

Physician affiliation and practice size

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Overview

- General motivation is to understand trends in physician practice environment
- Potential implications of reorganization of physician practices: changes in practice patterns, care delivery, and payment
- Assess a new data source—the SK&A Office-based physician database
 - Comparability to other data sources
 - Match to Medicare claims

Data on practice size and hospital and health system purchasing of physician practices

- News reports of merger and acquisition activity
- Hospital surveys: American Hospital Association (AHA) annual survey of hospitals
- Physician surveys
 - American Medical Association (AMA) survey
 - Bureau of Labor Statistics
- CMS administrative records
- Medicare claims
 - Taxpayer Identification Number (TIN)
 - Place of Service code

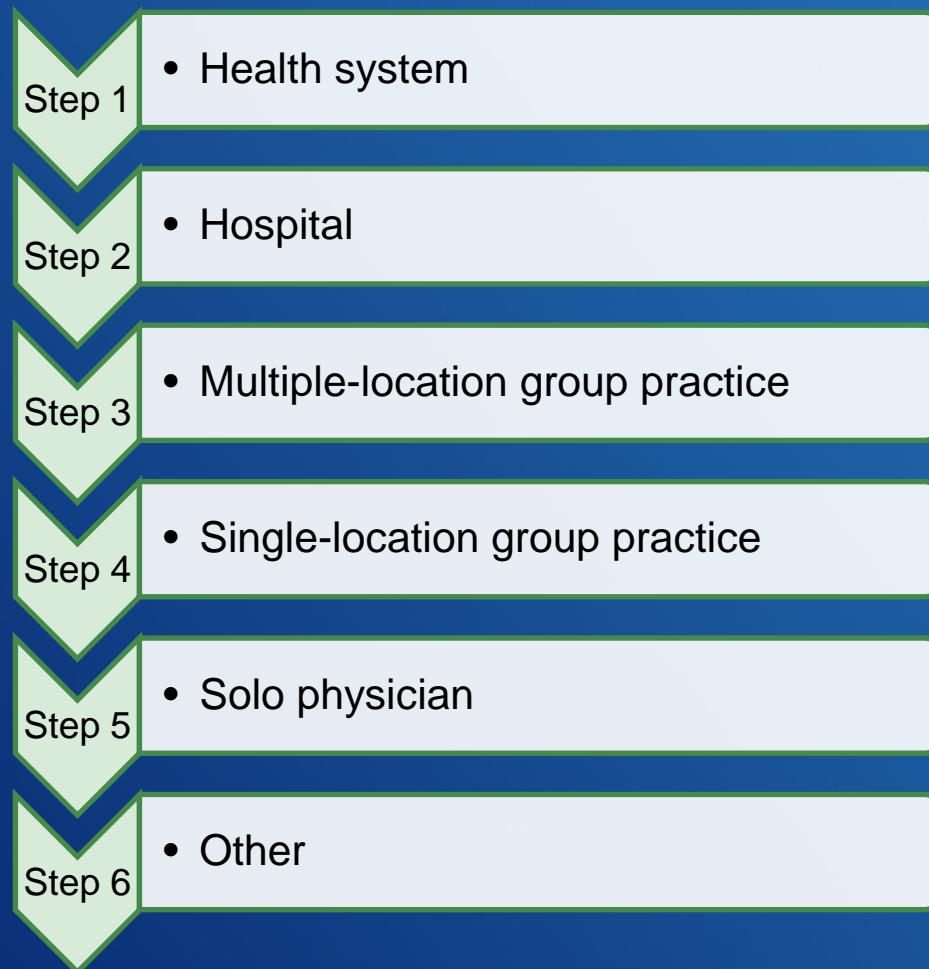


SK&A Office-based physician database

- SK&A database has unique combination of features
 - National
 - Physician-identifiable record (National Provider Identifier)
 - Group practice and ownership information (hospital or health system)
- Limitations of SK&A database
 - Less coverage of physicians in hospital-based specialties
 - Doesn't specify the degree of hospital or health system ownership
 - Completeness of data varies over time
- Overarching issue: Varying estimates of the number of total practicing physicians

Constructing a measure of physician affiliation

Hierarchical measure designed to capture the broadest organizational structure the physician is affiliated with

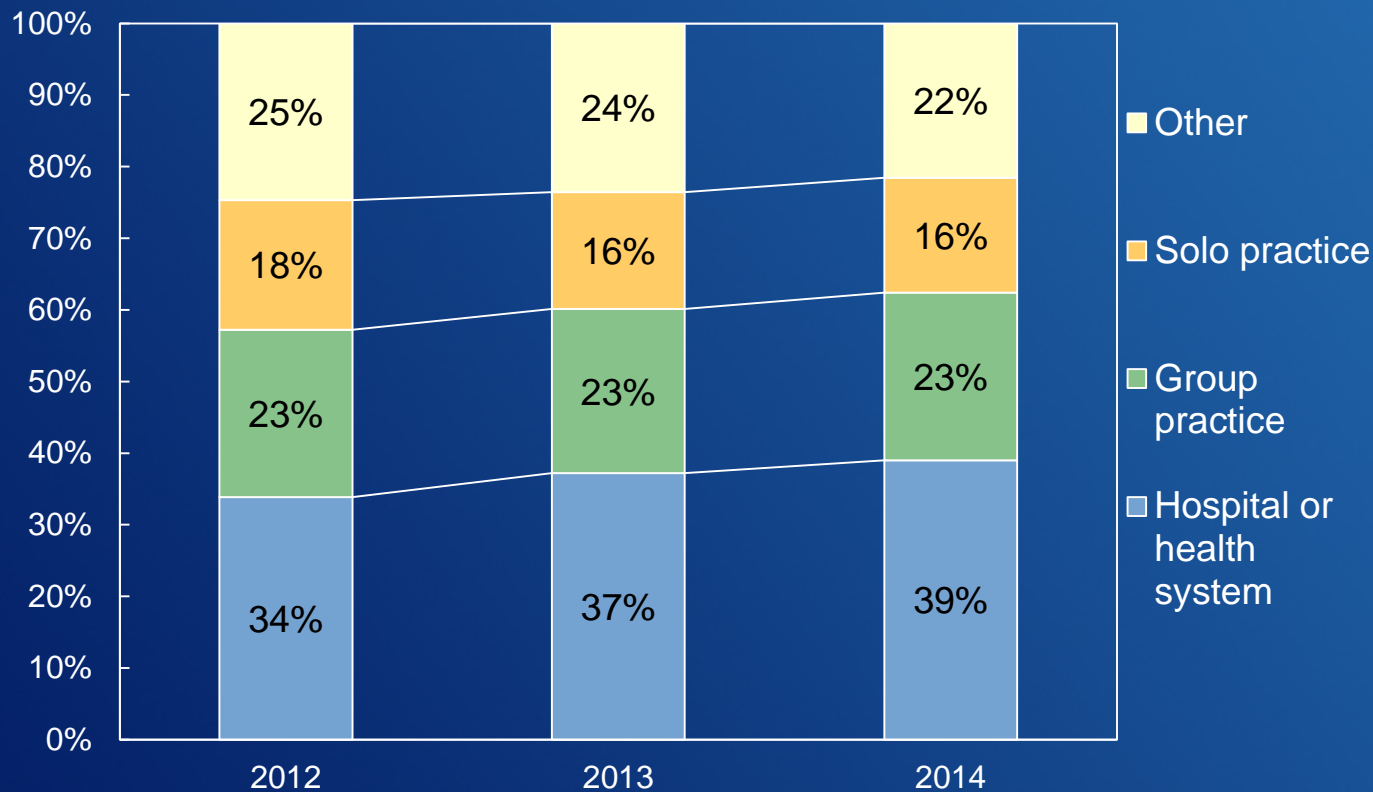




SK&A record summary

- 594,871 physicians in 2014
- Comparability to other estimates
 - Smaller number of physicians than AMA Masterfile and Medicare-billing physicians
 - More physicians reporting hospital or health system affiliation
 - Physician group sizes similar, some variation in the number of solo physicians

Change in physician affiliation over time (SK&A physicians)



Note: Group practice category only includes physicians not affiliated with a hospital or health system. "Other" category includes IPAs, those who may work in group practices but the group practice ID is missing, and physicians working at a location with other physicians but do not report a group practice identifier.

Source: SK&A Office-based physician database.

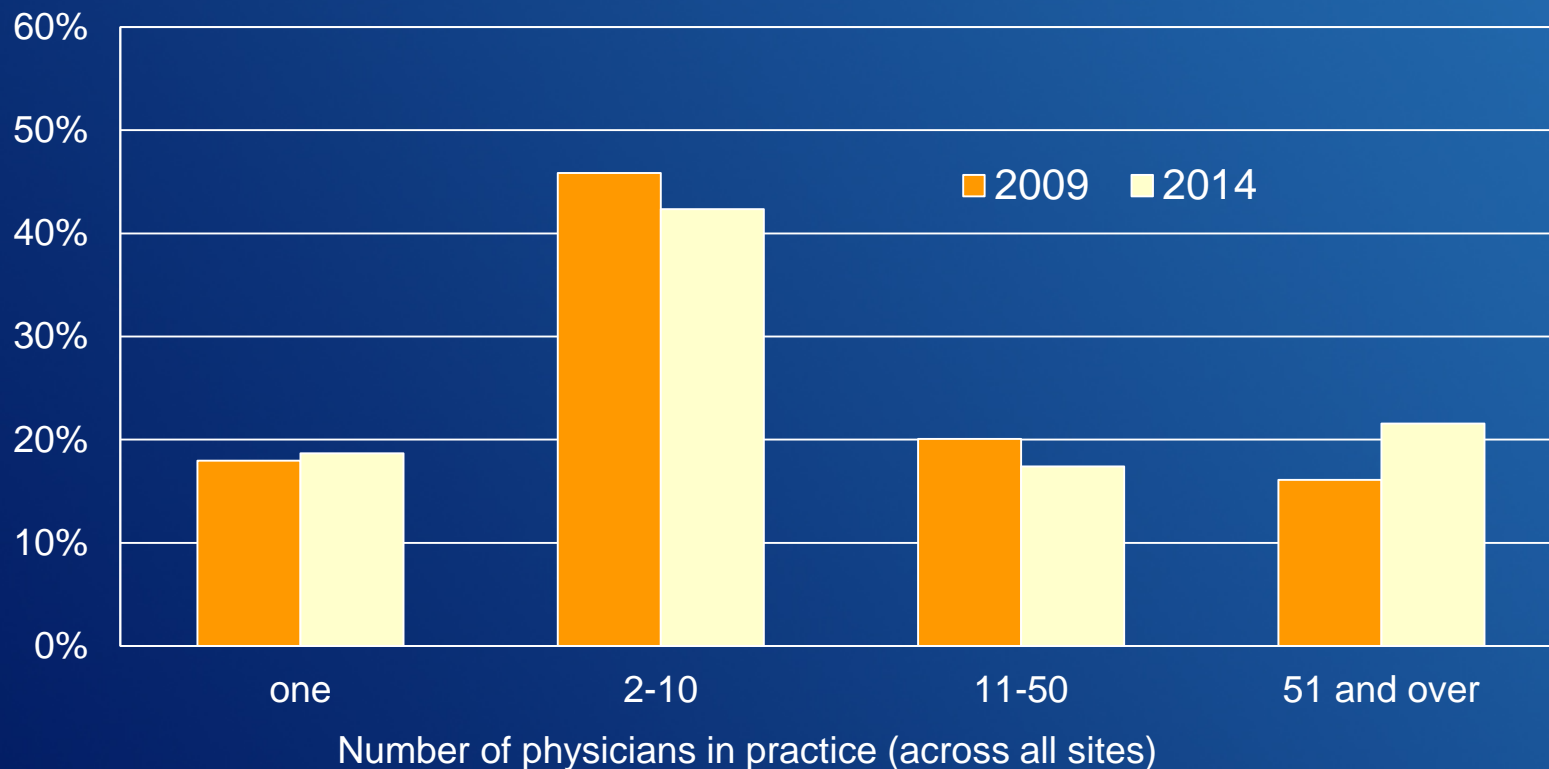
Practice affiliation varies by specialty, 2014 (SK&A physicians)

	Primary care	Cardiology	Emergency medicine	Orthopedic surgery	OB-GYN
Total number of physicians	190,221	23,711	19,163	23,219	26,746
Health system or hospital	40%	53%	50%	35%	38%
Group practice	21	23	22	37	28
Solo practice	19	10	4	11	14
Other	20	14	24	17	20

Note: Group practice category only includes physicians not affiliated with a hospital or health system. "Other" category includes IPAs, those who may work in group practices but the group practice ID is missing, and physicians working at a location with other physicians but do not report a group practice identifier. Primary care specialties include: family practice, gerontology, internal medicine, general practitioner, or pediatrics. OB-GYN (obstetrician/gynecologist).

Source: SK&A Office-based physician database.

Change in group size across all practice locations (SK&A physicians)



Note: The count of physicians is designed to capture the total number of physicians in the group across all practice sites (for multi-site group practices).

Source: SK&A Office-based physician database.



Matching SK&A database to 2014 Medicare physician claims

- 70% of Medicare-billing physicians had an SK&A record, accounting for 84% of claim line items and 84% of spending
- Medicare physician categories less likely to match an SK&A record:
 - Certain hospital-based specialties (radiologists, pathologists, anesthesiologists), hospitalists
 - Low-volume Medicare billing physicians



SK&A Medicare-billing physicians

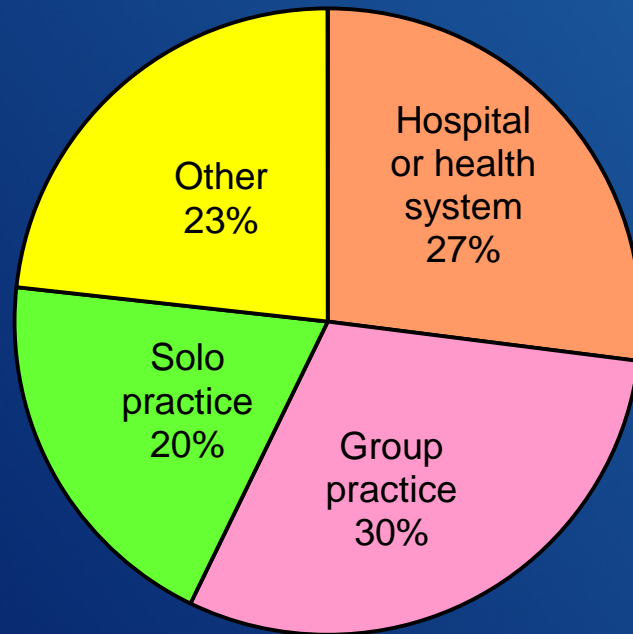
- Of the 70 percent of Medicare-billing physicians that could be matched, their distribution was similar to the entire universe of SK&A physicians
- 39 percent of physicians reported hospital or health system affiliation, 24 percent reported a group practice (but not affiliated with a hospital or health system) and 16 percent reported that they were solo practitioners

Note: Percentages exclude 192,373 Medicare-billing physicians that did not match to SK&A.

Source: Medicare 2014 Part B Geographic Variation Database non-institutional claim line file, SK&A Office-based physician database.

Distribution of Medicare services by practice affiliation

*Fee schedule claim line items for SK&A
Medicare-billing physicians, 2014*

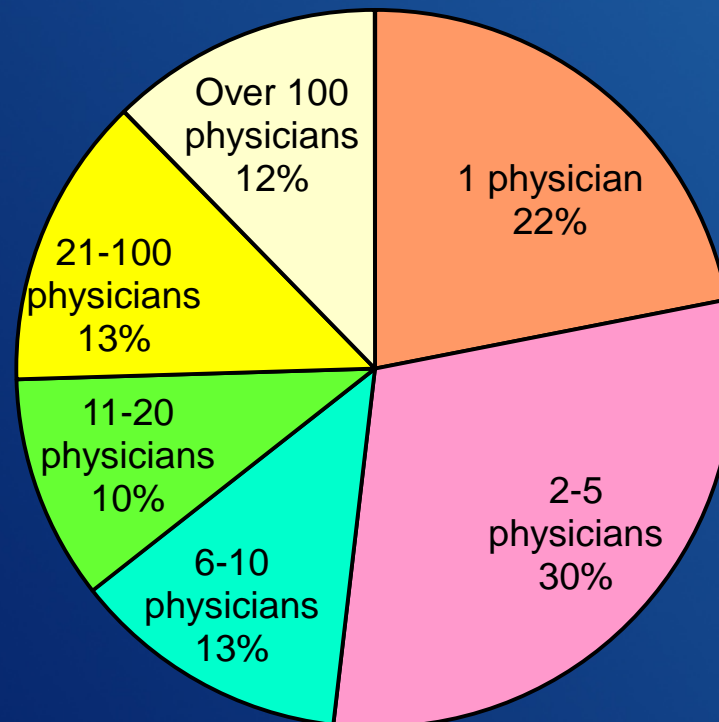


Note: Group practice category only includes physicians not affiliated with a hospital or health system. Percentages exclude line items for 192,373 Medicare-billing physicians that did not match to SK&A.

Source: Medicare 2014 Part B Geographic Variation Database non-institutional claim line file, SK&A Office-based physician database.

Distribution of Medicare services by physician group size

*Fee schedule claim line items for SK&A
Medicare-billing physicians, 2014*



Note: Percentages exclude 192,373 Medicare-billing physicians that did not match to SK&A.

Source: Medicare 2014 Part B Geographic Variation Database non-institutional claim line file, SK&A Office-based physician database.



Summary of findings

- SK&A Office-based physician database
 - File contains consolidated information not available elsewhere
 - Data show growing practice size and rising share of physicians reporting health system and hospital affiliation
 - 30% of Medicare-billing physicians in 2014 could not be matched to SK&A file
- Distribution of physicians in Medicare
 - Group practices (not affiliated with hospital or health systems) billed 30% of Medicare fee schedule services
 - Over 50% of Medicare fee schedule services for physicians working in practices with 5 or fewer physicians



Conclusion

- Next steps
- Questions on this preliminary analysis?