



Practice Transition Planning

Presented by:

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President



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***If Dr. Jones quits
or merges – what
happens to me?***



***If we merge with
Ortho Associates,
they won't need
two practice
executives.***

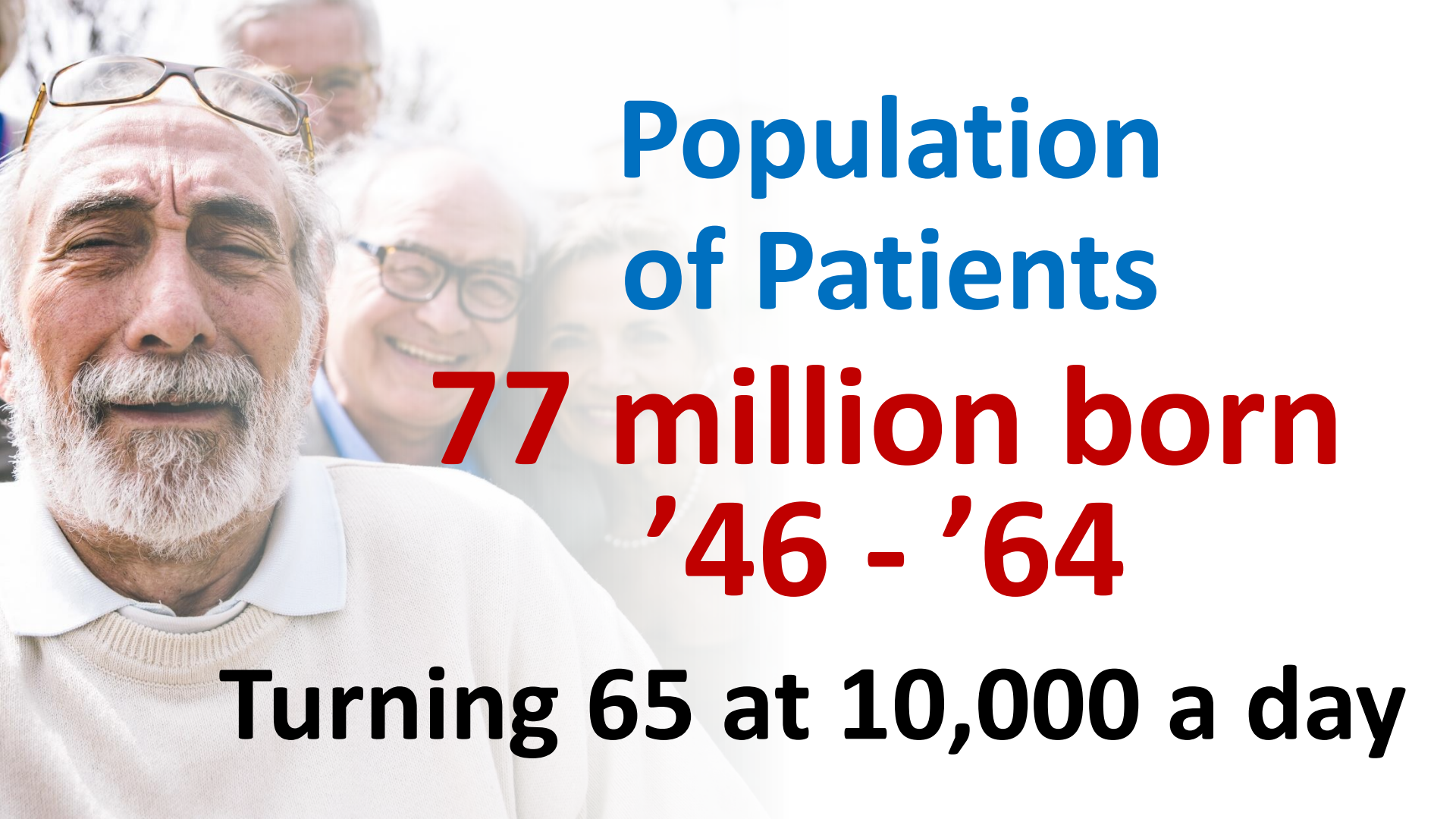


***God forbid that we
can't recruit and
get it in gear,
forcing them to sell
to the hospital!***



#1 Trend

Demographics

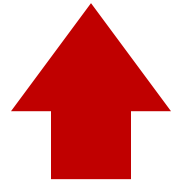


Population of Patients

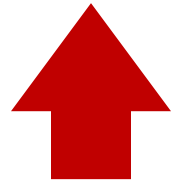
**77 million born
'46 - '64**

Turning 65 at 10,000 a day

PLUS



ACA Covered Lives



Swell in immigration



**Who's going to
care for Granny?**



Tomorrow's Doctors, Tomorrow's Cures®

Recent Studies and Reports on Physician Shortages in the US

October 2012

Center for Workforce Studies
Association of American Medical Colleges

A person in a white lab coat is holding a crystal ball. Inside the crystal ball, a woman wearing a blue hijab and a white face mask is visible. The background is a plain white wall.

AAMC Predicted in

2017 Shortage of
specialists will
match or exceed
shortage of PCPs

IT GETS WORSE!



2017 Update

**The Complexities of Physician Supply and Demand:
Projections from 2015 to 2030**

Final Report

Prepared for:

Association of American Medical Colleges

Submitted by:

**IHS Markit
February 28, 2017**

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Iowa (2007) - "Aging Population will Alter Demand for Physician Services" 6

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**Alaska
(2006)**

**“Competition
for Physicians
will Intensify”**



**California
(2008)**

**“Likely to
Face Physician
Shortage in
2015”**

**“Minorities
Underrepresented in
California Physician
Workforce”**



Indiana (2007)

**“Projections Indicate
that Shortages Will
Continue to Worsen”**

Orthopedic Surgeon Shortage Predicted

Written by Staff | February 25, 2009 | [Print](#) | [Email](#)

The number of patients requiring requiring hip or knee replacement surgery is soon expected to outpace the number of orthopedic surgeons available to perform the procedure, according to a news release by the American Academy of Orthopaedic Surgeons.

If the number of orthopedic surgeons trained to perform these procedures continues at its current rate, by 2016, 46 percent of hip replacements and 72 percent of knee replacements needed by patients will not be able to be performed, according to a study cited in the release.

A second study cited in the release suggested that a significant reason for the growth in joint replacement is the increase in younger patients requiring the procedure. The demand for hip replacements alone is expected to double by 2010.

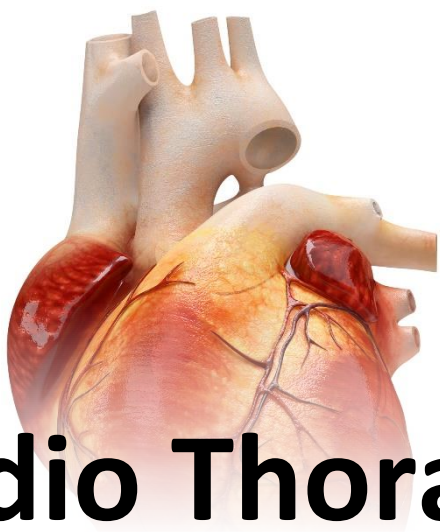
Read the AAOS's release on the [orthopedic surgeon shortage](#).

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To receive the latest hospital and health system business and legal news and analysis from *Becker's Hospital Review*, sign-up for the free *Becker's Hospital Review E-weekly* by [clicking here](#).

Might this shortage give us contracting leverage?





Cardio Thoracic



ER



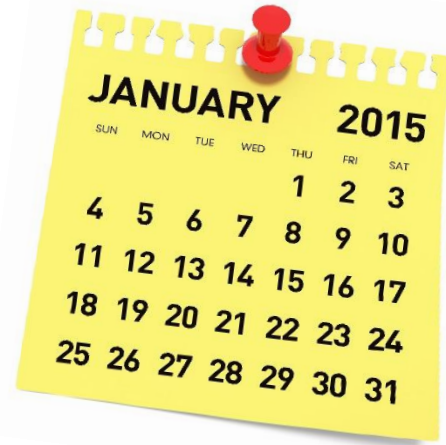
Urology



General Surgery



Recruitment Rarely Quick Drags On



Hospital



**Group
Practice**

Lifestyle...

***I don't want to
work that hard***



Sexist Productivity Differential

45%



500 Cases



375 Cases

Case Mix Skewed



HOSPITAL EMPLOYMENT OF PHYSICIANS IS A POSITIVE TREND LIKELY TO ENHANCE QUALITY OF CARE AND DECREASE COSTS.

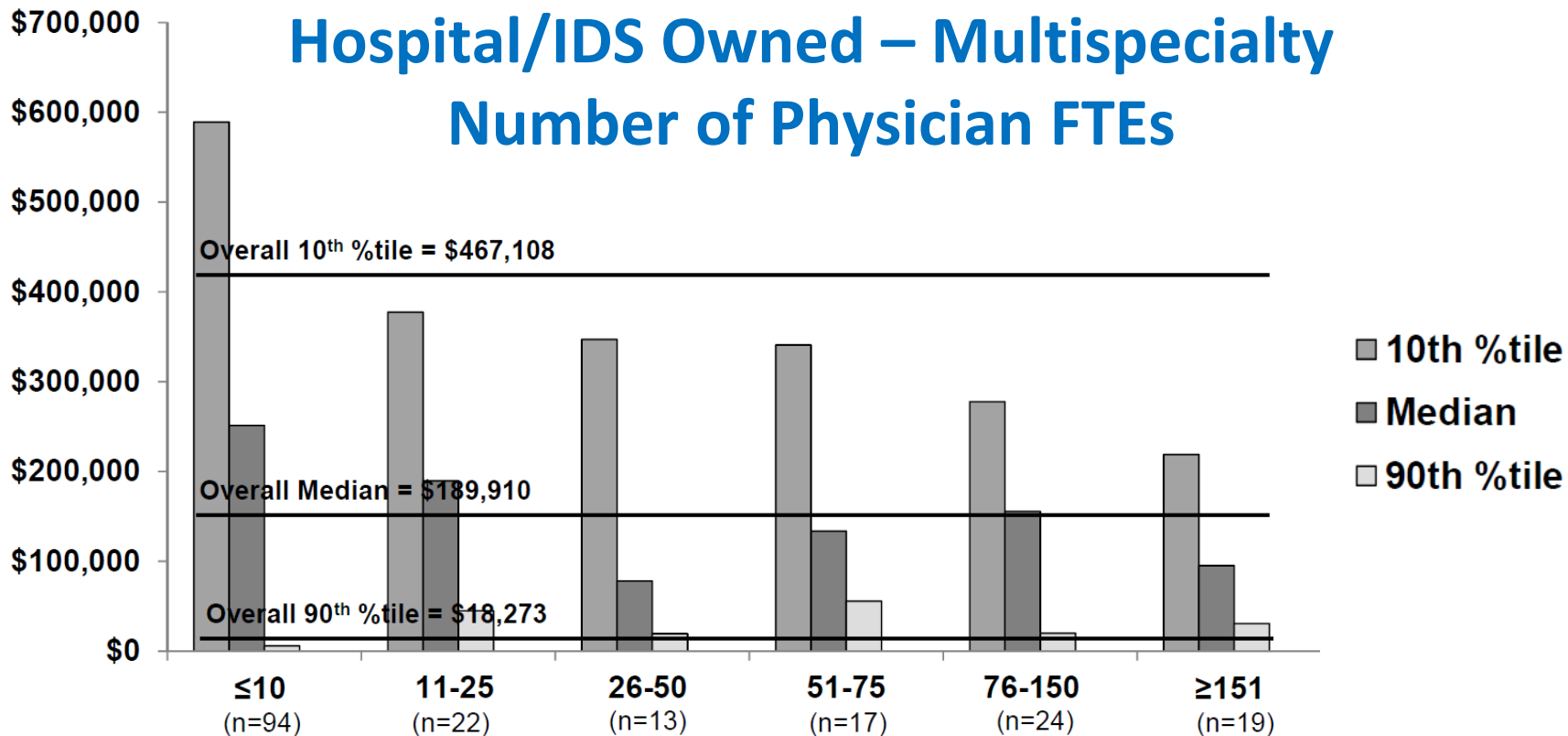
	2016	2014	2012
Mostly agree	8.1%	9.3%	4.6%
Somewhat agree	25.7%	27.8%	19.9%
Somewhat disagree	29.2%	28.8%	32.9%
Mostly disagree	37.0%	34.1%	42.7%

“Alternative Fact”

Net Loss per FTE Physician

Hospital/IDS Owned – Multispecialty

Number of Physician FTEs



ALARMING TREND OR MISUNDERSTOOD PERFORMANCE METRIC?

Capacity?

Physician Productivity?

Ancillary Services?

Physician Specialty?

Real Estate?

Management Fees?

Physician Compensation?

Accounting?

Mission?

Payer Mix?

Billing Office?

Strategy?

Overhead?

Culture?

Benefits?

Key Performance Metrics

Multispecialty Median Data	Hospital/IDS Owned	Not Hospital/IDS Owned	All Owners – Better Performers
120+ Days in A/R	24.91%	15.01%	10.23%
Days in A/R	49.53%	34.79%	30.56%
Net Collection %	96.59%	98.32%	99.28%
Overhead %	72.99%	63.67%	61.97%
Payer Mix			
Commercial	42.70%	46.39%	
Medicare	24.08%	25.30%	
Medicaid	9.16%	3.53%	
Self-Pay	3.30%	2.80%	

Financial performance and payer mix variances do exist.

The Impact of Physician Burnout

On the Profession	On Delivery
<ul style="list-style-type: none">• Early retirement• Lack of work-life balance• Decreased professional membership and advocacy• Discouragement• Negative modeling• Depression• Substance abuse• Suicide	<ul style="list-style-type: none">• Non-physician healthcare professionals• Outcomes• Productivity• Patient safety

**49% often or always
experience feelings of burn-out**

Physicians are accelerating their retirement plans due to changes taking place.

**2016 Survey of America's Physicians:
Practice Patterns and Perspectives**

45 or <	41.2%
46 or >	50.0%
Male	47.7%
Female	45.2%
Employed	42.1%
Owner	54.2%
PC	44.2%
Specialist	48.2%

What Changes Contribute to Burn Out?



What Causes Burn-out?

ACA

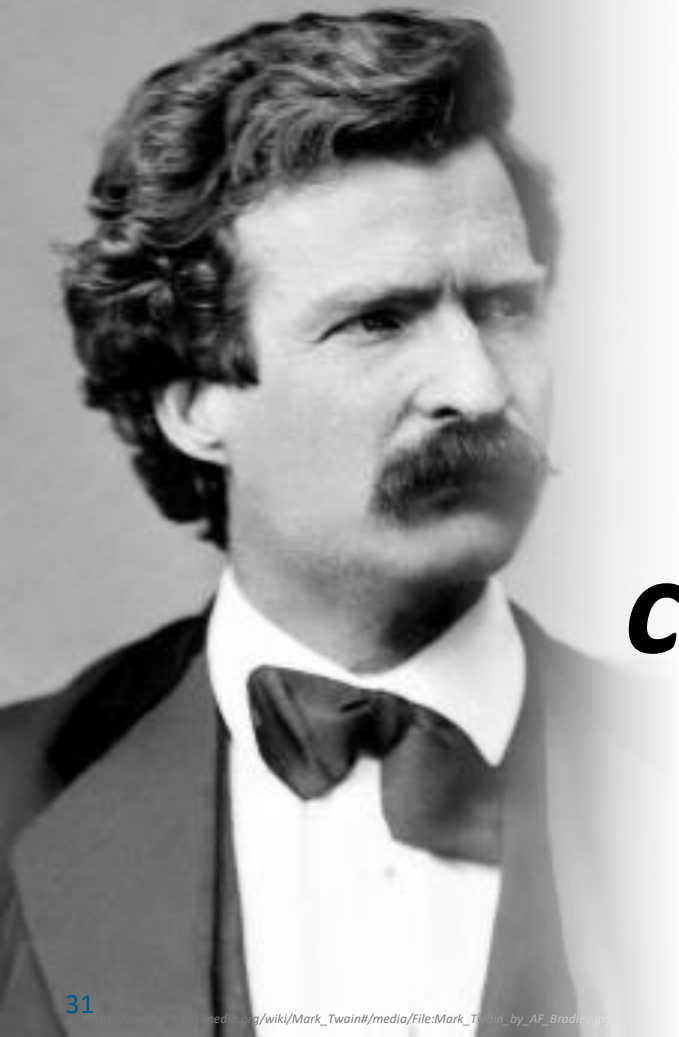
Tweeter-in-Chief? Congress?
Common Sense?

Online Ratings

Patient Attitudes
Held Hostage by Reviews

**Sense of doing
the wrong work**

EHR, after hours



***“I am in favor
of progress, it’s
change I don’t like”***

- Mark Twain

THE UNITED STATES ATTORNEY'S OFFICE
MIDDLE DISTRICT *of* FLORIDA

Department of Justice

U.S. Attorney's Office

Middle District of Florida

FOR IMMEDIATE RELEASE

Wednesday, December 7, 2016

United States Settles False Claims Act Allegations Against Orthopedic Surgery Practice For \$4,488,000

Jacksonville, FL – United States Attorney A. Lee Bentley, III announces today that Southeast Orthopedic Specialists (SOS), a Jacksonville, Florida-based orthopedic medical group, has agreed to pay the government \$4.488 million to resolve allegations that it violated the False Claims Act.

The United States contends that it has certain civil claims against SOS arising from SOS billing federal healthcare programs for services that were not medically necessary and reasonable. Specifically, the United States contends that SOS sought reimbursement for millions of dollars of healthcare claims that

Burn-out Solution?

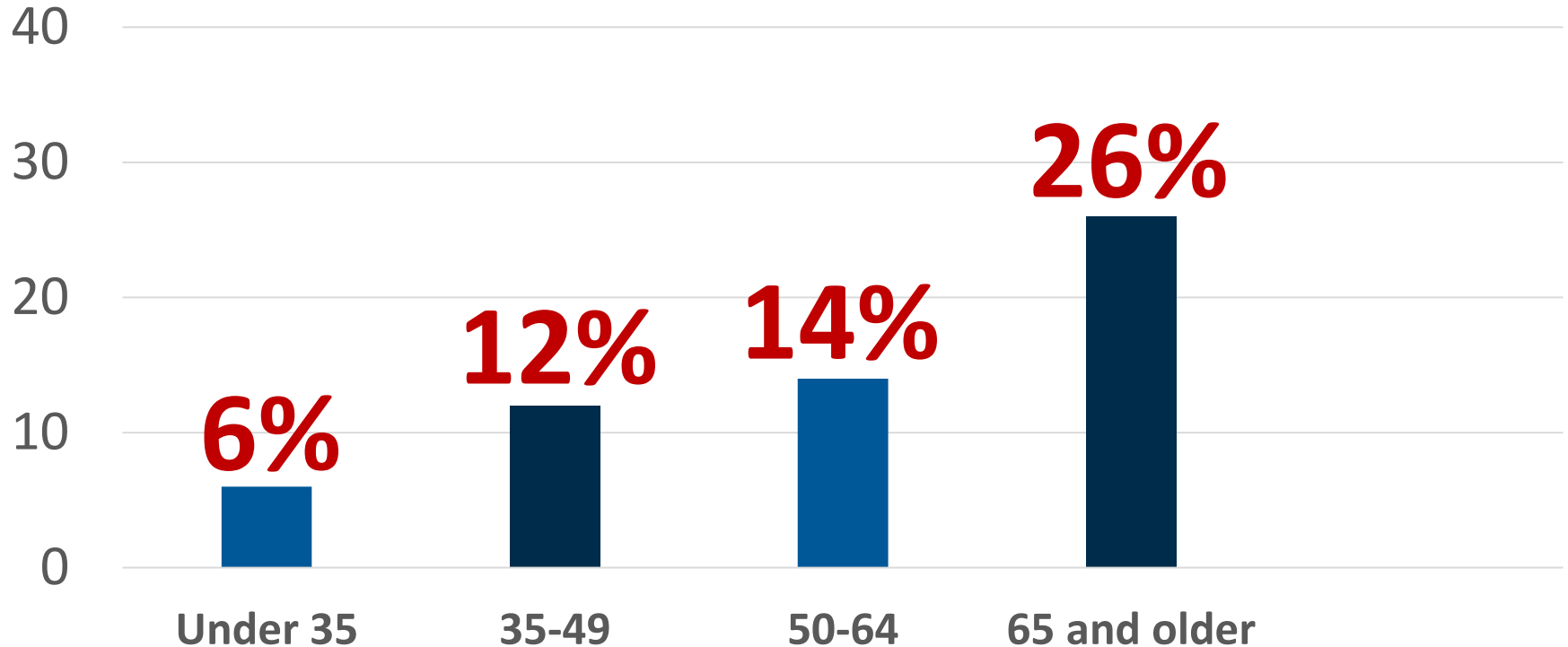
48% Plan to cut back on hours, retire or take a non-clinical job, switch to concierge or take other steps limiting patient access.



MEDSCAPE PHYSICIAN COMPENSATION REPORT 2015

Physicians Working Part-Time, by Age Group

Slide 13





The Foundation's Biennial
2016 Physician Survey



Grantee Perspective: How
Physician Leaders Are
Tackling Today's Health Care
Challenges



Grantee Perspective: A Look
At How the FutureDocs
Forecasting Tool Benefits
Physicians



Video: Poverty and the Myths
of Health Care Reform



Grantee Perspective: A Look At How the FutureDocs Forecasting Tool Benefits Physicians

The Physicians Foundation awarded a grant to UNC to support its work with FutureDocs, a nonpartisan, taxpaying institution that helps address the physician shortage crisis by working to identify, encourage and mentor students who wish to devote their lives to the service of humanity as physicians, medical scientists, technologists, engineers and mathematicians. To read the full interview, click the blue arrow.



IN THE NEXT ONE TO THREE YEARS, DO YOU PLAN TO:

	2016	2014	2012
Continue as I am	52.2%	56.4%	49.8%
Cut back on hours	21.4%	18.2%	22.0%
Retire	14.4%	9.4%	13.4%
Switch to a cash/concierge practice	8.8%	6.2%	6.8%
Work locum tenens	11.5%	9.1%	N/A
Cut back on patients seen	7.5%	7.8%	9.6%
Seek a non-clinical job within healthcare	13.5%	10.4%	9.9%
Seek employment with a hospital	6.3%	7.3%	5.6%
Work part-time	9.8%	6.4%	6.5%

WHAT TWO FACTORS DO YOU FIND LEAST SATISFYING ABOUT MEDICAL PRACTICE?



2016 Survey of America's Physicians

	2016
Regulatory/Paperwork Burdens	58.3%
Erosion of Clinical Autonomy	31.8%
Inefficient EHR Design/Interoperability	26.8%
Professional Liability Concerns	23.5%
The Commoditization of Medicine	23.4%
Lack of Time with Patients	15.3%
Maintenance of Certification (MOC) Requirements	13.3%
Online Misinformation Directed at Patients	6.5%

IMPACT ON ACCESS



Do Not See/Limit **Medicare** Patients by Physician Type

45 or <	26.5%
---------	-------

46 or >	30.4%
---------	-------

Male	24.2%
------	-------

Female	31.9%
--------	-------

Employed	23.2%
----------	-------

Owner	33.1%
-------	-------

PC	39.0%
----	-------

Specialist	19.5%
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MEDSCAPE PHYSICIAN COMPENSATION REPORT 2015

Do You Discuss the Cost of Treatment With Patients?

Slide 25

I regularly discuss this with patients



Occasionally, in certain circumstances



Occasionally, if the patient brings up the subject



Never, because I don't know the cost of the treatments



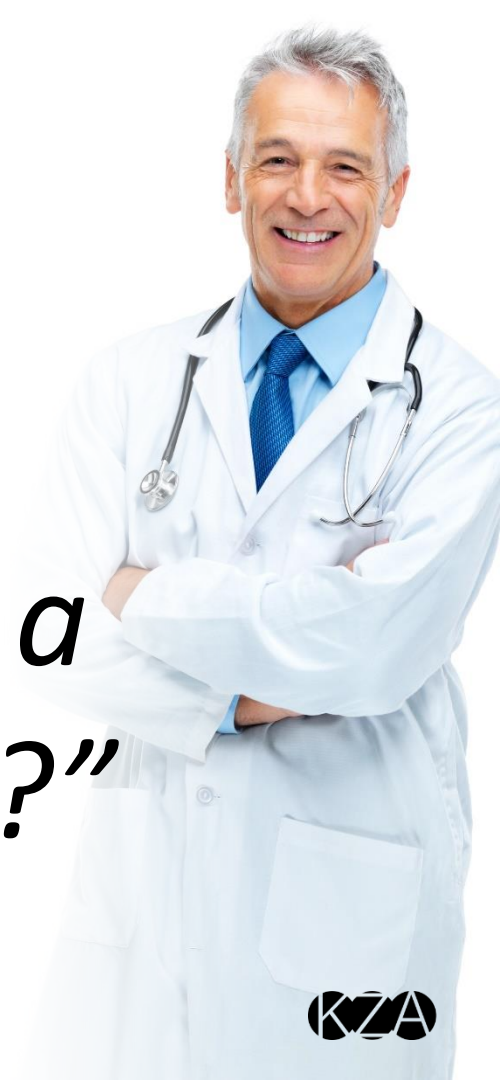
Never, because I don't feel that it is appropriate



0 10 20 30 40



*“When is the right time to consider **planning** a practice transition?”*



*“Retiring from medicine
without
retiring to something is risky.”*

- Gerontologist



LOTS TO THINK ABOUT



Governance - Leadership

Why should she pick you?

Hospital



Private Practice Group



LOTS TO THINK ABOUT



Notification Requirements



ASC Shares



Ownership in Office Real Estate



Paul Patient



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0.93 1.54% ▲

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\$ **61.19** 0.00 0.00%

AFTER HOURS VOL 20,557

Volume
4,745,983

65 Day Avg Vol

6,641,000

1 Day

60.42 -0.10

52 Week Range

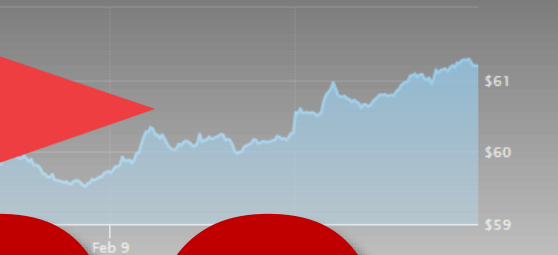
44.80 - 61.19

(%)

1D 3M YTD 1Y 3Y \$ %

DOW

20,000



OVERVIEW

News Dow Chemical

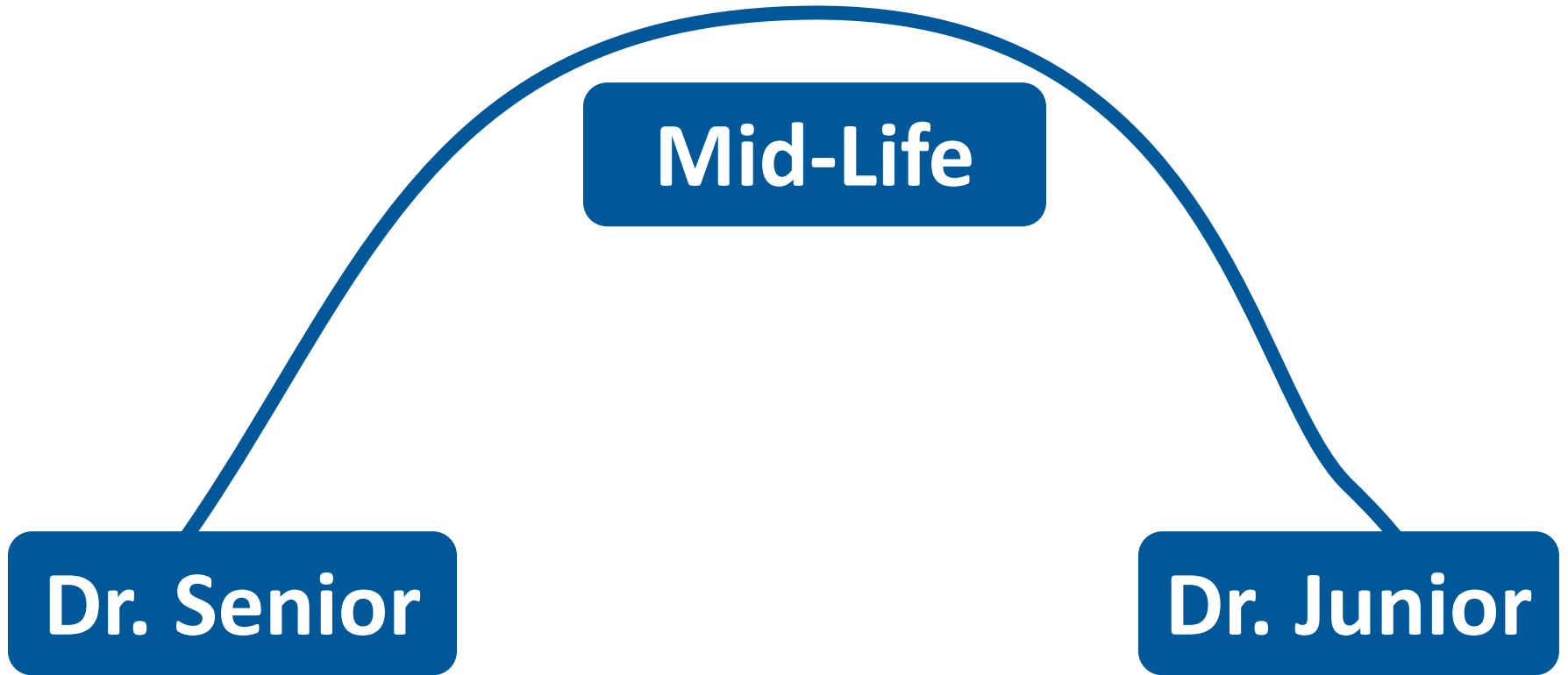
ALL SECTIONS ☰



I'm Out!



Bell Curve of Group Practice



Ferdinand Sauerbruch, MD



Max Liebermann: (1932)

https://commons.wikimedia.org/wiki/Max_Liebermann#/media/File:1932_Liebermann_Der_Chirurg_Ferdinand_Sauerbruch_anagoria.JPG

**When is the Best Time
to Start Planning?**

NOW!



**Thank you and
Good Luck!**

www.karenezupko.com

