

Employed Primary Care Physicians

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“May You Live in Interesting Times” (old Chinese saying)

- Patient Protection and Affordable Care Act – ACA - Obamacare – 2010
 - Expansion of healthcare coverage to millions
- Medicare Access and CHIP Reauthorization Act – MACRA – 2015
 - Payment movement based on “value” not “volume”
 - ACO growth from 480(2017) to 561(2018)
- ICD – 10 – 2015
 - Codes increase from 14k to 68k
- Corporatization of Healthcare - 2015
 - \$400 billion in merger activity with about 100 hospital/health system consolidations

Trends

- Emergence of integrated value-driven delivery systems which emphasize prevention and address the social determinants of health, thus reducing the need for costly specialist interventions
- Hospital system consolidation has led to recruitment of 20-30 PCPs at a time for their primary care network to treat and meet the needs of large population groups as well as to protect their referral base. Additionally, hospitals and large groups build inter-professional teams around primary care physicians and the management to support them.
- Primary care physicians in groups are rewarded for savings they realize, the quality standards they achieve, and for their practice managerial role.

Other Trends

- Consumers want ease of access and convenient care
 - Hospitals, large medical groups, health corporations, and insurance companies are developing OP sites of service which compete with primary care offices, including urgent care centers (\$15 billion in revenue), retail clinics (Total of about 3000, 1100 in CVS and Target), and free standing emergency rooms
 - Move to a “experiential” retail model rather than a transactional model of delivery characterized by simplicity, customer service, price transparency, published customer ratings, and ease of use.

Other Trends

- Merritt Hawkins – in its 2018 report for the twelfth consecutive year FM recruitment was the most requested search assignment
 - Driven by population growth – 10k baby boomers daily
 - Primary care led Population health management initiatives with or without risk and global payment through ACOs, large medical groups, hospital systems (CINs), major employers, third party carriers
 - Development of Primary care-led teams – PCMH, advanced PCMH

Primary Care-Led teams

- Family Medicine Physician – quarterback
 - PAs and/or NPs
 - Nursing Care Manager
 - Community Resource Specialist
 - Social Worker
 - Care Coordinator
 - Pharmacist
 - RNs, LPNs, NAs and/or Scribes

Why Group?

- Achieve economies of scale and value
- Improve quality and care coordination and decrease inappropriate utilization of ancillaries
- Compete for contracts and gain leverage
- Manage a large patient population with data driven technology decisions – Exploris, Watson
- Better manage upside and downside financial risk due to size
- Expanded benefits at lower cost
- Better work/life balance
- Improve the patient/caregiver experience

Group Today

- In 2018, while hard to predict precisely, a great majority of physicians just out of residency will accept new positions and will initially practice as employees, possibly as high as 90% - employment is the model of necessity if not preference
- Sizeable medical school and residency debt
- Average salary offers for family medicine physicians grew from \$185k in 2013 to \$241k in 2018 (Midwest/Great Plains – Hospital); majority have a salary plus bonus structure based on RVUs; about 8.8% of total compensation based on value metrics
- Average relocation offering – 9.5k
- Signing bonus offered in 70% of contracts – 34k
- CME allowance offered in 98% of contracts – 3.9k
- Educational loan forgiveness over three years in 78% of contracts – 83k

But is Everything Rosy in Groups and Independent Practice?

- Morale issues – somewhat or very negative – as high as 54%
- Burn-out issues – as high as 49%; as high as 80% are overextended or at capacity with patient load – access issue
- Positive outlook for the future of medicine – as low as 37%
- Not recommend medicine for their children –as high as 49%
- On average 21% of physician time is spent on non-clinical issues and paperwork
- 48% of physicians are considering cutting back on hours, retiring, taking a non-clinical position, or consider DPC or “consierge” care
- Only 14% of physicians have the time they need to provide the highest standards and quality of care
- Only 11% of physicians say EHRs have improved patient interactions; 60% say they have detracted from pt. interactions
- 58% of physicians claim “regulatory burden” is one of the least satisfying aspects of medical practice

References

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Questions?

Thank You