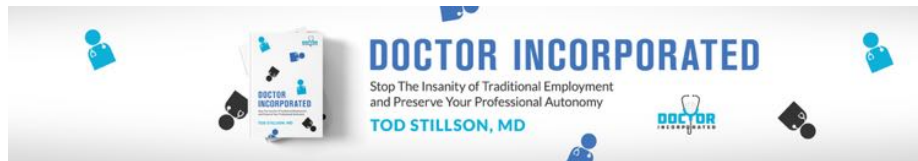
The Secrets To Restoring Personal and Professional Control for Employed Physicians

- Work for yourself.** You don't have to leave the safe harbor of physician employment in order to do this. Form your own Professional Corporation (PC) and transition to an "employment lite" contract without changing jobs. It is truly the hidden option among employed doctors that significantly increases your autonomy.
- Diversify your income channels.** Medically add some side hustles to your primary job. Non-medically you can forge passive income sources through wise investments. You control this spicket, not your employer. But be careful not to overburden yourself.
- Reach For Financial Independence.** Financial freedom creates professional and personal liberty that is refreshing. Financial freedom always involves the threefold components of consistent income, intentional frugality to eliminate debt, and a savings-first mentality.
- Eliminate Debt.** Radically commit to owe no one anything, and feel the benefits of financial autonomy.
- Control Your Benefit Plan.** When you own this as a small business you unlock options for tax strategies, income flow, fringe benefits, and robust retirement plans.
- Outsource Wisely.** Time is your most valuable asset, so ask for help when it's needed. Outsource weak areas, and delegate tasks that steal time from your home.
- Join Our Physician Community.** Exchange insights are driven by doctors that can transform your journey to regain control over your professional and personal life.

Work for Yourself

Start Your Professional Corporation (PC)

For a more detailed explanation of how and why should start your own PC, become a member of SimpliMD or grab a copy of my book published on Amazon titled *DOCTOR INCORPORATED: Stop The Insanity of Traditional Employment and Preserve Your Professional Autonomy*.



In the context of forming your own Professional Corporation (PC) that can be used within the modern framework of employment (called employment lite), it is important to understand that you are transitioning to more of an independent contractor rather than a traditional employee when you choose a PC-employment lite model. On the surface this it's a pretty benign transition, but the difference is that now you will be able to unlock some of the benefits of self-employment all while remaining employed by a large healthcare corporation. You get the best of both worlds.

In general, employees are told what to do and how to do it, which is in contrast to contractors who use their knowledge and expertise to determine on a case-by-case basis what is the best course of action, such as in the art of medicine. What this means for you in both a private medical practice or as an independent medical contractor (ie. employment lite or locums) is that you get to experience all the following benefits of running your small business PC:

1. **Do what you love.** You get to maintain the control of actively shaping the scope of your practice and your preferred patient profile, which in turn keeps you in your sweet spot professionally while providing medical care.
2. **Set your own schedule.** You determine your accessibility to your patients. This allows you to determine the cadence of your work, as well as scale the economic translation of your work volume and time commitment associated with your medical care.
3. **You are the boss.** As the owner, you get to set the rules, answer to yourself, and make all the decisions.
4. **You confidently form your own reputation.** Your time and effort to provide individualized services help forge your identity and become a brand with loyal followers in your community.

5. **You can be creative**, rather than follow a pre-determined script. You can focus on patient-centered processes that result in the best outcomes, rather than the rigid and cumbersome workflows of large corporations.
6. **You can multiply your income channels**. You can maximize your active, passive, and retained income opportunities including tapping into tax advantages that are baked into small business entities.
7. **You can involve your family**. By employing family members in your corporation, you can open up additional streams of income in your household.

Many of these benefits are lost when you choose to solely become traditionally employed and your employer now becomes your boss, usurps your identity, requires conformity to their standard operating procedures and policies, and ultimately exerts control over your schedule and professional services. As time goes on, the associated loss of control and autonomy within your professional life can lead to a tipping point of job dissatisfaction and burnout.

Transitioning to a PC-employment lite structure doesn't fully emancipate you from the contractually defined boundaries of job hours, schedule, scope of practice, and other corporate citizen requirements. However, it does provide much more professional autonomy than traditional employment.

Diversified Income Channels

Unlocking Your Autonomy Through The Power of Your PC

Retained Income

Retained earnings for the medical professional are rarely spoken about largely because it is assumed to not apply to individuals; rather, it's thought to primarily apply to businesses. But as you recall, you have special powers to be considered an individual business through your own PC, and thus this door is opened up for you. For companies, this is an accounting term that describes the methods associated with keeping more of the company's earnings. A business's net earnings are the bottom box in the accounting ledger after its fiduciary obligations are met, including distributing dividends to shareholders. The multiple filtering channels of corporate revenue can be likened to the filtering that occurs with our large paychecks. The flow of your cash through this system of filters creates opportunities to retain some of that income.

In traditional employment as a W-2 wage earner, you have very little opportunity ability to alter the filters, but you do have an opportunity annually to retain these dollars when you file your taxes via the system of itemized deductions that lead to the "tax refund check." The number of opportunities for high-income W-2 tax-advantaged income retention is gradually being reduced through our tax code disproportionately taxing the rich.

While there are some tax-advantaged benefits and professional overhead available to W-2 employees, many items must be paid for out of your after-tax dollars. A classic example of this would be unreimbursed CME expenses. When I activated these small business channels the net result was \$70,000 in retained income that benefited my household. The most important element of this category relatively unknown to most doctors is that it doesn't take any more of your time or energy to access it. It's kind of like free money, but you just have to have the business system in place to retain it. Most doctors can retain 10-15% of their gross income by doing this.

After you have assessed your retained income opportunities, two other groups of income will emerge as options for adding money to your home, and those two are active or passive income.

As you consider these dual sources, I would encourage you to ponder which opportunity(s) will require more of your time or presence. In the end, conserving your time is probably your most important consideration. I like how Warren Buffet states this idea when he says, "The rich invest in time and the poor invest in money."

Active Income

For physicians, active income is mostly built around your professional services, professional state, or your intellectual property (medical brain). It's not that you can't have non-professional forms of active income, but the \$/hour rate will rarely be equivalent to the value of your professional services. Thus I suggest you stay in your professional lane to maximize this income.

Active income involves work that requires your time and presence for the money to be earned. This does include your primary job, and it also includes extra income sources that your employer can create for you or opportunities that you can source for yourself.

All sources of your active professional income can flow in through your PC, even if your primary job doesn't. In fact, I would suggest that this would be the most common initial setup configuration for the majority of you, including residents. When you flow your income into your home first through a PC, it provides many tax-advantaged opportunities that are available only to small business owners and not to individual taxpayers.

Passive Income

Passive income includes regular earnings from a source other than an employer or contractor. Technically the Internal Revenue Service (IRS) says passive income can come from two sources: rental property or a business in which one does not actively participate, such as being paid book royalties or stock dividends.

Traditionally employed doctors can use their high income to create passive income channels, so you don't have to own a PC in order to do this. The most common tax-advantaged passive income channels that you will build into your portfolio are your 401(k), 403(b), and IRA's through your employer and possibly other taxable brokerage accounts that are part of your savings plan, because unlike starting a business or real estate, these passive income sources won't require more of your time.

But when you flow all of your professional service income through your PC and thus take over managing your own benefit plan, you will have a deeper tax-advantaged wellspring of funds to use to build your passive income portfolio. The extra household income generated through your PC's retained earnings can and should be translated into passive income sources for you. This is how passive income is linked beneficially to your PC, due to its net effect of increasing your investible household dollars.

Passive income is an important source of income that each of you should assemble in your portfolio because of the way it grows your net worth. For you, investments, starting/investing in a business, and real estate will be the most common sources of passive income. It is notable these are separate business entities outside of the scope of your PC and professional services. Ultimately they are legally separate from your PC (other than retirement investments) and function within the broader enterprise model.

In their purest form, these represent how you can earn money without requiring your time or physical presence. However, starting a business and certain types of real estate will actually require your time and presence. Thus, although they are considered passive due to the way that money flows into your household, they are hardly passive in terms of your time and energy.

When you activate the full power of your professionally earned assets, like your small business power, it places you in a position to grow your household income which in turn can be transformed into new passive financial assets that work for you when you are not working. The appeal of passive income is that it is more scalable than your professional services and thus has fewer limits.

Real estate is one of the most common sources of passive income for doctors and it has been a personal favorite of mine. It provides a nice combination of both asset growth and simultaneous income when managed properly. It is especially powerful when it can be tied into your professional practice because frankly you/your employer is going to pay someone for your clinical space, so it may as well be you.

Financial Independence

The Power of Not Having to Work

Progressive Financial Stages



Your journey to becoming financially independent is subjective. It includes multiple personal and professional variables, all of which you primarily get to decide for yourself. Even the definition of financial independence (FI) is determined primarily by you via your self-determined present and future lifestyle.

Financial independence is commonly defined as having enough income to pay one's living expenses for the rest of one's life without having to be employed or dependent on others.

As the illustration on the prior page demonstrates, most of you will prefer to reach the place called Financial Freedom rather than Financial Independence because it will allow you to live at the revved-up lifestyle that you have become accustomed to as a doctor. Financial Independence represents the minimum stage you must reach, in order to not have to be employed.

Not being employed has become a significant talking point among doctors of all ages due to the burnout crisis that has been accelerated by physician employment within the American health system. Most baby boomers are already moving towards retirement from work as the natural progression of their long-term plan to retire around the traditional age of 65 mark. Thus reacting to the pressures of medicine is easier because they can just stop working a few years early. The exception is those who have financial obligations that drive them or those that are driven by their altruistic love for helping people.

Millennials and Gen Z, have wisely adapted to the new landscape and their entry and exit from medicine are measured, paced, and more actively managed. 30-year sustained careers will likely be less common for them, and part-time work or even periodic work (like locums work) will be more normative due to their desire for balance and personal well-being. They overall seem to have a clearer view of FI and are motivated to reach it.

Once you reach FI, you will be able to enjoy your assets as you manage them to fuel the non-monetized use of your time that is typically filled with what means most to you. This space is where you can decide whether you want to retire from any kind of work. Stated more simply, it represents a time when you can separate from being required to have a job. When you are employed, you **MUST** come to work and your employer pretty well controls you—your income, benefits, schedule, and vacation time. But if you reach FI, and no longer have to be employed, now you have full control to determine if you work, how you work, when you work, what work means to you, and even whether your work needs to be monetized. Retirement doesn't mean that you no longer work; rather it means you get to self-determine what your work is each day.

In our modern era, retirement has been connected to chronological age. The federal government has defined this age as 65 for you and me. This is the age where you can access the social security and medicare benefits that you have paid into with every paycheck. Based on expected lifespans at the time of launching social security in 1935, the US actuaries did their best to project the necessary funds to perpetuate the program. For a number of reasons, we all know by now that they were wrong, as evidenced by the fact that the social security trust fund will be depleted as soon as 2035.

You don't have to stop working at this faux retirement age of 65 just because the government allows it, but many do since it's not unreasonable. Workplace pensions, retirement funds, and IRA's all have built-in clocks for when these funds must begin distribution. Some will penalize you for starting disbursements of funds too early (50's) and then others force you to take disbursements by a certain age (70's). Those dates are interlocked with federal rules about retirement. You can retire earlier, but you just can't access those designated retirement funds too early without a penalty.

But age really is an arbitrary proxy for when to stop working. Another version of retirement pulls forward a more individualized idea. Here you can contentedly live a life whereby your desired lifestyle is met through your own financial reserve. This is age independent, as long as the financial assets mirror your life expectancy.

Additional Steps

To Gain Personal and Professional Autonomy

Ultimately there are many other things that you can do that place you back in control of your personal and professional life including:

1. Radically eliminate all debt from your life. I highly recommend the debt avalanche or debt snowball approach in order to do this.
2. Start your own small business PC so that you can regain control over your benefit plan. When you do this, you are able to create a highly individualized bundle of benefits that are lean, tax-advantaged, and truly help your home.
3. Outsource tasks that are inefficient in your life. You should wisely leverage your high income to regain your most valuable asset, time. When you have time and margin in your life, it will provide peace and internal rest that all benefit your well-being.
4. Join others who are on the same journey and support, inspire, and learn from one another. Doctors tend to be self-sufficient and independent, but we all need others to help us be our best. Online virtual communities make this a lot easier than the older version that was known as the doctor's lounge at the hospital. I encourage you to join our physician community on Facebook called "Every Doctor Is A Business." and become a member of the SimpliMD community.

For more information on each of these subjects, check out our free ebooks and blog posts at simplimd.com & doctorincorporated.com.

Check Out More Resources at SimpliMD.com

Physicians need a trusted resource to inform and inspire them about their small business powers in medicine, and [SimpliMD](#) & [Dr. Inc](#) are one of leading voices in this space.

Join our Physician Community on Facebook at "Every Doctor is a Business"

[Join Our Community and Become a SimpliMD Member Here](#)

Sign up to receive our newsletter, blogs, and podcasts that speak to issues important to employed physicians and the business of medicine

[Sign up for Our Newsletter Here](#)



Dr. Stillson with SimpliMD and Dr.Inc.. is a practicing family physician, author, blogger, and podcaster. He is not a lawyer, accountant, or financial planner.

This ebook and any of our other materials are not personalized financial advice for you and are meant for your general education and entertainment purposes only.