Our Fragmented, Fragile Physician Workforce...
Trends in 2013 and Beyond

THE FUTURE PHYSICIAN WORKFORCE
FRAGILE AND FRAGMENTED

ARE DOCTORS REALLY FRAGILE?

CONSIDER THEIR “DNA”
“Becoming a doctor requires more than an endless array of standardized exams. For many medical students, verbal and physical harassment and intimidation are part of the exhausting process, too.”

“Like frightened little mice, we endured the treatment as an inevitable part of medical training.”

Pauline Chen, M.D.
New York Times, August 9, 2012
BULLYING STILL A "RITE OF PASSAGE"

A 2012 survey conducted by the Association of American Medical Colleges reveals:
- 33% of students were publicly humiliated at least once during medical school
- 15% were targets of sexist remarks
- 9% said they were required to run personal errands for doctors

WELCOME TO THEIR WORKING WEEK

AFTER 4 YEARS OF COLLEGE, 4 YEARS OF MEDICAL SCHOOL, 3 TO 7 YEARS OR MORE OF TRAINING...

- Third parties control their fees
- Tell them how to treat patients
- Require hours of paperwork
- Sue them on a whim
- Require them to change their practice structure/processes
- Make them question their career choice

PHYSICIAN SUICIDE

- An estimated 400 physicians commit suicide each year, the equivalent of one entire medical school class.
- The physician suicide rate is 20% to 30% higher than the general public's.

Source: Louise Andrew, M.D. ET AL. Physician Suicide, Medscape Reference, March 6, 2012
ARE FEMALE PHYSICIANS MORE OPTIMISTIC THAN MALE DOCTORS?

35.5%  31.0%  21.5%

26.2%  45.8%  40.5%

24.7%  42.6%  16.2%

45.8%  38.3%  3.8%

58.8%  47.4%

Source: A Survey of America’s Physicians: Practice Patterns and Perspectives. The Physicians Foundation/Merritt Hawkins, 2012

HOW DID WE GO FROM THIS...

...TO THIS?
MEDICINE IS NO LONGER A PREMIER PROFESSION...

... Just ask Physicians

"The day will come when the practice of medicine will have no more appeal than digging ditches with an overseer standing next to you with a whip."

A HAMBURGER IS STILL

A meat patty and lettuce on a bun

1970......25 cents
2010......$1

HEALTHCARE: NO LONGER “TAKE TWO ASPRIN...”

- Close to 200 Board Certified Specialties
- Over 10,000 prescription drugs
- Organ Transplants
- Face Transplants
- Teleradiology/Telemedicine
- Non-invasive Techniques
- Gene Therapy
- Qualcomm Tricorder X Prize, a $10 million global competition
A NATIONAL SURVEY OF PHYSICIANS REVEALS THE “STATE OF THE UNION”

Released September 24, 2012

MERRITT HAWKINS

A COMPREHENSIVE PICTURE

- Over 600,000 physicians surveyed
- 14,000 respondents
- Over 1 million data points
- Less than 1% error rate

MERRITT HAWKINS

KEY FINDING: DOCTORS ARE ON THE BRINK

- Physician morale and optimism are at an all-time low.
- Physicians are disengaging from the practice of medicine, seeing fewer patients and working fewer hours
SURVEY SHOWS SAGGING MORALE

- Over 77% of physicians are pessimistic about the future of the medical profession
- Over 84% agree that the medical profession is in decline
- 58% of physicians would not recommend medicine as a career
- Over 82% of physicians believe they have little ability to change the healthcare system
- 80% of physicians rate the physician morale as negative

WILL THEY STRIKE?

OKAY, DOCTORS ARE UPSET. SO ARE A LOT OF PEOPLE.

WHY DOES IT MATTER?
BECAUSE EVERYONE NEEDS A DOCTOR

THE FIRST PERSON YOU SEE COMING IN...

THE LAST PERSON YOU SEE GOING OUT...

MERRITT HAWKINS

BUT NOT EVERYONE IS GOING TO SEE ONE

The Coming Gap Between Physician Supply & Demand (2025)

Supply 0.9 Million

Demand 1.1 Million

Source: Council on Physician and Nurse Supply

IN AN ERA OF PHYSICIAN SHORTAGES, HOW DOCTORS PRACTICE IS AS IMPORTANT AS HOW MANY THERE ARE

AMERICA’S 750,000 PATIENT CARE PHYSICIANS ARE FRAGMENTING

Source: AMA
WHAT DO YOU PLAN TO DO IN THE NEXT ONE TO THREE YEARS?

- Continue as I am........................................... 49.8%
- Cut back on hours........................................... 22.0%
- Retire......................................................... 13.4%
- Switch to concierge..................................... 6.8%
- Relocate to another practice/community.......... 10.9%
- Cut back on patients seen............................ 9.6%
- Seek a non-clinical job within healthcare.......... 9.9%
- Work part-time............................................. 6.5%
- Work locum tenens....................................... 6.4%
- Seek a non-healthcare job/business................ 6.4%
- Close my practice to new patients.................. 4.0%
- Seek employment with a hospital................... 5.6%
- Other....................................................... 5.5%

Source: A Survey of America's Physicians: Practice Patterns and Perspectives, The Physicians Foundation/Merritt Hawkins, 2012

THE COMMON DENOMINATOR?

- Part-time
- Concierge
- Hospital employed
- Locum tenens
- Non-clinical roles
- Eliminate certain payers (Medicaid/Medicare/Charity)
- Traditional (independent)
- Community health centers

CHANGING WORK PATTERNS

- Physicians are seeing 16.5% fewer patients per day than in 2008
- They are working 6% fewer hours
- They spend 22% of their time on non-clinical paperwork

Source: A Survey of America's Physicians: Practice Patterns and Perspectives, The Physicians Foundation/Merritt Hawkins, 2012
RESULT: A “SILENT EXODUS”

- A 6% reduction in work hours = a loss of 44,250 FTEs
- 16.5% fewer patients seen per = over 100 million fewer patient encounters
- 22% of time spent on paperwork = a loss of over 165,000 FTE’s

WHAT DOES THE FUTURE HOLD?

- Employed physicians see 17.35% fewer patients per day than owners
- Female physicians see 13.70% fewer patients per day than males
- Physicians less than 40 see 4.04% fewer patients per day than those over 40

MEDICAL PRACTICE WILL EXPERIENCE A PROFOUND TRANSFORMATION

FROM AN ART TO A TRADE

Responsibility for the task, not the patient
TENS OF THOUSANDS OF FTES WILL BE LOST, JUST IN TIME FOR...

HEALTH REFORM: 2014-2019

- UP TO 32 MILLION UNINSURED COVERED
- PREVENTIVE SERVICES PROVIDED... NO DEDUCTIBLES AND NO CO-PAYS

HOW MANY MORE PCs?

32 million newly insured patients × 2 additional patients visits per year = 64 million patient visits divided by 4,000 = 16,000 additional primary care doctors
REFORM: CONSPICUOUS FOR WHAT IT DID NOT DO

- Does not remove the cap on GME funding
- Just 889 “new” residency slots through redistribution

Source: PPACA

KEY TAKEAWAYS FOR FINANCIAL MANAGERS:

1. Understand new staffing dynamics
2. Enhance the “workshop”
3. Help physicians with practice restructuring and alternatives

1. NEW STAFFING DYNAMICS

A NEW WORKFORCE PARADIGM

THE “CONE OF COMPLEXITY”

- Medical specialists
- Primary care physicians
- Pharmacists (Pharm D)
- Advanced practice nurses/PAs
- Nurse specialists
- Therapists
- LPNs
- Nurse aides
4 GENERATIONS OF DOCTORS

- Traditionalist: 1945 and before
- Baby Boomers: 1946 - 1964
- Gen X: 1965 - 1981
- Gen Y: 1982 - Present

ARE PA’S AND NP’s THE ANSWER?

- 83,000 Physicians Assistants
  - 2/3 in specialties
  - 1/3 in primary care
  - Median salary: $91,000

- 155,000 Nurse practitioners
  - 75% in primary care
  - 25% in specialties
  - Mean salary: $93,310

A 20% deficit of by 2025


2. ENHANCE THE "WORKSHOP"

First and foremost consider the "primacy of the workshop".
Give physicians a haven.

- Physician communication (formal and informal)
- Physician employment
- Pay for ED call
- Hospitalist program
- Gain Sharing/Joint Ventures
- Appropriate nurse staffing
- Timely test turnaround
- Access to patient data
- Consistent OR availability
- Enhanced ER triage
- Convenient parking
- Marketing/Contracting
What can hospitals do to help?

**PROMOTE VALUE BASED COMPENSATION**

Most physicians surveyed by Price Waterhouse said half their compensation should be a fixed salary. The other half should be quality, cost and production based.

Source: PWC "From Courtship to Marriage: A Two-Part Series on Physician-hospital alignment"

**PROMOTE VALUE BASED COMPENSATION**

- 62% of physicians had incentives tied to quality metrics in MGMA’s 2010 report, up from 21% in the previous year
URGE DOCTORS TO REDEFINE THEIR ROLES

- Concede the less complex patients to PAs and NPs
- Let pharmacists help directly manage patients with chronic conditions

Source: AANP and AAPN

AND TO EXPAND THEIR HOURS

Practices that can arrange for patients to see a doctor or nurse after hours

<table>
<thead>
<tr>
<th>Country</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Netherlands</td>
<td>95%</td>
</tr>
<tr>
<td>New Zealand</td>
<td>90%</td>
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<tr>
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<td>87%</td>
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<td>81%</td>
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<td>78%</td>
</tr>
<tr>
<td>Canada</td>
<td>47%</td>
</tr>
<tr>
<td>United States</td>
<td>40%</td>
</tr>
</tbody>
</table>

Source: Commonwealth Fund International Policy Survey of Primary Care Physicians

ACCEPT THE MOVE TO PART-TIME

21% of all doctors now work part-time

Hospitals and Groups must accommodate the rise of the part-time physician

Source: American Medical Group Practice Association
HELP PROMOTE TELEMEDICINE

- April, 2010, Park Nicollet rolls out online diagnosis/12 month pilot program
- Online diagnosis of minor problems (cold, flu, acne, bladder infections/allergies)
- $25 per visit
- PAs provide diagnosis
- 17 clinics for walk-in care
- Only in Minnesota now but the goal is to be in 15 states

SOURCE: Zipnosis

PUSH FOR EXTRACURRICULAR PAY

- Telemedicine
- E-mails
- Telephone Calls

Doctors will have to be compensated outside of the traditional billable appointment.

PROMOTE “SAME DAY” OR “OPEN ACCESS” SCHEDULING

15 minute rather than 10 minute appointments.
Higher patient satisfaction scores
**PROMOTE SHARED MEDICAL APPOINTMENTS (SMAs)**

- 6 to 15 patients
- 90 minutes
- Physicals
- Well-child check-ups
- Pre-natal care
- Chronic illness management

“There is sufficient data to support the effectiveness of group visits in improving patient and physician satisfaction, quality of care, quality of life and in decreasing emergency department and specialist visits.”

Source: *Journal of the American Board of Family Medicine*

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**AGREE ON “ALIGNMENT”**

Alignment for CEO’s:
Doctors who keep readmissions low, don’t order too many tests


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**AGREE ON “ALIGNMENT”**

Alignment for Doctors:
Hospitals that let them practice medicine as they know how

**EMBRACE CONCIERGE: WHO WILL MOVE TO CONCIERGE**

- Female 6.4%
- Male 7.1%
- Primary care 7.7%
- Practice Owners 9.6%
- All physicians 6.8%
- Specialists 6.4%
- Employed physicians 4.5%


**WHERE?**

- Washington 4.8%
- Illinois 5.3%
- New York 8.0%
- California Physicians 6.7%
- Texas 10.6%
- Pennsylvania 4.5%
- North Carolina 5.6%
- Florida 9.1%


**CONCIERGE PRACTICE: HOSPITALS CAN BENEFIT BY**

- Enhancing loyalty/cooperation from physicians embracing concierge
- Building hospital brand recognition
- An offering for hospital donors/VPs
- Builds relationships with corporate leaders
THE PHYSICIAN ORGANIZATION OF TOMORROW...

Could well be you!

Only 15% of doctors belong to the AMA

Source: AMA

PHYSICIANS: A PRACTICE PARADIGM SHIFT

- Hospital employment...
- 63% of Merritt Hawkins searches feature employment
- Not just Primary Care, All specialities
- Only 25% of doctors could correctly identify the term "cash flow"

THE MOVE TO EMPLOYMENT INDEPENDENT PHYSICIANS: 2000-2013

Source: Accenture Analysis. MGMA American Medical Association
THE PHYSICIAN ENTERPRISE MODEL
(ALSO KNOWN AS PRACTICE LEASING)

- Hospital operates practice at a fixed percentage of collections
- No capital expenditures are required
- Hospital is aligned with physicians, but in a less formal manner
- Physicians preserve private practice autonomy
- Physicians achieve balance of security and independence
- Easier to unwind than acquisition

BEST CASE

- Two IMs collecting $1 million annually
- 50% overhead ($500,000)
- Hospital management increases collections to $1.1 million
- Reduces overhead to $450,000
- Physician income increases from $250,000 to $325,000
- Hospitals improve practice performance with coding compliance, improved & enhanced billing

PROMOTE STANDARDIZATION

"Eminence Based Medicine"
Making the same mistakes with increasing confidence over an impressive number of years

"Evidence Based Medicine"
Rapidly integrating individual clinical expertise with the best available external clinical evidence from systematic research.
EMBRACE A TECHNOLOGY SHIFT

- Mobile app triage
- Virtual visits
- Mobile electronic health records
- In-home implantable devices (Medicare patients)

AND BY THE WAY...

ICD 10 & HIPAA 5010 are coming

THE DOCTOR OF TOMORROW WILL...

RETIRE!

“I’m mad as hell and I’m not going to take it any more”

HHS estimates 1/3 of today’s practicing physicians will retire within the next 10 years.
CONCLUSION: STAFFING PLANS MUST INCORPORATE ALL TYPES OF PHYSICIANS

- Employed (over 50% of all doctors)
- Independent
- Full-time
- Part-time
- Concierge
- On-site
- Remote (telemedicine)
- Locum tenens
- Male
- Female
- International

Note: All not-for-profit hospitals must conduct a Community Needs Health Assessment every 3 years/ACA

DOCTORS, DOLLARS AND HEALTH REFORM

http://youtu.be/xxHu5mxmQA4

If you have any questions, please contact Kurt Mosley at:
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