



Jackson
HEALTHCARE
We give healthcare life

2016 PHYSICIAN TRENDS



topics we will cover



physician
engagement



physician
networking



telemedicine



supply & demand



regulatory impact



compensation &
reimbursement



outlook &
satisfaction



practice
environment



*Creating system-wide physician alignment is one of the **most challenging initiatives** for hospital executives, and one of the **most crucial to success** on a wide range of cost, quality and experience initiatives.*



51%

more inpatient referrals were given to the hospital from fully engaged physicians

3%

more outpatient referrals were given to the hospital from fully engaged physicians

Source: Gallup Study on physician engagement quoted in *What Too Many Hospitals Are Overlooking*



*Among the lessons administrators learned in acquiring and divesting of medical practices during the 1990s is that from a business standpoint, **the only similarity between a hospital and a physician practice is that they both have patients.***

— Randy Baumann, Delta Healthcare

Source: Delta Healthcare *Why Hospitals Buy*



Cultural Differences



Physician



Hospital Executive

Focus

Expertise

Efficiency

Loyalty

Patients

Organization

Responsibility

Personal

Shared

Source: Physician Engagement in CCC [Community-Based Care Continuum], Stratus Health and KHA Research 2014



3 in 5
physicians who
are employed are
not engaged.

Source: Advisory Board Company 2014 Medical Staff Engagement Benchmark Report



In order to achieve a state of active engagement...

Physicians

are willing to make decisions in the best interest of the system without a tunneled focus on their individual practice.



In order to achieve a state of active engagement...

Hospital Systems

actively seek to optimize the physician experience, even if cultural and organization structures must be modified.



Key drivers for physician engagement

- 1 Alignment of executive team actions and clinicians goals
- 2 Open/responsiveness of organization to physician input
- 3 Interest of physician in leadership opportunities
- 4 Autonomy of physician in managing individual practice
- 5 Support of organization in the economic growth and success of the physician's individual practice



*A Jackson Healthcare Physician Engagement Survey in Spring 2016 **found large gaps** between the degree to which **physicians are engaged** and the degree to which **hospital administrators believe physicians are engaged.***

Source: Jackson Healthcare Physician Engagement Survey, Spring, 2016

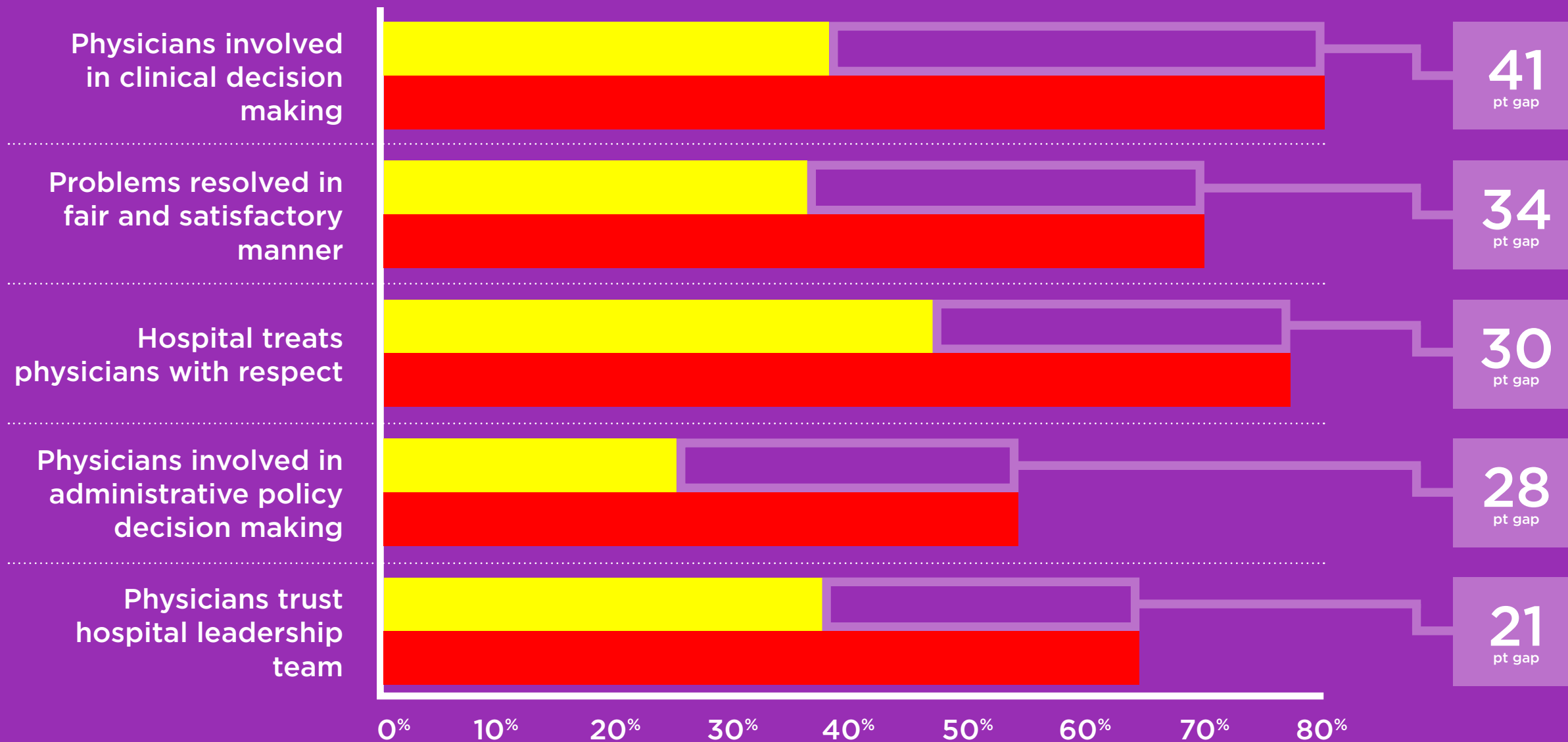


Gaps: Physician Engagement

actual level and executive perception

Physicians

Executives



Source: Jackson Healthcare Physician Engagement Survey, Spring, 2016



61%

of physicians scanned social media for medical information at least weekly

46%

contributed information to social media on at least a weekly basis

Source: 2012 study published in the Journal of Medical Internet Research



31%
of health care
professionals
use social media
for professional
networking

Source: MedTech Media

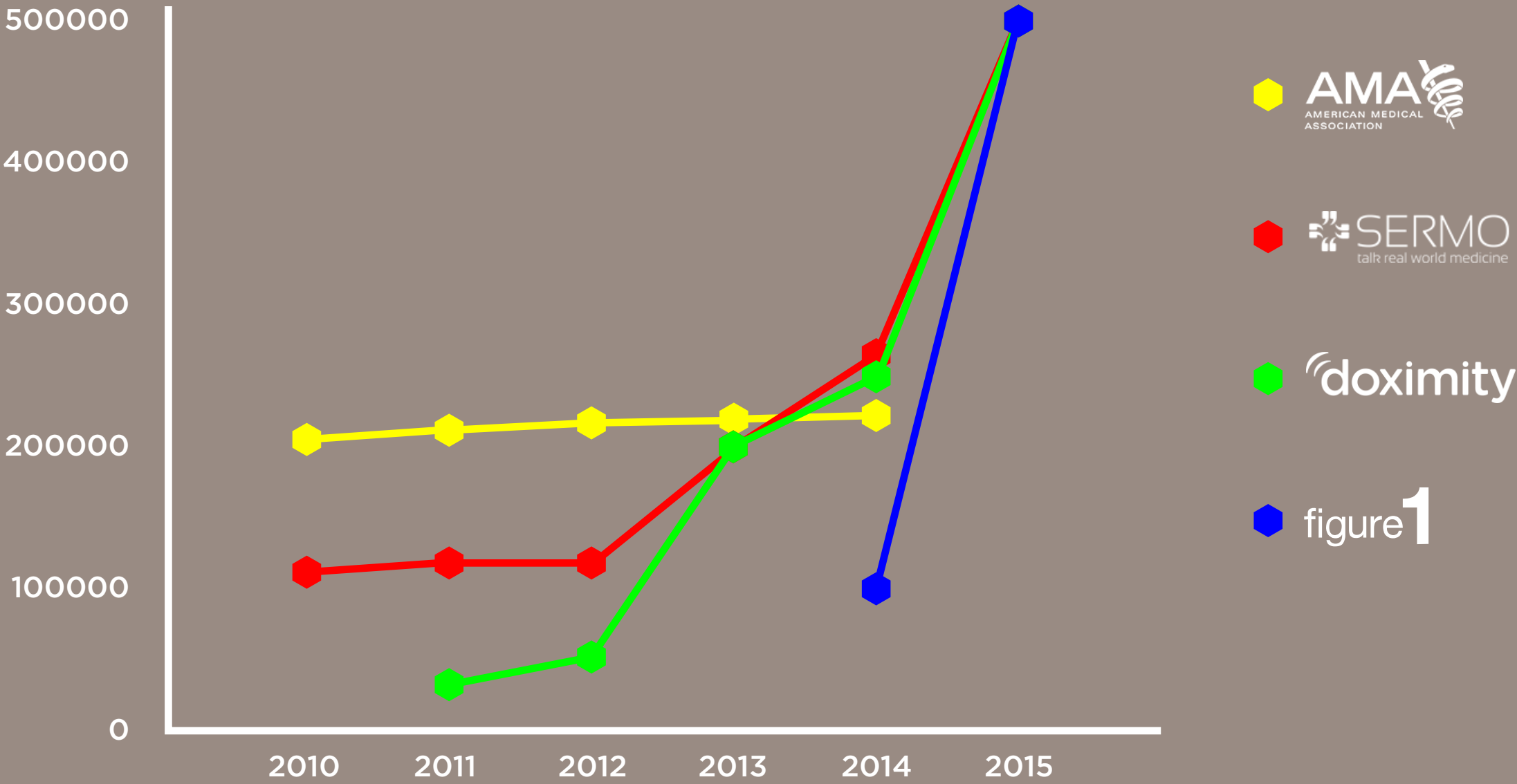


AMA membership has fallen from a high of 70% of U.S. doctors in the 1950s to 15% in 2011.

Meanwhile, social networking and crowd-sourcing sites have seen a substantial increase in the number of physician users/members.



Membership Trends



-  **AMA**
AMERICAN MEDICAL ASSOCIATION
-  **SERMO**
talk real world medicine
-  **doximity**
-  **figure1**

Source: AMA Annual Reports 2010-2014, Sermo, Doximity, Figure 1



Global telemedicine market is projected to expand at a compound annual growth rate of 14.3%

\$14.3
in 2014



\$36.2
by 2020



*During the 2015 legislative session, **more than 200** pieces of **telemedicine-related legislation** were introduced in **42 states**.*

Source: State Telehealth Laws and Reimbursement Policies Report, April 2016



*Currently, **29 states and the District of Columbia** have enacted laws **requiring that health plans cover telemedicine services.***

Source: State Telehealth Laws and Reimbursement Policies Report, April 2016



35%
of employers with on-site health facilities offer telemedicine services. 12% more plan to do so within the next two years.

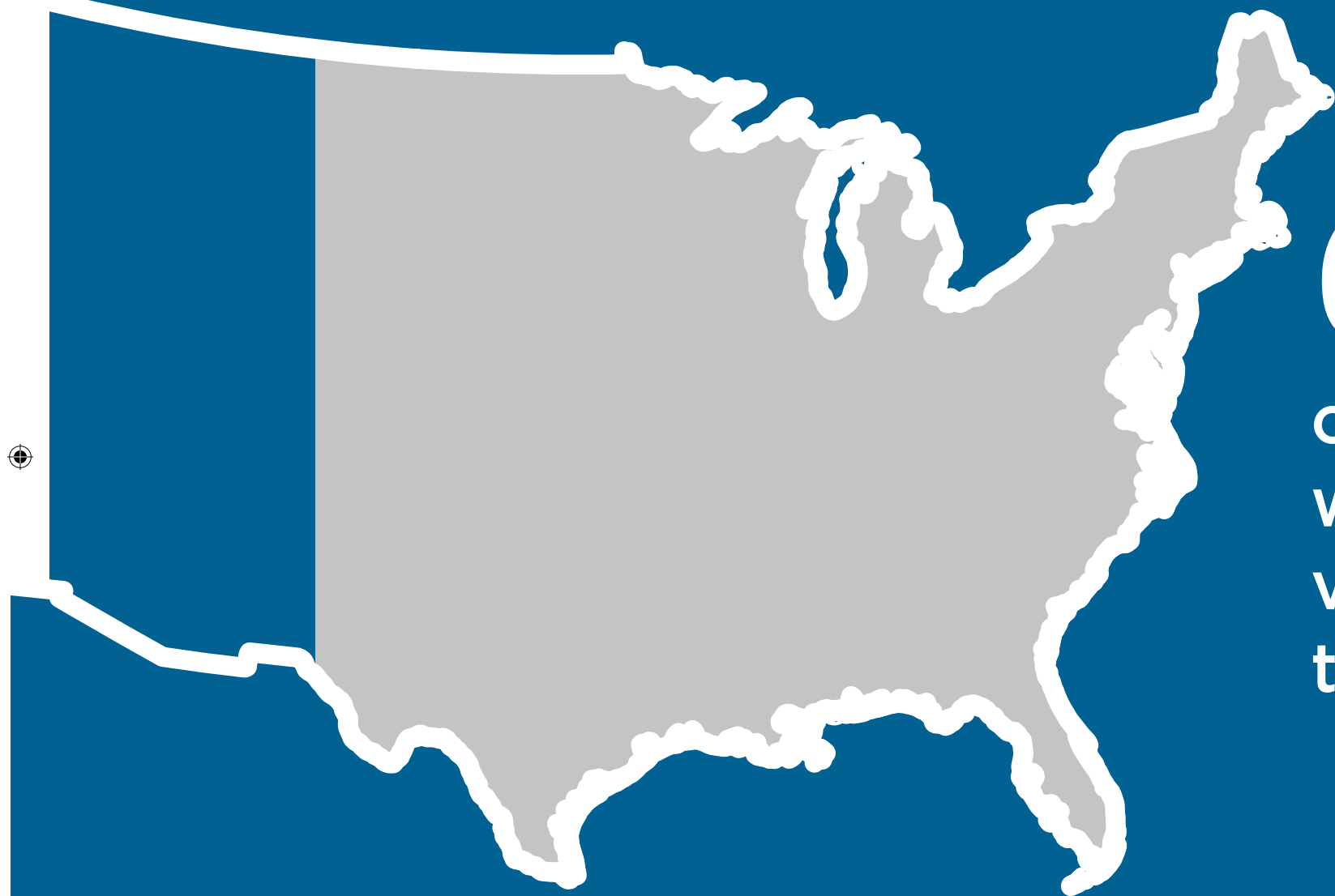
Source: Towers Watson 2015 Employer-Sponsored Health Care Centers Survey, February-March 2015



Nearly 70%

of employers will offer telemedicine services as an employee benefit by 2017.

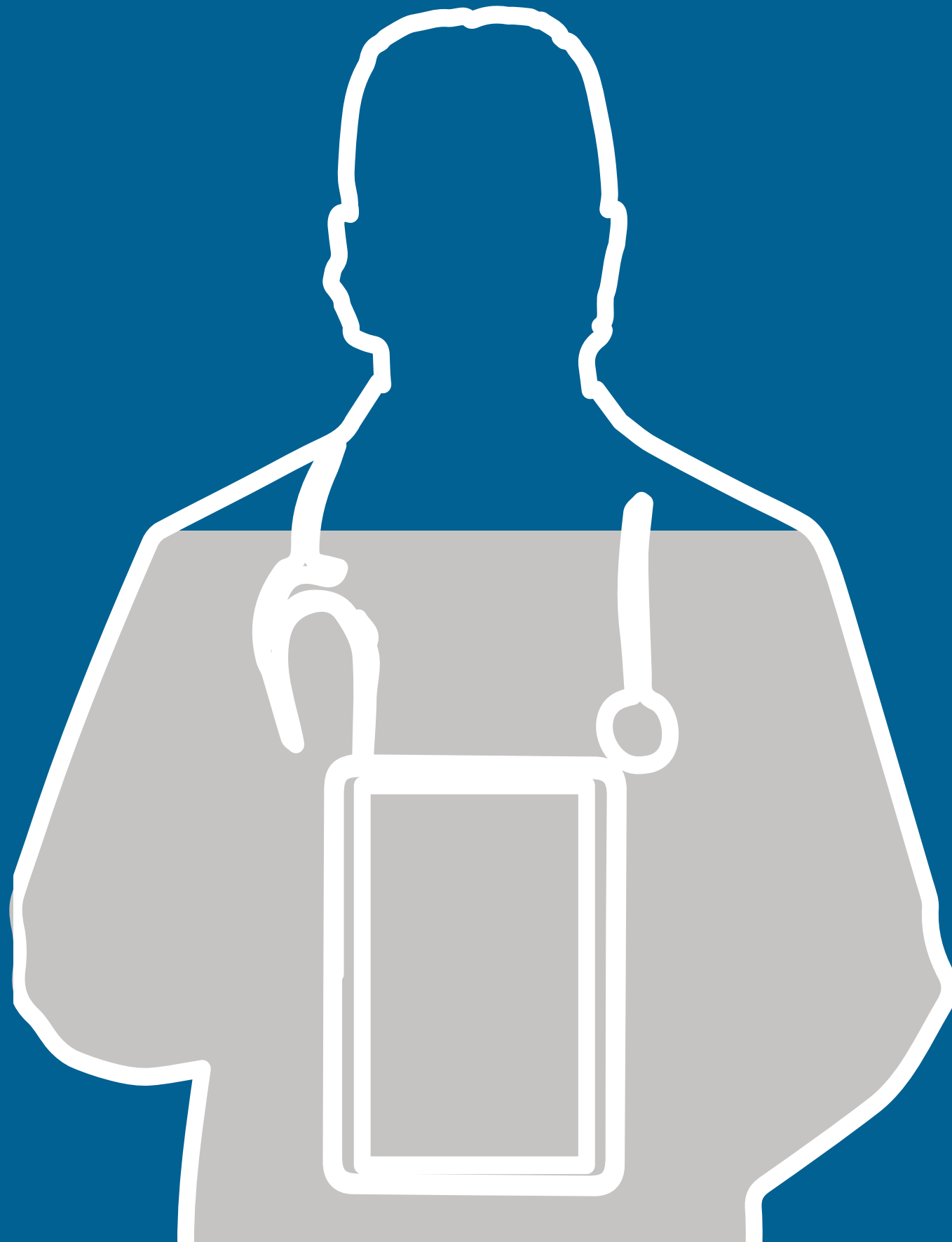
Source: Towers Watson 2015 Employer-Sponsored Health Care Centers Survey, February-March 2015



64%

of Americans are willing to have doctor visits via video telehealth.

Source: American Well 2015 Telehealth Survey (conducted by Harris Poll)



57%
of primary care
physicians are willing
to conduct video visits
with their patients.

Source: American Well 2015 Telehealth Survey (conducted by Harris Poll)



90%

of surveyed healthcare executives report that their organizations have begun developing or implementing a telemedicine program.



*The number of **patients using telemedicine services will increase** from less than 350,000 in 2013 to **7 million in 2018.***

Source: IHS Newsroom Global Telehealth Market Set to Expand Tenfold by 2018



Almost 75%

of all doctor, urgent care and ER visits are either unnecessary or could be handled safely and effectively over the phone or via video.

Source: C2 Solutions



About 20%

of Americans live in rural areas where many do not have easy access to primary care or specialist services.

Source: Trend Watch, American Hospital Association, January 2015, The Promise of Telehealth for Hospitals, Health Systems and Their Communities



The American Association of Medical Colleges (AAMC) projects a shortfall of physicians between

46,100—90,400

by 2025

Source: AAMC Physician Supply and Demand through 2025, March 2015



Key Physician Shortages by 2025



Medical
Sub-specialists

5,100—12,300



Primary Care

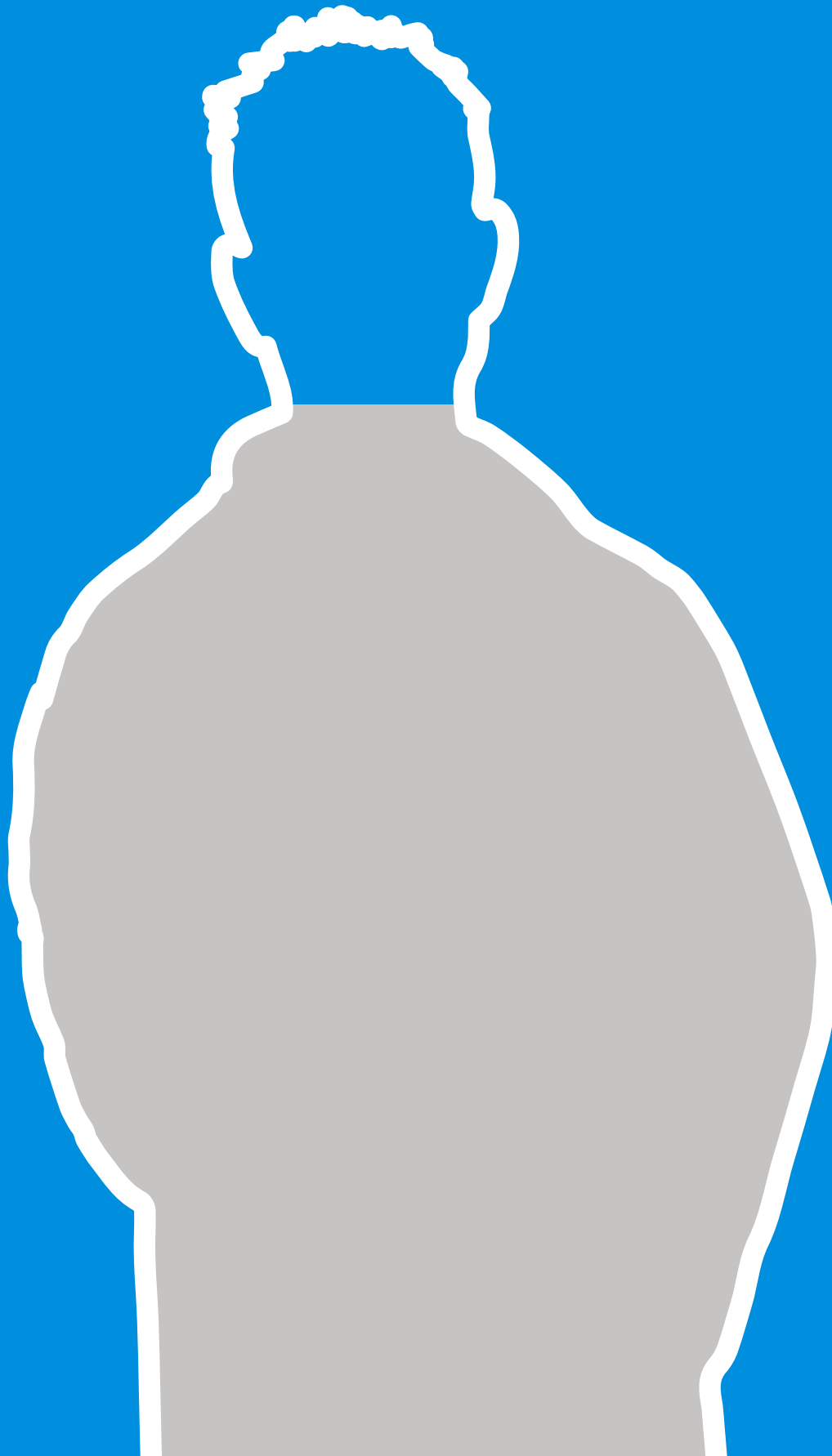
12,500—31,100



Specialists &
Surgeons

28,200—63,700

Source: AAMC Physician Supply and Demand through 2025, March 2015



72%
of physicians
believe there is a
physician shortage

Source: 2014 Survey of America's Physicians by Physicians Foundation



Scenarios that could impact demand:

- 1 Changing demographics
- 2 ACA expanded medical insurance coverage
- 3 Integrated care delivery model
- 4 Expanded use of retail clinics
- 5 Increased use of advanced practice nurses

Source: Complexities of Physician Supply & Demand: Projections from 2013 to 2025, AAMC



Primary care

physicians in rural areas are older and nearing retirement

Source: Healthcare Workforce Distribution and Shortage Issues in Rural America January 2012



“As physicians retire, local health systems struggle to replace their core medical staff.”

— Randy Gott, SVP with The Advisory Board Company



Impacts of ACA on Physician Practices:

- 25%** Too early to tell
- 12%** High deductibles for patients
- 8%** Loss of patients
- 8%** More patients with coverage
- 7%** Decline in reimbursements
- 6%** More bureaucracy

Source: Jackson Healthcare Survey of 1,527 Physicians between 4/18/14–6/5/14



46%
of doctors gave the
ACA a **D/F**

Source: 2014 Survey of America's Physicians by Physicians Foundation



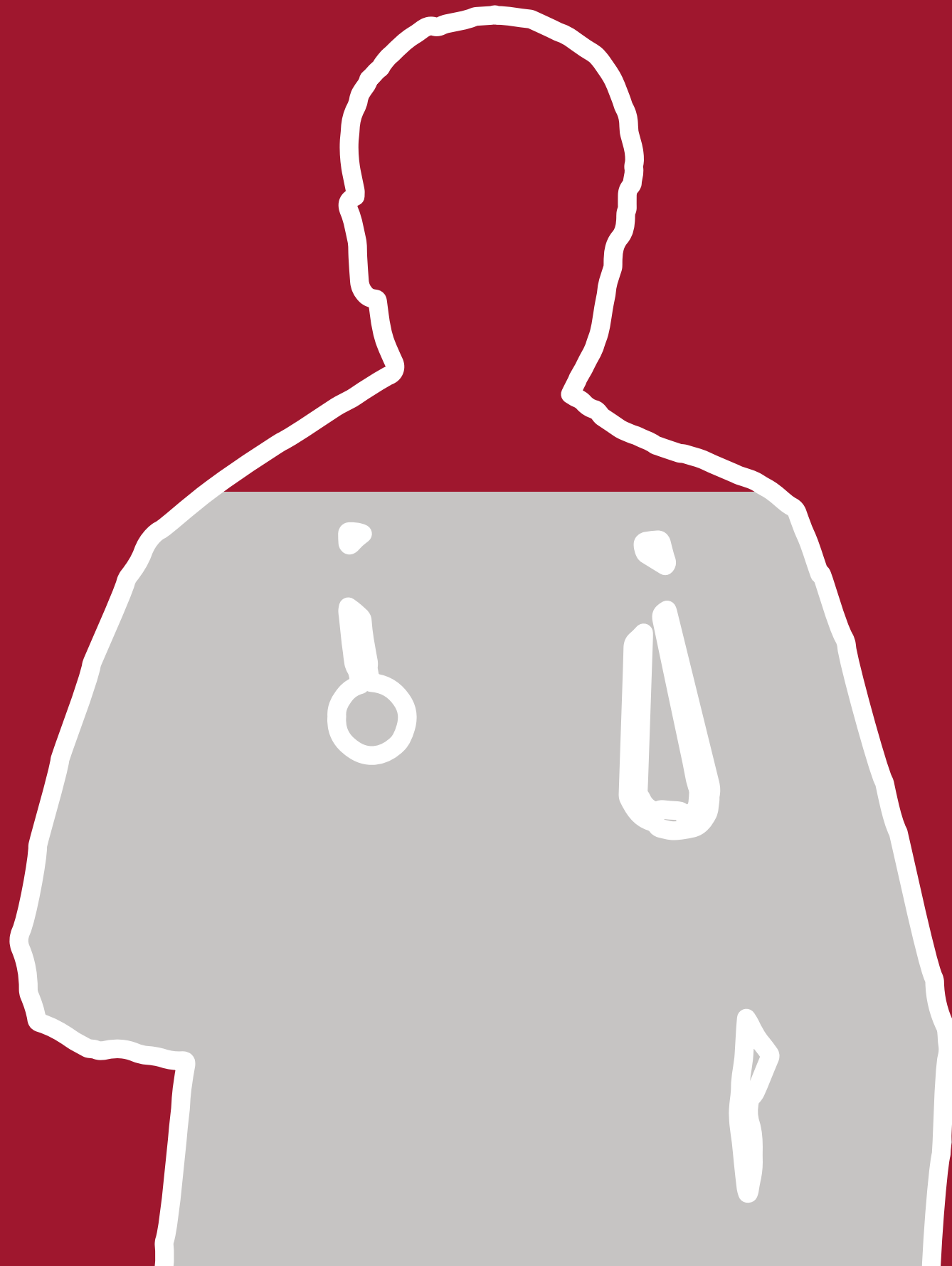
74%

of physicians said they felt the ACA would be overturned by Congress

66%

saying it should be repealed

Source: January 2015 Survey by LocumTenens.com



61%

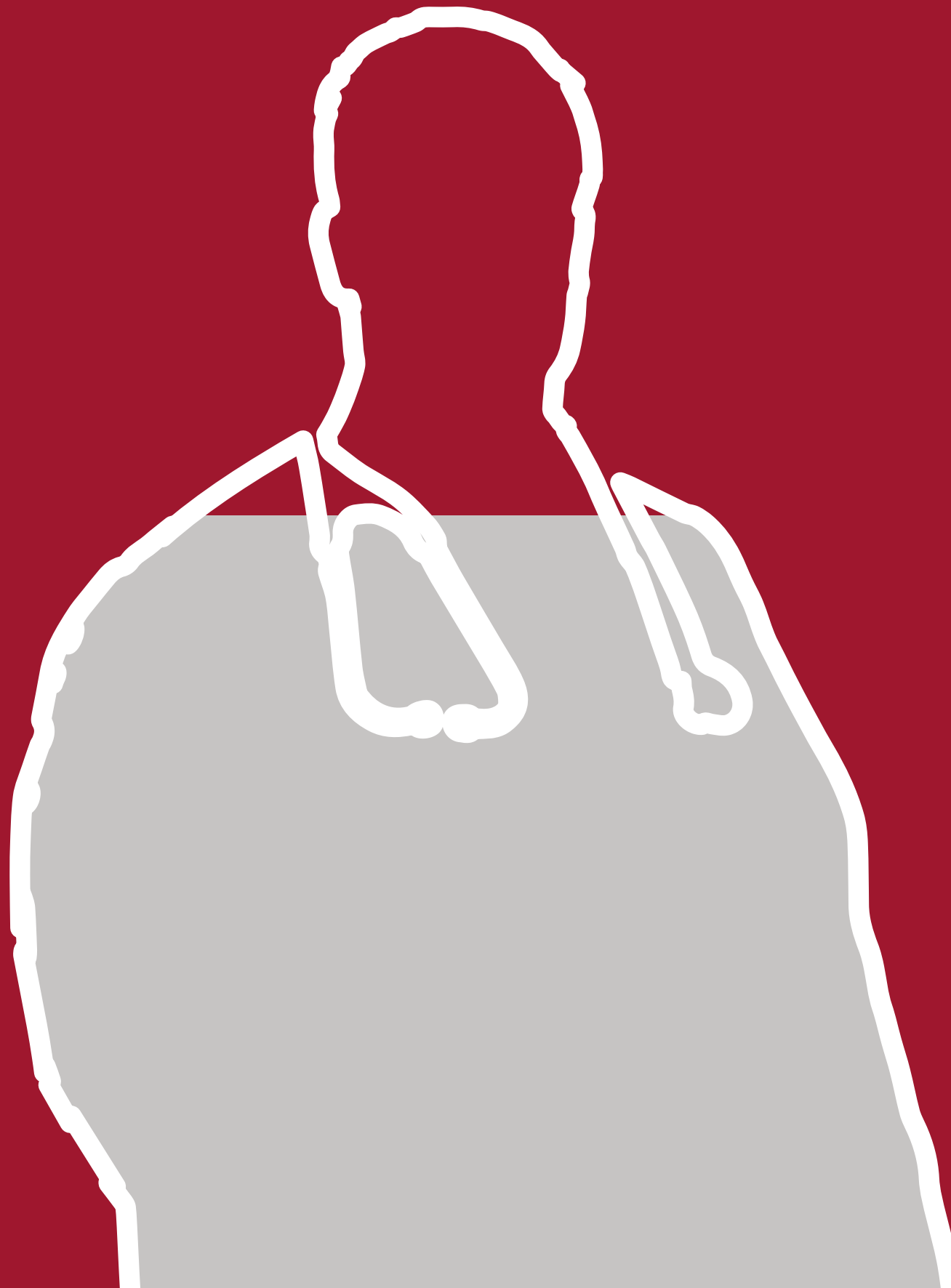
of physicians reported an increase in overhead costs for items such as EHR and administrative costs to comply with the ACA

Source: 2014 Survey of America's Physicians by Physicians Foundation



More than 50%

of physicians who bill Medicare were penalized 1% of their 2015 payments as a result of meaningful use.



60%

**of physicians reported
more administrative
work under the ACA,
resulting in less time
with patients**

Source: Jackson Healthcare Survey of 1,352 Physicians
(Released: June 25, 2015)



\$207,000

Average Family Medicine Physician's Compensation

\$204,000

Average Pediatrician's Compensation

Source: Physician Compensation Report 2016 by Medscape Medical News



Top 5 Compensation Increases from 2015-16

- 1 Rheumatology
- 2 Internal Medicine
- 3 Nephrology
- 4 Dermatology
- 5 OB/GYN

Source: Medscape Physician Compensation Report 2016



Top 5 Earners from 2016

- 1 Orthopedics - \$443,000
- 2 Cardiology - \$410,000
- 3 Dermatology - \$381,000
- 4 Gastroenterology - \$380,000
- 5 Radiology - \$375,000

Source: Medscape Physician Compensation Report 2016



Which physicians earn more?

- 1 self-employed
- 2 male
- 3 north/central region

Source: Medscape Physician Compensation Report 2016



“The past five years have seen a significant increase in the creation of alternative payment models, such as accountable care organizations, patient centered medical homes, bundled payments, gainsharing, and various other pay-for-performance formulae.”

Source: “How physicians can adapt to compensation changes,” — Advisory Board Company, July 10, 2015



“ We continue to see the expansion of compensation figures for the primary-care specialties at a rate that’s surpassing that of the (other) specialties. ”

— Todd Evenson, COO of MGMA

Source: “Doc pay resumes upward march after prior year’s slowdown,” by Steven Ross Johnson, July 18, 2015, Modern Healthcare



Reimbursement cuts were one of the top two reasons physicians cited for selling their medical practice.



*Physician **satisfaction**
is on the **decline**.*

64%

of physicians said they would choose medicine as a career again (vs. 69 percent in 2011)



More than 50%

of physicians are experiencing professional burnout and the problem is getting worse.

Source: Shanafelt TD, Hasan O, Dyrbye LN. Changes in Burnout and Satisfaction with Work-life Balance in Physicians and the General US Working Population Between 2011 and 2014. Mayo Clinic Proceed 2015; 90:1600–1613.



Satisfied physicians are more likely to:

- 1 be between 25 and 44 years of age
- 2 work 8 hours per day
- 3 be employed and have never worked in private practice
- 4 have chosen employment for lifestyle reasons
- 5 have a greater number of patients with private insurance



Dissatisfied physicians are more likely to:

- 1 be between 45 and 64 years of age
- 2 work 8+ hours per day
- 3 own a solo practice
- 4 say patients are delaying treatments
- 5 say they have lost patients due to ACA roll-out



81%

of doctors at capacity or overextended

53 hours

average work week for a physician

Source: 2014 Survey of America's Physicians by Physicians Foundation



9—12 hours

Average number of hours worked per day

22 patients

mean # of patients seen per day



20 minutes

mean time spent with each patient

13 patients

mean # of patients seen during hospital rounds

5 surgeries

mean # performed in OR on a surgery day

Source: Jackson Healthcare Survey of 1,527 Physicians between 4/18/14–6/5/14

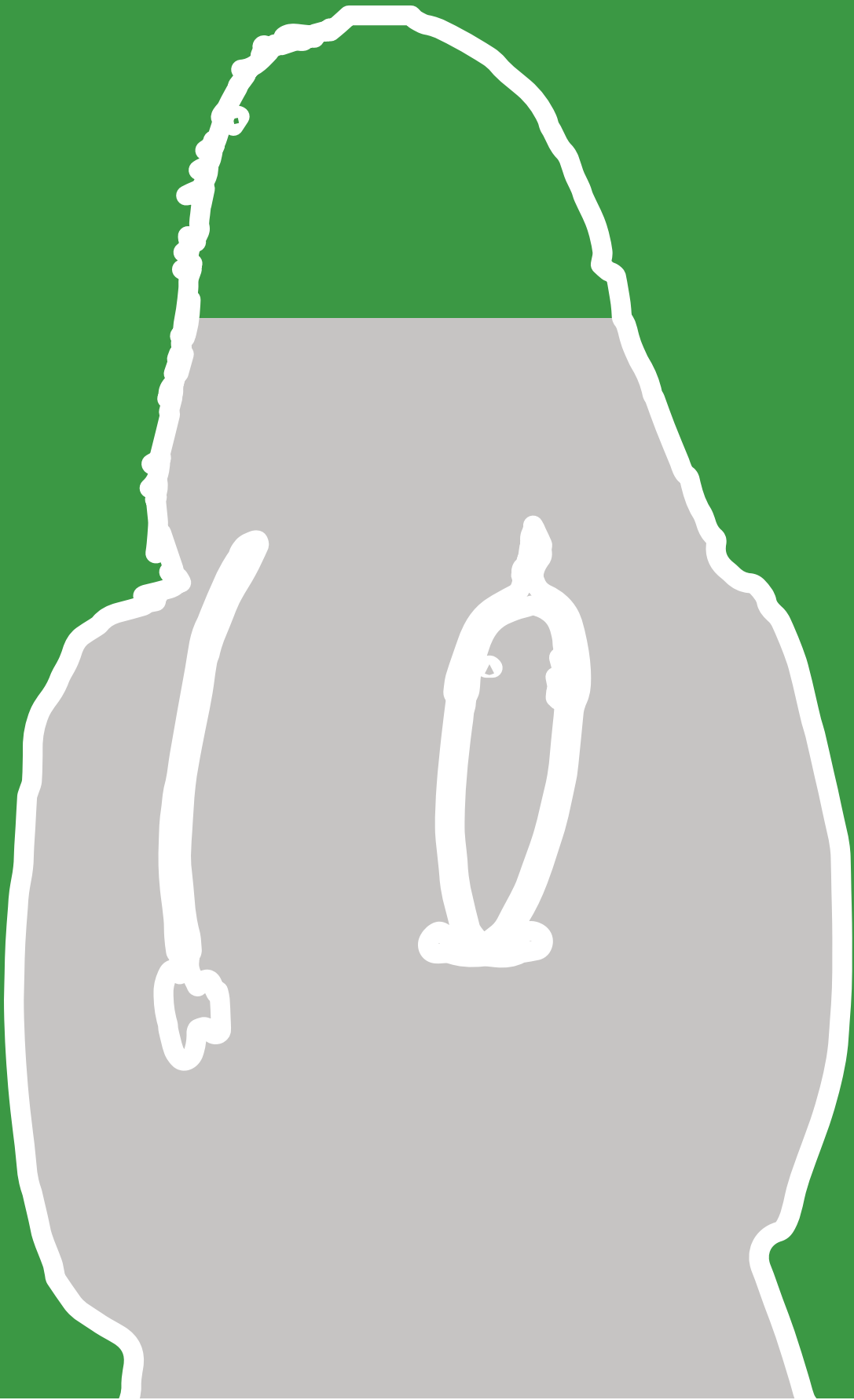


Physicians

initiate the majority of acquisition talks

Primary care

practices make up the majority of acquisitions by hospitals



77%

of physicians said
selling their practice
was the right decision

Source: Jackson Healthcare Survey of 1,527 Physicians between 4/18/14–6/5/14



*Employed **physicians**
younger than 45 are more
likely to have **never been in**
private practice*



92%
of residents would
prefer employment
with a salary rather
than an independent
practice income

Source: Merritt Hawkins & Associates® Final Year Medical Survey 2013



5 Advantages of Employment:

71% Elimination of concerns about practice's financial viability

43% Less administrative work

42% Less stress

40% Ability to take time off

37% Stability/security

Source: Jackson Healthcare Survey of 1,527 Physicians between 4/18/14–6/5/14



*In the past decade, the percentage of **hospital-owned physician practices** has tripled from about 25% in 2002 to almost 75% in 2011.*

Source: Physician Compensation and Production Survey, Medical Group Management Association, 2011 Survey

Jackson Healthcare is built on a simple idea — that talented professionals with a shared purpose can improve the lives of patients, families and communities. Headquartered in Atlanta, Georgia, the company has risen to a place of prominence among the largest healthcare staffing and technology companies in the U.S. It currently serves more than seven million patients in over 1,300 healthcare facilities.

**Visit Jackson Healthcare's
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