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.

Source: Health Care Advisory Board
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 Engagement

Focus

Physician Expertise

Hospital Executive Efficiency

Loyalty

Physician Patients

Organization

Responsibility

Physician 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.

Source: Steve Corso, Managing Director, MSIGHT Physician Engagement
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.

Source: Steve Corso, Managing Director, MSIGHT Physician Engagement
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

Source: Bill Heduc, June 25, 2015, Advisory Board Company, The 12 Statements that Define Your Physicians’ Engagement
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 involved in clinical decision making
  - Physicians: 41%
  - Executives: 20%
  - Gap: 21 pt gap

- Problems resolved in fair and satisfactory manner
  - Physicians: 60%
  - Executives: 36%
  - Gap: 24 pt gap

- Hospital treats physicians with respect
  - Physicians: 60%
  - Executives: 30%
  - Gap: 30 pt gap

- Physicians involved in administrative policy decision making
  - Physicians: 40%
  - Executives: 12%
  - Gap: 28 pt gap

- Physicians trust hospital leadership team
  - Physicians: 60%
  - Executives: 39%
  - Gap: 21 pt gap

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

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%.

$14.3\text{ in 2014}$  $\rightarrow$  $36.2\text{ by 2020}$

Source: Nathaniel Lacktman, Esq. Healthcare Partner, Foley & Lardner, Tampa, FL
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.

Nearly 70% of employers will offer telemedicine services as an employee benefit by 2017.

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.

Source: Foley 2014 Telemedicine Survey Executive Summary
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*
30% 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.

Source: Steven J. Stack M.D., President AMA
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

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

Which physicians earn more?

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

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.

Source: Jackson Healthcare Physician Acquisition Survey (June 2015)
Physician satisfaction is on the decline.

64% of physicians said they would choose medicine as a career again (vs. 69 percent in 2011)

Source: Physician Compensation Report 2015 by Medscape Medical News
More than 50% of physicians are experiencing professional burnout and the problem is getting worse.

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

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

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

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

Source: Jackson Healthcare Physician Acquisition Survey (June 2015)
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.

Source: Jackson Healthcare 2015 Employment Survey
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.

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