



Idaho Medical Association

**Joint Legislative
Economic Outlook and Revenue
Assessment Committee**

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Healthy Idaho Economy

- Idaho physicians help keep our citizens healthy, but they also keep our state's economy healthy
 - Medical practices are small businesses
 - Office-based physicians are important drivers of Idaho's economy
 - Major professional activity setting is in a medical office, as opposed to hospital, research facility, etc.
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Total Output

- Total Annual Output of Idaho Physicians is \$3.0 Billion, or 5.6% of Idaho's Gross State Product (GSP)
 - Direct: patient visits, other revenue (medical and non-medical)
 - Indirect: sales of equipment to practice, etc.
- Output multiplier = 1.67
 - For every \$1.00 of direct output, 67¢ of indirect output is generated



Forecast

- Payment for medical services
 - Medicare SGR, Quality vs. Quantity
- Full implementation of ACA
 - Influx of new patients
 - 80% of newly insured individuals are at a high risk of non-payment (*Medical Economics, Dec 10, 2013*)
 - Narrowing of networks
 - Insurers seeking additional bargaining power



Forecast

- Implementation of ICD-10
 - Requirement to increase from 13,000 codes to 68,000 codes
- Electronic Health Records (EHR)
 - Meaningful Use requirements
- Employment of physicians



Workforce / Jobs

- Physician shortage
 - Idaho ranks 49th in U.S. for physician to patient ratio
- 2,475 office-based physicians
- Medical offices directly create 12,765 jobs
 - Physicians, other providers, staff



Workforce / Jobs

- 14,123 total jobs are supported by Idaho physicians
 - Direct and Indirect
- 5.7 jobs in the Idaho economy generated by each physician, including his/her own
- Employment multiplier = 1.75
 - For every \$1M of output, 0.75 FT jobs are created outside of medical offices



Wages & Benefits

- The value of direct wages & benefits of physicians and employees is \$1.4 Billion
 - Physicians, non-physician staff, owners
- Total wages & benefits of \$1.9 Billion; each physician supports an average of \$786,262 in the Idaho economy
- Payroll multiplier = 1.36
 - For every \$1.00 of direct compensation, 36¢ of indirect compensation is generated



Tax Revenues

- Idaho physicians generate state and local taxes of \$120.7 Million
 - Direct and Indirect
- Social Security taxes
- Personal taxes
- Business taxes
- Indirect business taxes



Other Issues

- New physician training program
 - July 2014, Kootenai Health Family Medicine Residency Program
 - 3 year, 6-6-6 training program
 - Consolidation
 - More physician practices being acquired
 - Access to technology, continuity of care
 - Less competition, higher prices
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Questions?

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Thank You!
