A Tough Time for Physicians

2012 MEDICAL PRACTICE & ATTITUDE REPORT

Jackson HEALTHCARE
We give healthcare life
Introduction

The profession that has long held the esteem and trust of the American public is experiencing a transformation unlike any ever seen in the country's history.

Today, physicians feel squeezed from multiple fronts. We’re witnessing a shift away from private practice, because the investment and hassles required to run a sustainable medical practice have become too great.

In addition, physicians believe a wedge has been driven between their patients and them by third parties, such as policymakers, insurers and attorneys. They feel the diagnostic and treatment regimen of their patients—once individualized to each patient’s physical, mental, spiritual, financial and cultural needs—is now dictated to them and enforced with threats of reimbursement cuts and malpractice litigation.

This confluence of economic and regulatory pressures is driving some physicians to early retirement and others out of the medical profession altogether. Plus, it's influencing the emerging generation of talent to avoid the debt and risks inherent in becoming doctors.

As an organization placing physicians in healthcare facilities throughout the nation, we feel a responsibility to capture the voice of our physicians and communicate trends we believe threaten not only patients' access to quality care, but the physician-patient relationship.

This report is our contribution to the national dialogue on the future of the U.S. physician practice. We look forward to your feedback. More importantly, we look forward to your ideas on how we can solve these important problems.

Respectfully,

Richard L. Jackson
Chairman & CEO

Contact Mr. Jackson with Feedback
Research Background

Beginning in 2009, Jackson Healthcare began regularly surveying physicians across the nation to measure and track their attitudes on policies, practices and economic trends affecting the current practice and future of medicine.

This report summarizes Jackson’s findings from a series of surveys conducted between May and June 2012. Topics surveyed and included in this report:

- Current practice environment (p 5)
- Current retirement plans (p 7)
- Current access for Medicaid and Medicare patients (p 10)
- Current use of physician assistants and nurse practitioners (p 13)
- Current participation in Accountable Care Organizations or Medical Homes (p 15)
- Current attitudes on the Affordable Care Act (p 17)

All Jackson Healthcare survey invitations were sent via email to physicians, who completed the surveys online. All respondents were self-selected and represent all 50 states and medical specialties.

The methodology of each survey can be found in Appendix A.
A Tough Time for Physicians: 2012 Medical Practice & Attitude Report

A Snapshot of Survey Findings

1. Physicians are leaving private practice
2. Physician attrition in the next 10 years is significant
3. Physician practices have excess patient capacity but can’t afford to take on more Medicaid/Medicare patients
4. Physician practices do not fully utilize physician assistants and nurse practitioners
5. Most physician practices are not participating in ACOs or Medical Homes in 2012
6. Physicians give the Affordable Care Act a “D” grade
Physicians are leaving private practice.

Fifty-six percent of physician survey respondents currently work in private practice. The breakdown of those physicians by practice type include:

- **21%** in solo practice
- **19%** in single specialty practice (owner)
- **12%** in single/multi-specialty practice (physician-owned)
- **4%** in multi-specialty practice (owner)

Former private practice physicians cited these as the primary reasons for leaving private practice:

1. Declining reimbursement, capitation and unprofitable practice
2. Business complexities and hassles
3. Overhead and cost of doing business too high

Source: Appendix A-1
Of the physician survey respondents currently working in private practice, six percent claim to be leaving private practice in 2012 citing two primary factors: high overhead costs and reimbursement cuts.

The remaining 44 percent of physicians are: employed by a hospital or health system (20 percent), work for a single or multi-specialty practice owned by a health system (15 percent) or work as locum tenens and independent contractors (9 percent).

Of those not currently in private practice, 61 percent of respondents had been in private practice at some point in their past, with 51 percent having left private practice within the past five years.

Where are physicians going when they leave private practice?

- Hospital employment
- Single or multi-specialty practice owned by hospital or health system
- Independent contractor or locum tenens
- Non-clinical teaching position
- Non-clinical administrative position

### Practicing Physicians

<table>
<thead>
<tr>
<th>Type of Position</th>
<th>Percentage</th>
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</thead>
<tbody>
<tr>
<td>Hospital employment</td>
<td>35%</td>
</tr>
<tr>
<td>Single or multi-specialty practice owned by hospital or health system</td>
<td>56%</td>
</tr>
<tr>
<td>Independent contractor or locum tenens</td>
<td>9%</td>
</tr>
<tr>
<td>Non-clinical teaching position</td>
<td></td>
</tr>
<tr>
<td>Non-clinical administrative position</td>
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Physician attrition in the next 10 years is significant.

The majority of physicians surveyed (84 percent) will continue practicing medicine through 2013. The remaining 16 percent plan to transition to part-time, retire or leave medicine, or they are considering doing so.

Career Plans for 2012-2013

- Will be practicing medicine in 2012 — 13: 84%
- Completely retiring or leaving medicine in 2012: 7%
- Considering retirement or leaving medicine in 2012: 8%
- Going part-time (contract work or locum tenens): 1%

Source: Appendix A-1
What reasons do physicians give for retiring or leaving the practice of medicine? They cite a mix of factors such as:

- Economic factors such as medical malpractice insurance, overhead, electronic medical records, etc.
- Don’t want to practice in the era of healthcare reform
- Burned out
- Pursuing different career paths outside the practice of medicine
- Lifestyle choice
- Age 65+
- Retiring early because financially able
Fourteen percent of physicians surveyed will most likely retire or leave medicine within the next five years. Thirty-four percent will do so within the next 10 years.

Generalists most likely to leave the practice of medicine within 10 years include general surgeons, family practitioners, emergency medicine physicians and obstetrician/gynecologists. While specialists most likely to leave within 10 years include oncologists, urologists and cardiologists.
Physician practices have excess patient capacity, but can’t afford to take on more Medicaid and Medicare patients.

Eighty-two percent of the medical practices surveyed currently treat Medicare patients and 74 percent currently treat Medicaid patients.

While a majority of physician practices (82 percent) are currently accepting new patients, only 75 percent said they were accepting new Medicare patients and 64 percent were accepting new Medicaid patients.

Source: Appendix A-2
Medicare

The states with the highest percentages of doctors not taking new Medicare patients were Mississippi, Texas, California, Oregon and Georgia.

Internists and family practitioners are among the least likely to accept new Medicare patients. Cardiologists, oncologists, urologists and general surgeons are most likely to accept new Medicare patients. Ten percent of doctors reported they do not see Medicare patients at all.

Physician practices least likely to accept new Medicare patients said they couldn’t afford to take on the additional burden due to lower reimbursements.

Specialists most likely to accept new Medicare patients now:

- Cardiologists (96%)
- Hematologists/Oncologists (96%)
- Urologists (95%)
- General Surgeons (92%)
- Anesthesiologists (91%)
- Neurologists (91%)
- Gastroenterologists (90%)
- Radiologists (87%)
- Orthopedic Surgeons (86%)
- Ophthalmologists (85%)

Specialists least likely to accept new Medicare patients now:

- Adult Psychiatrists (57%)
- Plastic Surgeons (68%)
- Internists, Generalists (73%)
- Family Practitioners (75%)
- Obstetricians/Gynecologists (76%)
Medicaid

A majority of physicians across many specialties said they could no longer afford to accept new Medicaid patients due to declining reimbursements. States where physicians were least likely to accept new Medicaid patients were New Jersey, California and Florida.

Under the Patient Protection and Affordable Care Act, many of the uninsured are to gain health insurance coverage through Medicaid beginning in 2014. An estimated 13 million or more are expected to sign up for Medicaid the first year and the number is expected to grow as high as 26 million by 2020.

Sixty-six percent of dermatologists, 64 percent of endocrinologists, 58 percent of internists, 57 percent of physical medicine and rehabilitation doctors and 53 of adult psychiatrists said they can’t take on more Medicaid patients.

Other specialists also report an inclination to limit the number of Medicaid patients they can treat because of the low reimbursement: orthopedic surgeons (50 percent), family practitioners (45 percent), gastroenterologists (47 percent), neurologists (43 percent), cardiologists (39 percent) and urologists (35 percent).

Physicians most likely to accept new Medicaid patients now:

- Pediatric Subspecialists (95%)
- Pathologists (90%)
- Radiologists (86%)
- Anesthesiologists (83%)
- General Surgeons (81%)

Specialties least likely to accept new Medicaid patients now:

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<thead>
<tr>
<th>Percentage</th>
<th>Specialty</th>
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<tbody>
<tr>
<td>50%</td>
<td>Orthopedic Surgeons</td>
</tr>
<tr>
<td>47%</td>
<td>Adult Psychiatrists</td>
</tr>
<tr>
<td>43%</td>
<td>Physical Medicine &amp; Rehabilitation</td>
</tr>
<tr>
<td>42%</td>
<td>Internal Medicine/Generalists</td>
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<tr>
<td>36%</td>
<td>Endocrinologists</td>
</tr>
<tr>
<td>36%</td>
<td>Plastic Surgeons</td>
</tr>
<tr>
<td>34%</td>
<td>Dermatologists</td>
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Physician practices do not fully utilize physician assistants and nurse practitioners.

The majority of physicians surveyed said their practice uses neither nurse practitioners nor physician assistants. Only 36 percent utilize nurse practitioners and 25 percent use physician assistants.

Source: Appendix A-1
Hospital employed physicians are more likely to use nurse practitioners and physician assistants as part of their care team. Private practice physicians are more likely to prefer physician assistants.

Solo practitioners are least likely to use either NPs or PAs; however, when they do, they are more likely to use physician assistants as first assistants while in surgery.

The majority of physician practices that do utilize these professionals use one to two physician assistants or nurse practitioners to help with patient care. The primary roles both play in physician practices:

- See patients as part of care team
- Perform patient physical examinations, including collecting patient history
- Prescribe medicine

<table>
<thead>
<tr>
<th>Physicians preferring Nurse Practitioners</th>
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<tbody>
<tr>
<td>Pediatricians</td>
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<tr>
<td>Obstetrician/Gynecologists</td>
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<thead>
<tr>
<th>Physicians preferring Physician Assistants</th>
</tr>
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<tbody>
<tr>
<td>Surgeons</td>
</tr>
<tr>
<td>Dermatologists</td>
</tr>
<tr>
<td>Emergency Medicine Physicians</td>
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Most physician practices are not participating in ACOs or Medical Homes in 2012.

Nearly three-quarters of physician practices are not currently involved in an Accountable Care Organization (ACO) or Medical Home. The remaining claim to be involved in some way or planning to participate in 2012.

<table>
<thead>
<tr>
<th>ACO/Medical Home Participation</th>
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<tbody>
<tr>
<td>n = 2298</td>
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</table>

- **74%** Not participating; no plans to in 2012
- **17%** Currently participating
- **9%** Plan to participate in 2012

Source: Appendix A-1
General and subspecialty pediatricians, internists and emergency medicine physicians are most likely to be participating. Hospital-owned practices and hospital-employed physicians are most likely to participate in 2012. While, single-specialty practices and solo practitioners are least likely to participate.

Physician practices in the Pacific and Midwest regions are more likely to be currently participating in either an ACO or Medical Home. Southeast and Southwest-based practices are more likely not to be participating or considering participating in 2012.

![Participation in ACOs by Type of Practice in 2012](image)
Physicians give the Affordable Care Act a “D” grade.

A “D” was the mean grade physicians gave the health law, despite its primary intention to reduce the cost of healthcare and provide coverage for the uninsured. Physicians who said they were “very knowledgeable” about the law were even more negative.

Source: Appendix A-3
It is important to note that this dissatisfaction comes from two separate political perspectives. While some physicians believe the health law should be repealed (55% of physicians surveyed), others believe the law did not go far enough to address cost and access issues plaguing the nation, and believe only a single payer system can accomplish these goals (31%).

In addition, 68 percent of American physicians disagree that the Affordable Care Act (ACA) will have a positive impact on physician/patient relationship.

Only 12 percent of physicians said the law provides needed healthcare reform. A majority of physicians said the ACA would not improve healthcare’s quality, rising costs or patients’ control over their own health care.

The only positive rating physicians gave the ACA was related to access. Fifty-four percent of respondents said the new law would increase patients’ access to care.

One important provision in the law set to take effect next year is the Independent Payment Advisory Board charged with finding savings in Medicare. Sixty-four percent of physicians said it would have a negative impact on patient care.

Other key survey findings:

- 70 percent said ACA would not stem rising healthcare costs
- 66 percent said ACA would give physicians less control over their practice decisions
- 61 percent said ACA would not improve the quality of healthcare
- 55 percent said Congress should scrap ACA and start over
- 49 percent said ACA would give patients less control over their healthcare
- 35 percent said it did nothing to reform healthcare
- 31 percent said ACA didn’t go far enough and a single-payer system is needed
- 22 percent said ACA went too far and impedes a physician’s ability to practice medicine
Appendix A: Methodology

1 A total of 2,218 physicians completed the practice trends survey, which was conducted between March 21 and April 15, 2012. The error range for this survey was +/- 2.1 percent at a 95 percent confidence level.

2 A total of 2,232 physicians completed the Medicaid/Medicare survey, which was conducted between April 19 and April 29, 2012. The error range was +/- 2.1 percent at the 95 percent confidence level.

3 A total of 2,694 physicians completed the Affordable Care Act attitudes survey, which was conducted between May 25 and June 4, 2012. The error range for this survey was +/- 1.9 percent at a 95 percent confidence level.

Invitations for Jackson Healthcare’s surveys were emailed to subsets of a database totaling 225,488 physicians, which included physicians who have been placed by Jackson Healthcare’s staffing companies and those who have not.

Respondents to all surveys were self-selected and spanned all 50 states and medical/surgical specialties.
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