

REPORT

INSIDE Top SBA Lenders List

See who ranked first in making loans to small business in FY 2014 P. 13

Top SBA-Guaranteed Loans List

FY 2014's biggest was close to \$13M P. 15



BITTERSWEET VICTORY: Brooklyn chocolate makers Jean-François Bonnet (left) and Michael Altman applied to seven banks before they won financing.

Banks open the spigots slowly

Borrowing gets easier for small firms, but lenders still favor larger loans

BY ANNE FIELD

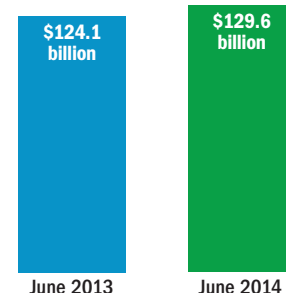
When restaurateur Amin Himani took out a seven-year, \$700,000 loan several months back, one thing was clear: Getting a small-business loan would be easier than it was a few years ago. Mr. Himani needed the money for capital improvements to his Manhattan-based Pizza Plus restaurant, which has 12 employees and \$1 million to \$3 million in revenue. Savoy Bank, a community-based lender in Manhattan, provided the funding for the profitable two-year-old eatery.

"During the recession, it was tough," said Mr. Himani. "Now, whatever we ask for, we're able to get it."

As co-owner of about 40 restaurants in New York City and New Jersey that have total revenue of about \$40 million, Mr. Himani is in a stronger financial position than many entrepreneurs. Yet he is hardly alone in his experience. Several recent surveys and studies show that it is becoming a little easier for many owners to get loans. Lending backed by the Small Business Administration is

SMALL LOANS

Deals under \$100,000, including credit-card loans, have inched up in the U.S.



Source: U.S. Small Business Administration

rising a bit, and big banks are approving a higher percentage of deals.

"Small-business lending is looking up," said Rohit Arora, co-founder of Biz2Credit, a Manhattan-based company that provides online small-business lending resources and helped Mr. Himani find funding. "For 2015, that should continue as the economy grows slowly but steadily, oil prices continue to drop and interest rates remain low."

Approval rates by banks with \$10 billion or more in assets for small businesses in the New York City area have been slowly edging up. They hit 21.2% in November and December, up from 20.9% in October according to the new Biz2Credit-Crain's New

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Primary care doctors find it's not easy to stay independent

Financial pressures spur more to try concierge practices or not take insurance

BY ELAINE POFELDT

To stave off the pressures prompting many physicians to sell their practices to hospital systems, Manhattan internist Peter Bruno has tried a

number of creative solutions. They have ranged from forming a now-disbanded group practice with 60 colleagues to his ongoing strategy of working at a nursing home one day a week to supplement his income in his current solo practice.

"It's more and more difficult for doctors to make ends meet," explained Dr. Bruno, who began practicing in 1979 and, thanks to his ex-

37%
SHARE OF PHYSICIANS who took their jobs at hospitals to avoid administrative hassles

Source: Jackson Healthcare survey, 2014

pertise in sports medicine, has treated professional athletes on teams including the Yankees, the Knicks and the Rangers.

With reimbursements dropping, Dr. Bruno made the bold move in July of converting his six-employee private practice on East 59th Street in Manhattan to a hybrid concierge model. In concierge care, patients pay an annual fee or retainer

to get more immediate, customized care. Hybrid practices treat both concierge and traditional patients.

In Dr. Bruno's roughly 2,000-patient practice, 200 patients now pay \$4,500 a year for perks like being able to reach him directly by mobile phone; he bills their insurance company for the actual care. He is looking for a physician to become a junior partner in his managed care practice and ultimately treat the other patients, whom he sees now.

Dr. Bruno is one of a dwindling

number of primary care physicians who remain in private practice. Only 7% of primary care physicians in the U.S. owned a stake in a single-specialty practice in 2014, down from 12% in 2014, according to a national survey in 2014 by Jackson Healthcare, a staffing company in Alpharetta, Ga. Meanwhile, the percentage of primary care physicians employed by hospitals increased to 20% in 2014 from 10% in 2012. Typically, when doctors sell

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Docs find private practice harder

Continued from Page 11

their practice to a hospital group, they take on the role of employee.

"The number of traditional independent-style physicians is definitely on the decline and will continue to decline," said Wayne Lipton, founder and chief executive of Concierge Choice Physicians, a company in Rockville Centre, L.I., that helps physicians build concierge programs.

High overhead, administrative hassles and reimbursement cuts topped the list of reasons physicians gave for leaving private practice in the Jackson Healthcare survey. In New York City, physicians face local pressures, too. High rents, especially in Manhattan, contribute to steep overhead. And competition from urgent care centers is mounting, with many young, newly insured patients choosing them because they don't have a relationship with a primary care doctor. "They are like the McDonald's of medicine," said Mr. Lipton.

Lower reimbursement rates

Meanwhile, it is hard for small independent practices to negotiate the better reimbursement rates from

insurers that larger players can. "The insurers have the upper hand. They pay larger groups and hospitals at a higher rate," said Mr. Lipton.

To be sure, practicing in parts of New York City, such as Manhattan, does have some built-in advantages. There is a dense population, and many city dwellers insist on seeing a

Urgent care centers are 'like the McDonald's of medicine'

local doctor. "They will not go to Jersey City or Long Island," said Divan Dave, chief executive of OmniMD, a software and practice management firm based in Tarrytown, N.Y., that has clients in New York City.

Nonetheless, to survive economically, primary care physicians in independent practice have had to

think more like business owners than many of them would prefer. In New York City, not taking insurance is now more common, said Mr. Lipton. Concierge medicine is also growing at a fast clip. His firm, founded almost a decade ago, now has about 100 New York City area firms in its network.

Painful choices

The choices physicians make to keep their practices healthy are painful at times. Not all of Dr. Bruno's patients have been happy to hear he was moving into concierge care.

"I had a certain number of patients who thought I should have done this a long time ago," he said. "I had a small number of patients who thought this was terrible and I was doing it for greed. They were angry and left. The bulk of patients who couldn't justify joining the concierge practice all said they totally understood."

Fortunately, most traditional patients have stayed with him as he looks for a partner. He refers those who want to leave to internists who work in the same building.

Some primary care physicians

SQUEEZED: A drop in reimbursements has compelled Dr. Peter Bruno to adopt a concierge care model.



BUCK ENNIS

are trying a different approach. Take Louis J. Morledge, who runs an 11-employee practice with another physician on East 58th Street in Manhattan and accepts traditional insurance and Medicare. He employs a physician's assistant to see certain patients under a physician's supervision, and outsources billing, which devours the time of

staffers at many practices. "Like any other small-business owner, you have to make sure you have a good handle on costs," Dr. Morledge said.

But he's willing to pay close attention to finances to stay in private practice. "None of this negates the joy of taking care of patients," he said. ■

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