Background on Maryland Physician Practices

Practice Transformation Subgroup
April 27, 2009
Physician Supply

- Board of Physicians provides data on physician and practice characteristics as part of the license renewal process.

- AMA Masterfile and Center for Health System Change Physician Survey used for comparisons with US.
  - AMA data shows higher supply than MHCC’s active practice physician subset (14,200).

- Median age is 49, 64% white, 19% Asian, 12% black, 68% male, 25% are in primary care, 25% are in solo practice, 38% in a single specialty group.

- Typical physician participates in 4 networks (payer supplied data) and provides 5 hours of charity care per month.
Significant Supply Variation Among Maryland Counties
Physicians per 100,000

Source: AMA Masterfile 1992-2006, Physicians in Patient Care
MHCC analysis of Maryland Board of Physicians license renewal data
Physicians Per 100,000 – 1992-2006

Figure 1 -- Maryland Physicians in Patient Care 1992-2006

Source: AMA Masterfile 1992-2006, Physicians in Patient Care
Information on Non-physician Professionals is Limited

<table>
<thead>
<tr>
<th>Professional</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nurse Practitioners</td>
<td>1,790</td>
</tr>
<tr>
<td>Nurse Anesthetists</td>
<td>340</td>
</tr>
<tr>
<td>Nurse Midwives</td>
<td>160</td>
</tr>
<tr>
<td>Nurse Psychotherapists</td>
<td>340</td>
</tr>
<tr>
<td>Physician Assistants</td>
<td>1,350</td>
</tr>
</tbody>
</table>

• About 1/3 of physicians practice with physicians assistants/nurse practitioners

• Physicians assistants can practice independently, but are required to have a supervising contract with a physician

• Nurse practitioners can practice independently within a defined scope of practice with a collaborative agreement with a physician.
Physician Practices – Majority are Small

Distribution of Maryland Practices
By Number of Physicians
2005-2006

<table>
<thead>
<tr>
<th>Practice Size (# of Full time Physicians)</th>
<th>Practices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Under 6</td>
<td>4,707</td>
</tr>
<tr>
<td>6 to 10</td>
<td>143</td>
</tr>
<tr>
<td>11+</td>
<td>52</td>
</tr>
<tr>
<td>Total</td>
<td>4,902</td>
</tr>
</tbody>
</table>

Source: MHCC analysis of 2006-2007 unaudited MBP physician license renewal files
Ratio of Private Fees Relative to Medicare Fees in Maryland

Annualized Growth in Use of Practitioner Services per Patient 2002-2006

In nominal dollars

- Tests: 5.9%
- Imaging: 10.9%
- Minor/Ambulatory Procedures: 4.9%
- Procedures: 1.5%
- E&M: 3.4%
- Total: 5.1%

Source: MHCC internal analysis of the Medical Care Data Base
What we know about provider shortages

- Health Resources Planning Administration (HRSA) designates health providers shortage areas
  - Primary care in parts of Washington and Allegany counties
  - Mental health in parts of Anne Arundel, Calvert, Charles, Garrett, Kent, Queen Anne’s, St. Mary’s, and Talbot counties

- MHA/MedChi study estimates widest spread shortages in many areas, particularly in rural areas.
### Annual Compensation, Work RVUs, and Work per Hour for Selected Specialties, United States, 2006

<table>
<thead>
<tr>
<th>Specialty</th>
<th>Mean Compensation</th>
<th>Mean Annual Work Hrs</th>
<th>Mean Work RVU HR</th>
</tr>
</thead>
<tbody>
<tr>
<td>General Internal Medicine</td>
<td>$187,806</td>
<td>4,262</td>
<td>2.39</td>
</tr>
<tr>
<td>Family Practice*</td>
<td>189,490</td>
<td>4,460</td>
<td>2.51</td>
</tr>
<tr>
<td>Noninvasive Cardiology</td>
<td>380,096</td>
<td>7,787</td>
<td>4.28</td>
</tr>
<tr>
<td>Urology</td>
<td>402,676</td>
<td>7,175</td>
<td>4.02</td>
</tr>
<tr>
<td>Orthopedic Surgery</td>
<td>462,168</td>
<td>7,917</td>
<td>4.3</td>
</tr>
<tr>
<td>Invasive Cardiology</td>
<td>483,380</td>
<td>8,278</td>
<td>4.52</td>
</tr>
</tbody>
</table>

*Estimates for family practice exclude obstetrics/gynecology services: Medical Group Management Association (MGM) Physician Compensation and Production Survey: 2007 report, based on 2006 data tabulations, are provided by MGM from survey database. Reprinted with permission from the Medical Group Management Association, 104 Inverness Terrace East, Englewood, Colorado 80112; 877.SK.MGM. [www.mgma.com](http://www.mgma.com)
Information on Utilization and Reimbursement
(from the Maryland Medical Care Data Base)

• MCDB
  – Private insurers’ claims, encounter data
  – Practitioner services (physicians and other professionals)
  – Prescriptions covered on a drug benefit offered by the carrier
  – Detailed data on individual services

• Non-HMO plans
  – Claims data
  – Captures most care (except carve-outs for mental health and Rx drugs)

• HMO plans
  – Mixed fee-for-service claims, capitated encounters
  – Incomplete data on capitated encounters: no $ info, no primary care
  – Greater uncertainty in estimated volume, spending
Efforts to Enhance Practice Operations

• Electronic Health Records
  – CMS Demonstration
  – ARRA (HITECH)
  – Maryland’s HB 706 – Support IT Infrastructure Development, Private Payers Must Help Finance Meaningful EHR adoption

• Loan Repayment Practice Enhancement
  – Maryland ‘s SB 627 – Loan Assistance Practice Development
    • Loan repayment program
    • Study feasibility of using economic development funds