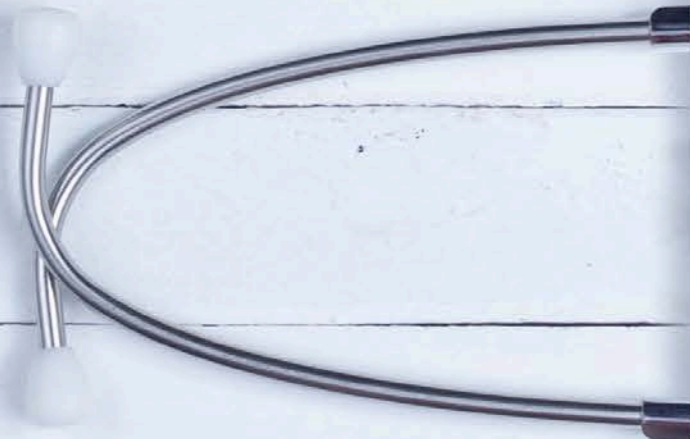


Jackson
HEALTHCARE®
We give healthcare life

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



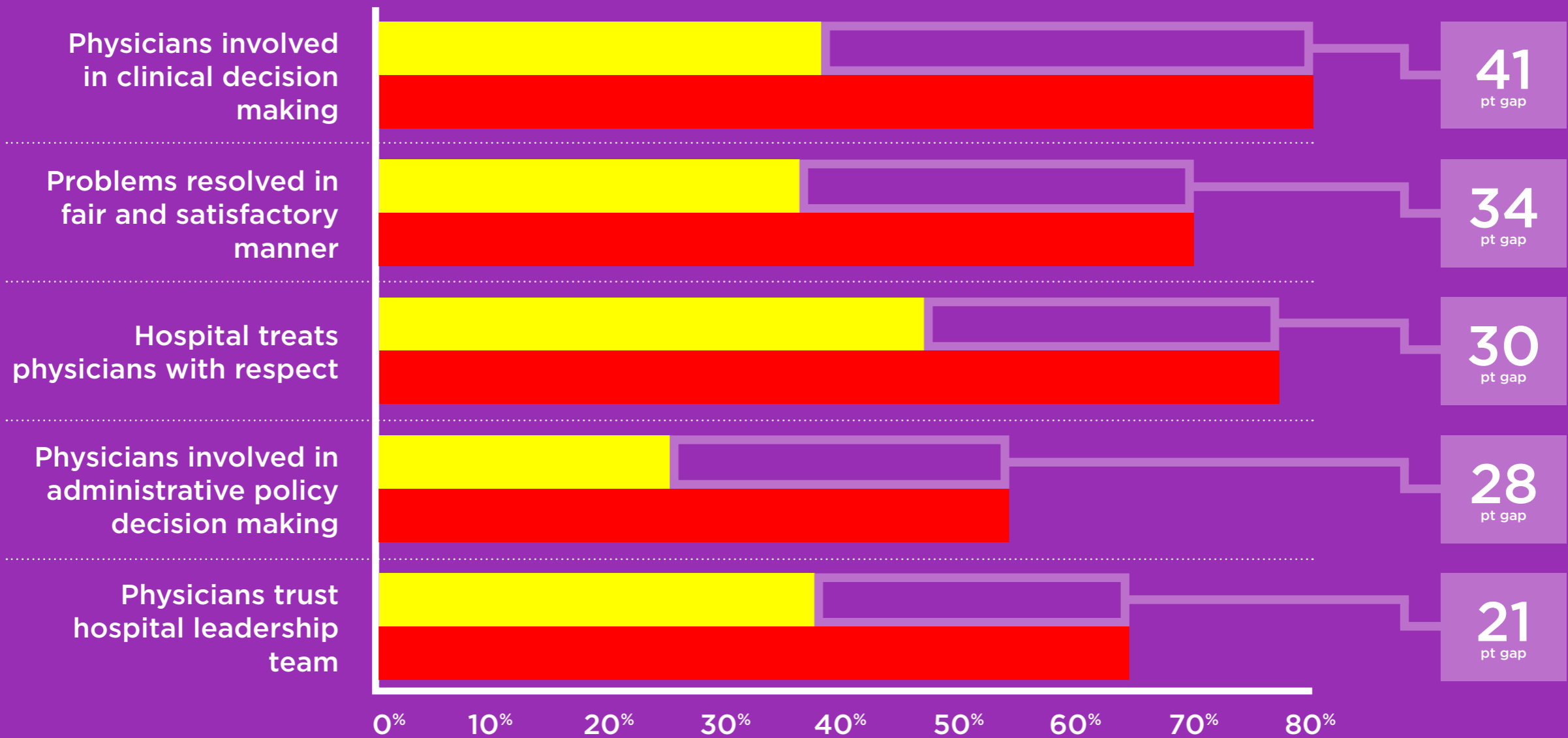
*A Jackson Healthcare Physician Engagement Survey in Spring 2016 **found large gaps** between the degree to which **physicians are engaged** and the degree to which **hospital administrators believe physicians are engaged.***



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

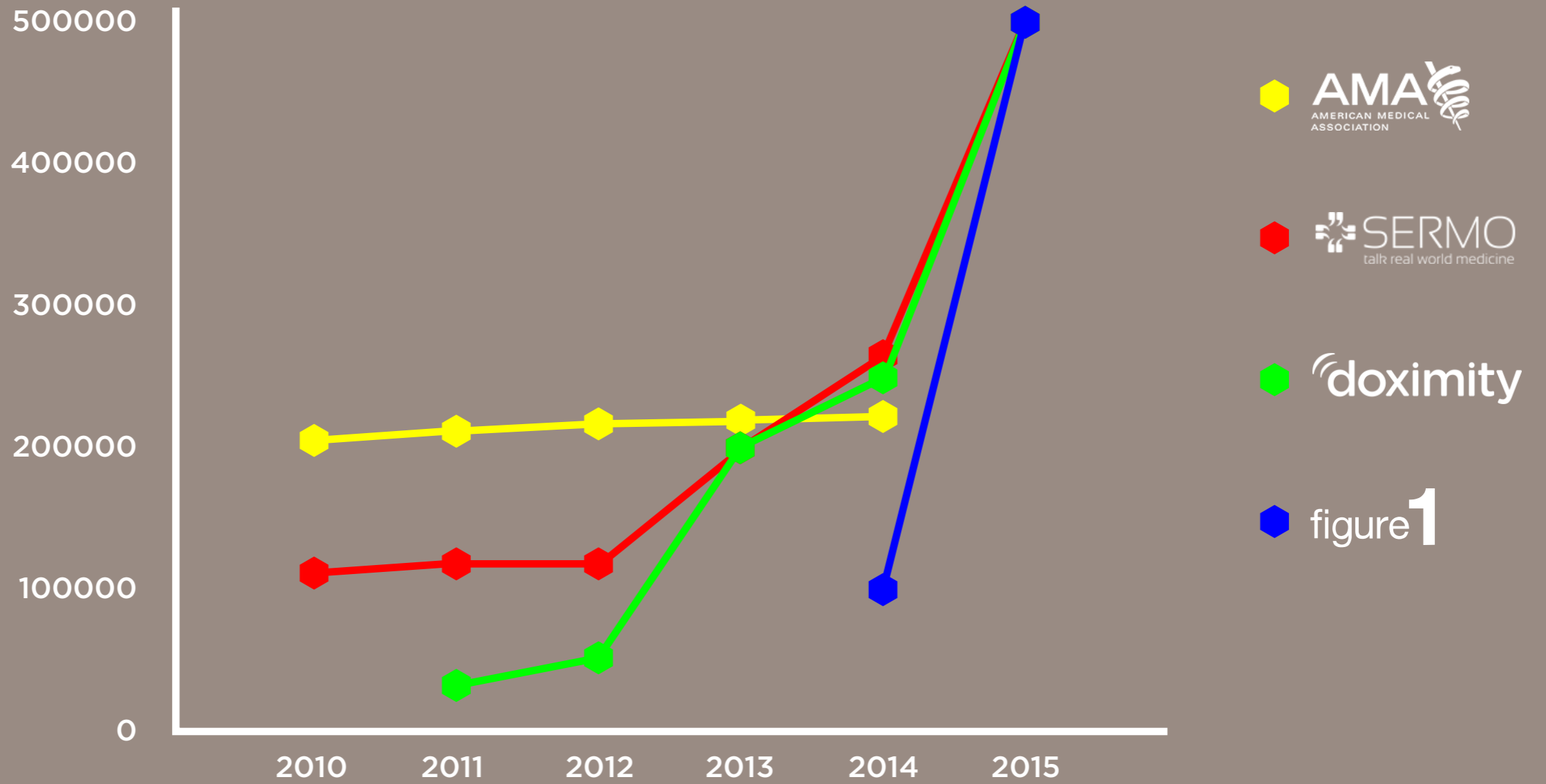


AMA membership has fallen from a high of 70% of U.S. doctors in the 1950s to 15% in 2011.

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



Membership Trends



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**.*



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



35%

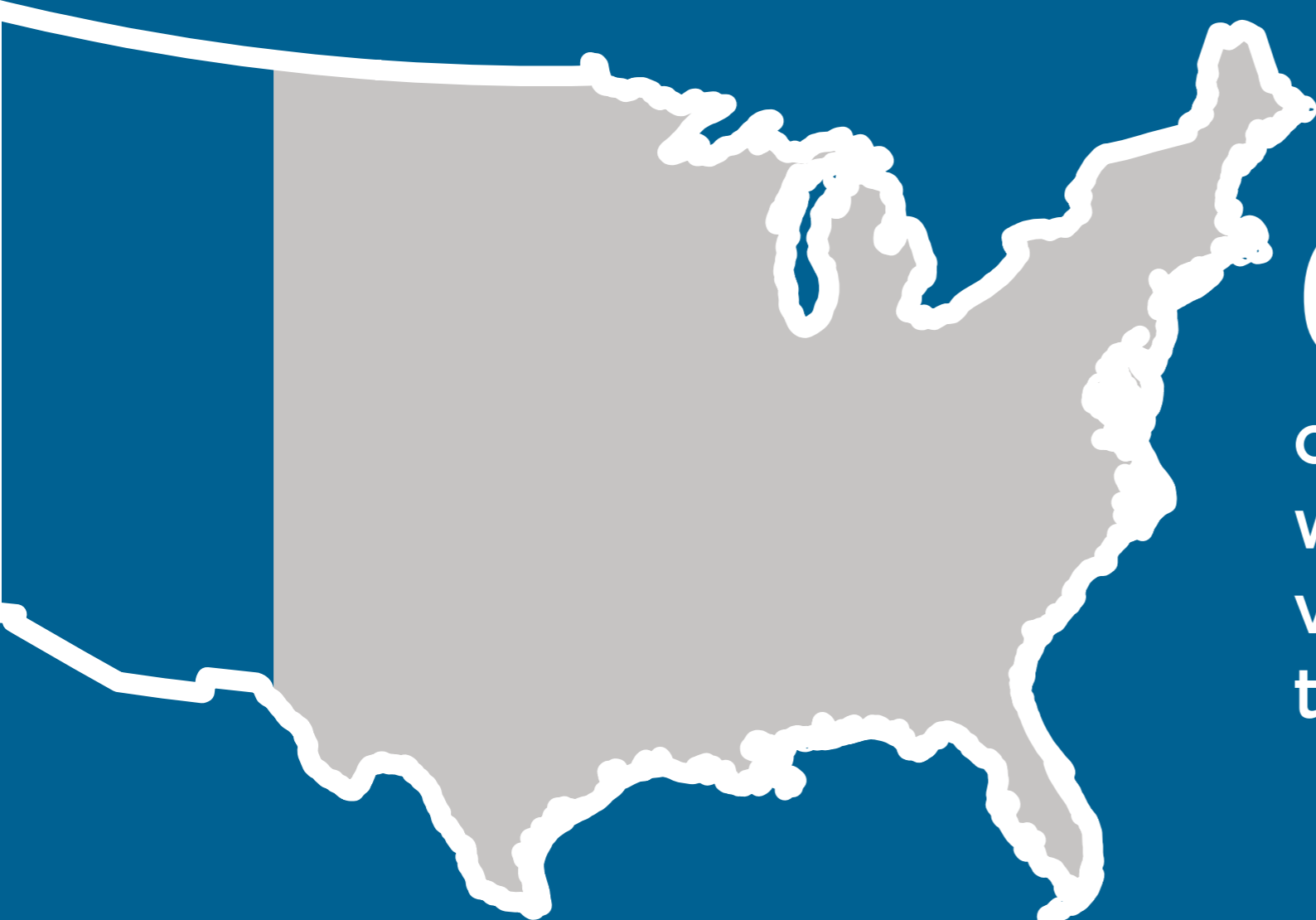
of employers with on-site health facilities offer telemedicine services. 12% more plan to do so within the next two years.

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



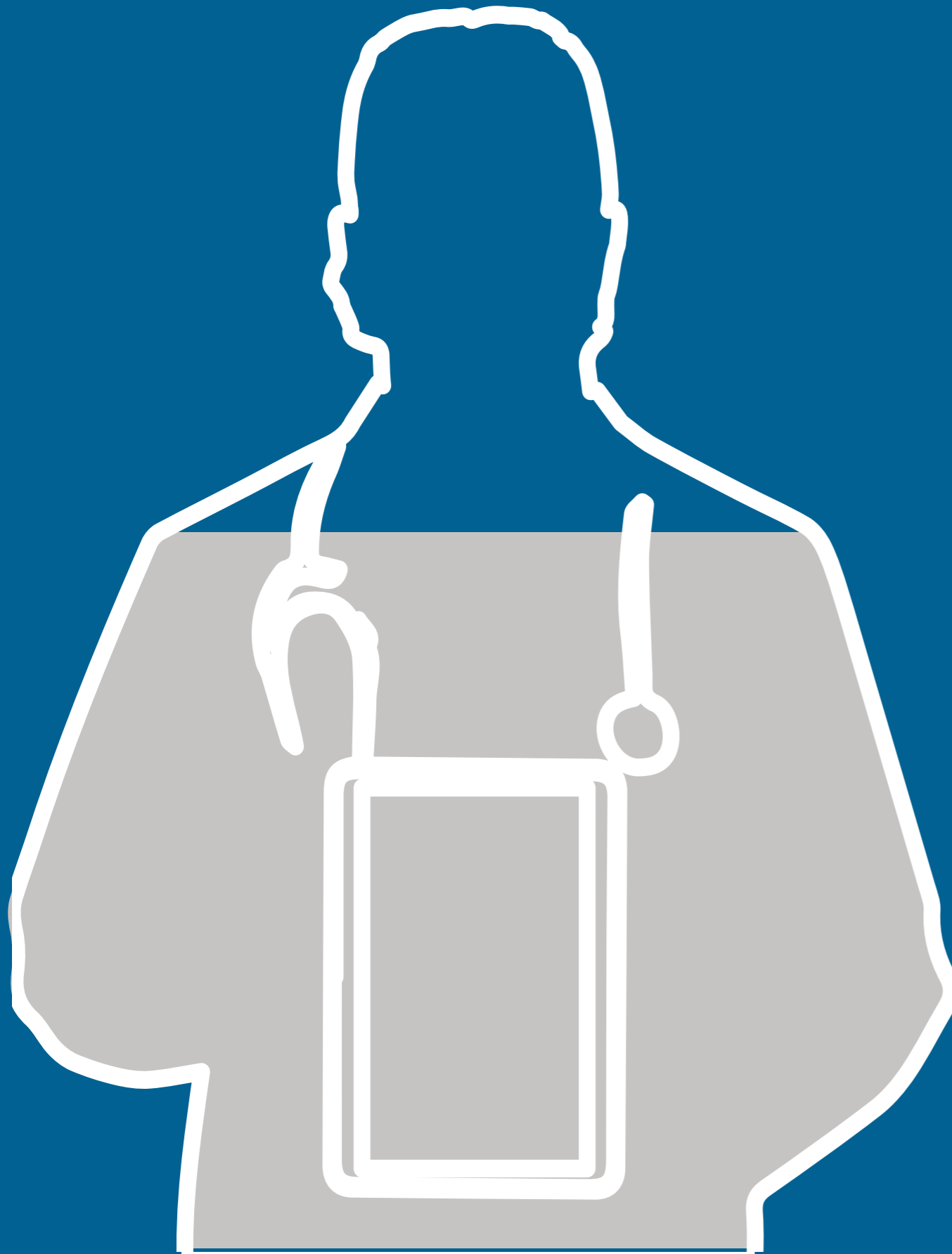
Nearly 70%

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



64%

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



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.***



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.



About 20%

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



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

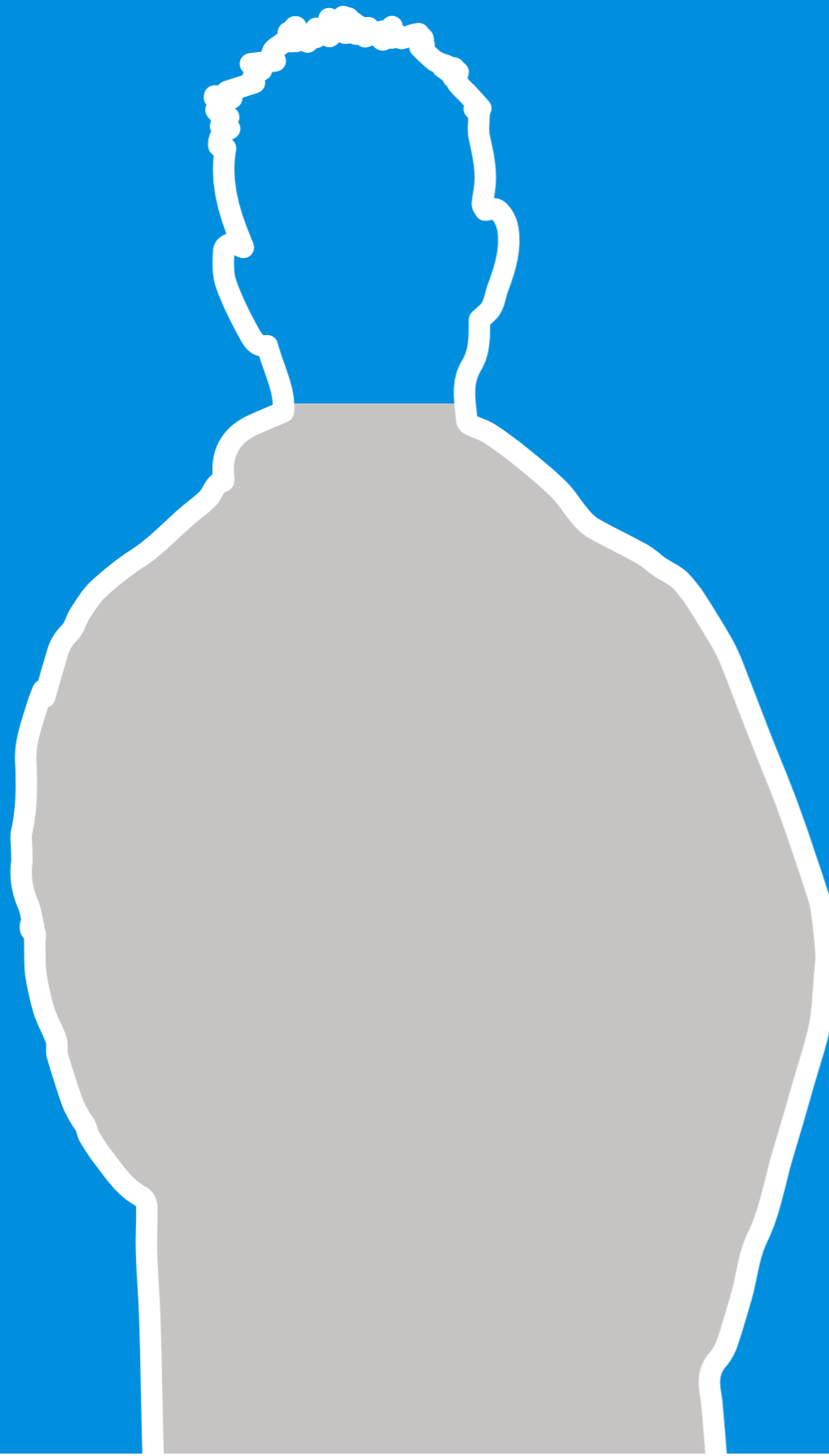
12,500—31,100



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



Primary care

physicians in rural areas are older and nearing retirement



“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%

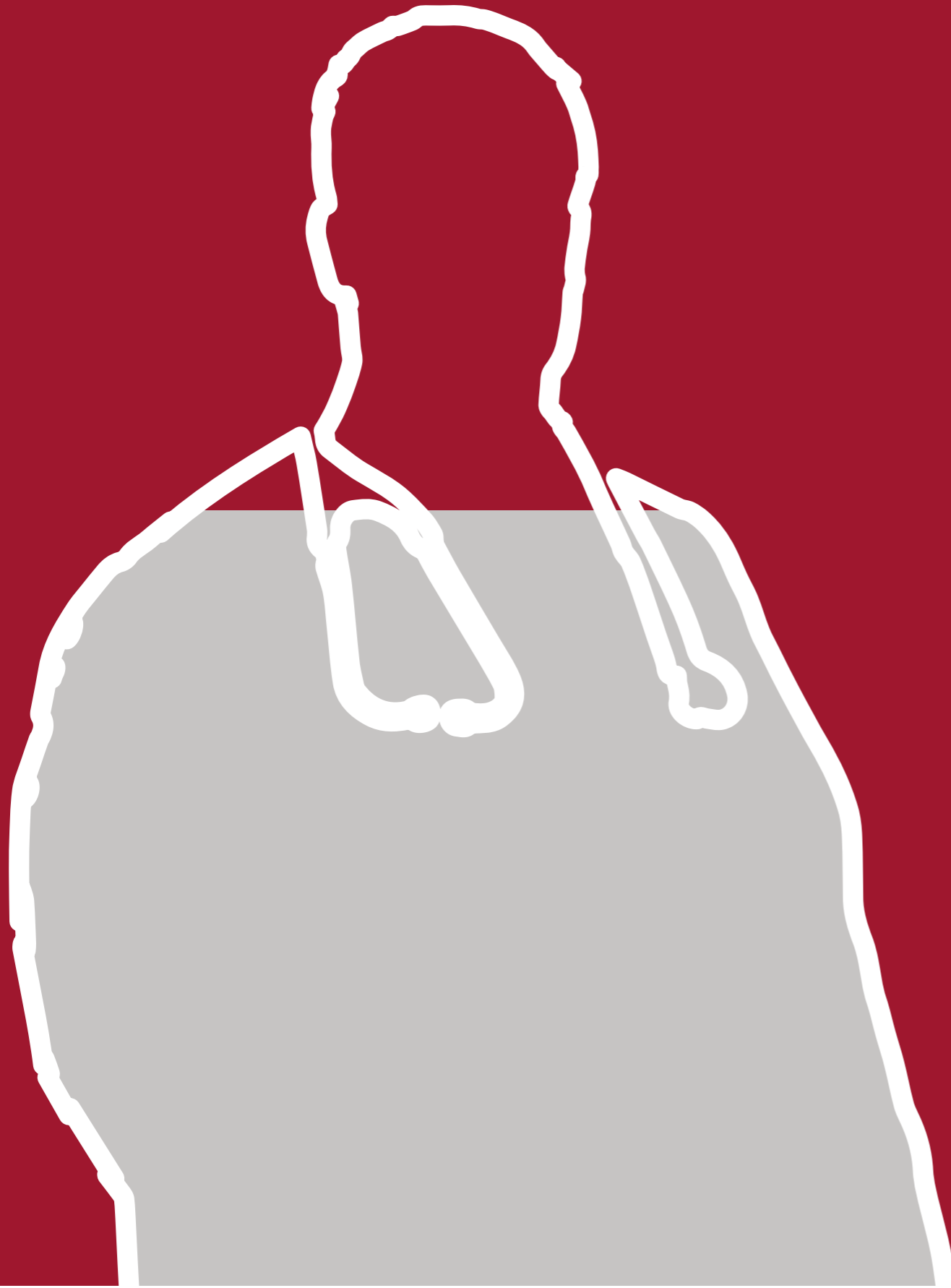
of physicians reported an increase in overhead costs for items such as EHR and administrative costs to comply with the ACA

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



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



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.*



*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

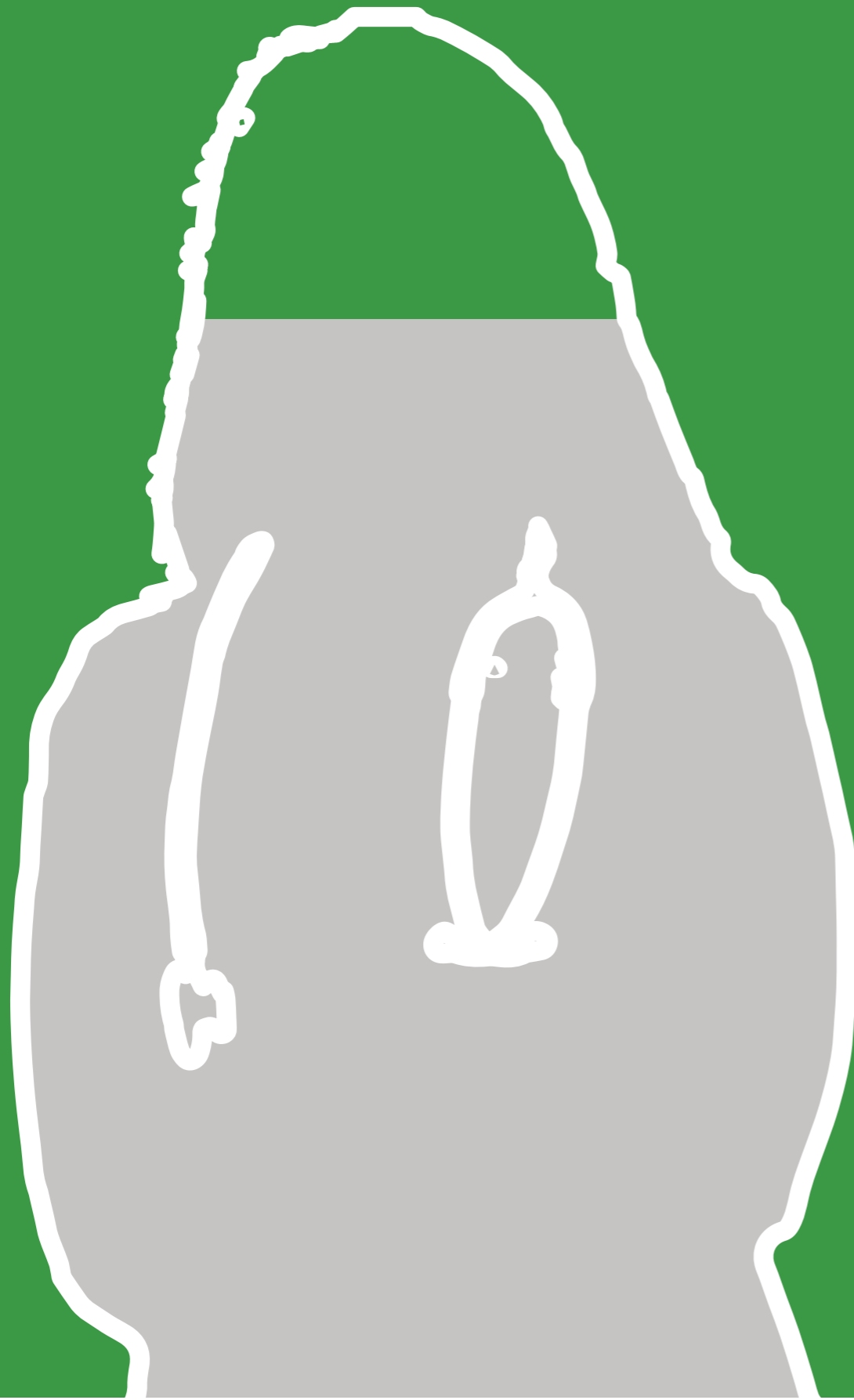


Physicians

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



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

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
Physician Trends Resource Center:**

