



Economic Outlook & Revenue Assessment Committee:

Impact of Idaho Physicians

Presented by:

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Overview



Economic Impact of Idaho Physicians



COVID-19 Disruption



Pivot to Telehealth



Idaho Physician Workforce



Graduate Medical Education Expansion

Healthy Idaho Economy

- ▶ Idaho physicians help keep our citizens healthy, but they also keep our state's economy healthy
- ▶ Medical practices are small businesses
- ▶ Patient-care physicians are important drivers of Idaho's economy
- ▶ **COVID-19 is a major disruption; impacts will be felt for years to come**



Total Output of Idaho Physicians

- ▶ Total Annual Output of Idaho Physicians is \$5.2 Billion, or 7.9% of the Gross State Product
 - ▶ Direct: patient visits, other revenue (medical and non-medical)
 - ▶ Indirect: sales of equipment to practice, etc.
- ▶ Output multiplier = 1.86
 - ▶ For every \$1.00 of direct output, 86¢ of indirect output is generated

Wages and Benefits

- ▶ The value of direct wages and benefits of physicians and employees is \$1.7 Billion
 - ▶ Physicians, clinical and administrative staff
- ▶ Physicians generate \$725.8 Million in indirect wages and benefits
- ▶ Total wages and benefits of \$2.5 Billion
- ▶ Payroll multiplier = 0.26
 - ▶ For every \$1.00 of direct output, 26 cents of indirect compensation is generated.

Tax Revenues Generated by Idaho Physicians

- ▶ Idaho physicians generate state and local taxes of \$168.6 Million
- ▶ \$61,584 per physician
 - ▶ State & local income taxes
 - ▶ Property taxes
 - ▶ Business taxes
 - ▶ Sales taxes

Source: AMA 2018 Economic Impact Study

COVID-19 Disruption

- ▶ At the beginning of the COVID-19 pandemic in 2020, physician practices saw a 60% reduction in revenue
- ▶ 27% of physician practices closed satellite locations
- ▶ 60% of practices reduced physician pay
- ▶ 53% of practices had to lay off or furlough employees
- ▶ Increase of 57% in Personal Protective Equipment (PPE) expenses



COVID-19 Disruption

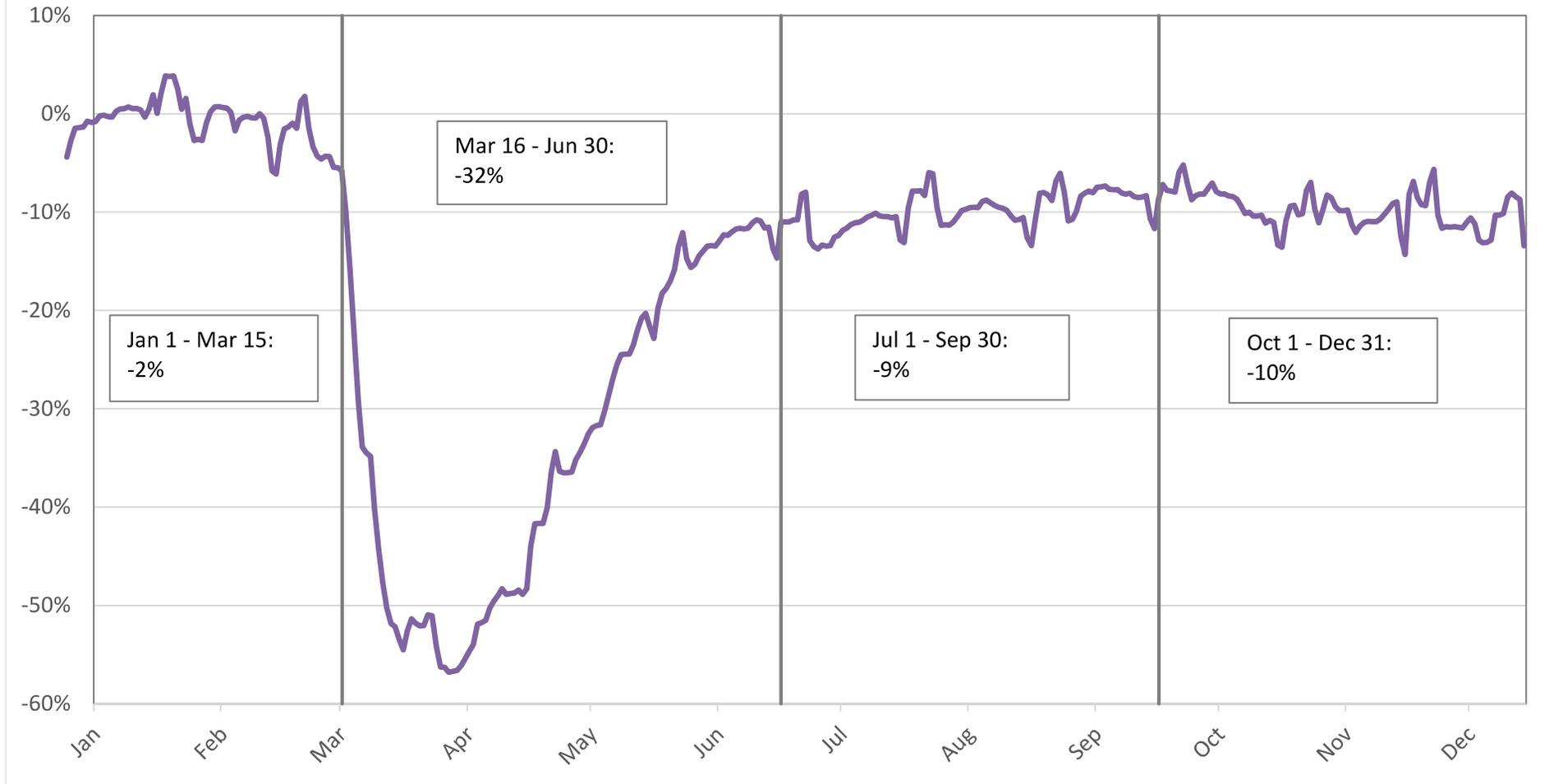
- ▶ By the end of 2020 and into 2021, the following programs provided financial assistance to struggling physician practices:
 - ▶ Paycheck Protection Program (PPP)
 - ▶ Economic Injury Disaster Loan (EIDL) Program
 - ▶ Provider Relief Funds
 - ▶ Advance & Accelerated Medicare payments
- ▶ The programs made up a significant portion of lost revenue, but overall patient visits decreased
- ▶ Idaho statewide crisis standards of care forced delays and cancellations of non-urgent treatments and procedures

COVID-19 Disruption

- ▶ The AMA recently conducted a study on the impacts of COVID-19 on spending for Medicare physician services in 2020
 - ▶ Medicare is often a relevant benchmark for most public and private payers
- ▶ For the year, the estimated shortfall in Medicare Physician Fee Schedule (MPFS) spending associated with the pandemic was \$13.9 billion (14 percent), with reductions for all states and every major specialty
- ▶ Telehealth spending increased dramatically in 2020 but use was concentrated in a handful of service categories

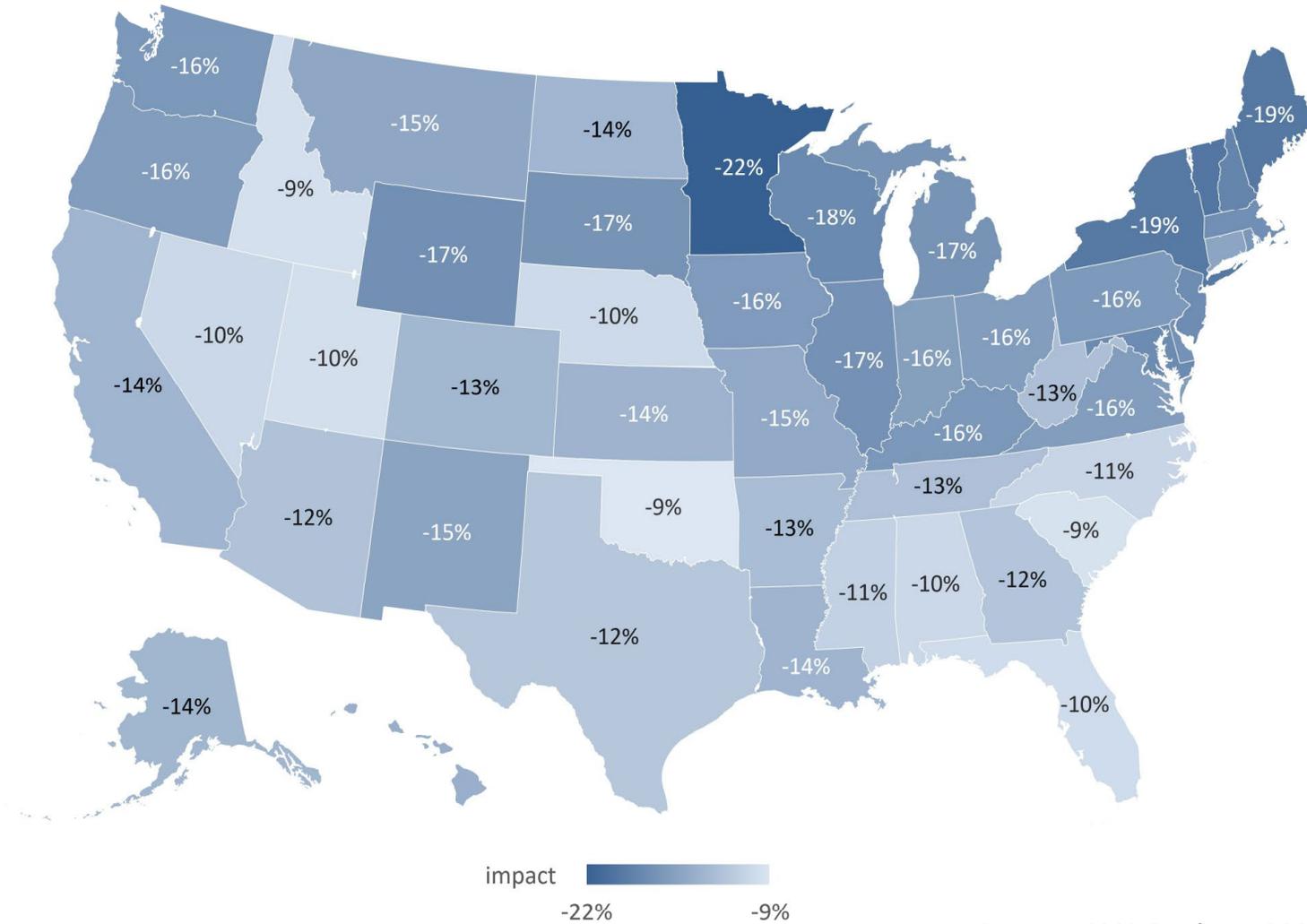
Source: AMA Study on 2020 Medicare Physician Spending

Exhibit 1. MPFS Spending for 2020 (Relative to Expected 2020 Spending)



Source: AMA Study on 2020 Medicare Physician Spending

Exhibit 5. The Cumulative Reduction in MPFS Spending for 2020 by State



Source: AMA Study on 2020 Medicare Physician Spending

Pivot to Telehealth

- ▶ Prior to the COVID-19 pandemic, Idaho formed the Telehealth Task Force (TTF) to identify the reasons for our state's low utilization of telehealth services.
- ▶ The TTF found three major barriers:
 1. Inconsistent Reimbursement
 2. Technology Restrictions
 3. Broadband Access



Pivot to Telehealth



During the pandemic,
telehealth usage in
Idaho increased by

17,000 %

- ▶ The COVID-19 pandemic increased telehealth usage over **17,000%** from the prior year – per the Idaho Dept. of Insurance
- ▶ In response to the pandemic, several temporary actions were taken to address Idaho’s current barriers:
 1. Reimbursement for telehealth services at equitable levels to in-person visits
 2. State & federal waivers allow expanded technology platforms
 3. Idaho allocated \$50M federal COVID relief to boost broadband

Idaho Physician Workforce

- ▶ 2,738 active patient-care physicians in Idaho
- ▶ Idaho medical offices directly create 13,253 jobs (physicians, other providers, staff) and indirectly create 19,926 jobs
- ▶ 33,179 total jobs are supported by Idaho physicians (direct and indirect)
- ▶ 12.1 jobs in the Idaho economy are generated by each physician, including his/her own

Source: AMA 2018 Economic Impact Study

Idaho Physician Workforce

- ▶ Prior to the COVID-19 pandemic, physician burnout was recognized as a serious public health crisis in the U.S.
- ▶ The pandemic added levels of stress and trauma that have never been experienced before by the health care community
 - ▶ Sleepless nights, increased patient loads, worry about infecting family members, and daily encounters with preventable disease and death have taken a mental toll on our physicians
 - ▶ In addition to overwhelming clinical burdens, physicians now routinely face verbal abuse and threats of physical violence from patients and their families

Idaho Physician Workforce

- ▶ A new Mayo Clinic Proceedings article explores the relationship between COVID-related stress and work intentions of U.S. health care workers
- ▶ Physicians, nurses, and advanced practice providers are at the highest risk of reducing clinical work hours or leaving their practice
- ▶ Approximately one in three physicians, nurses and advanced practice providers surveyed intend to reduce work hours
- ▶ One in five physicians and two in five nurses intend to leave their practice altogether

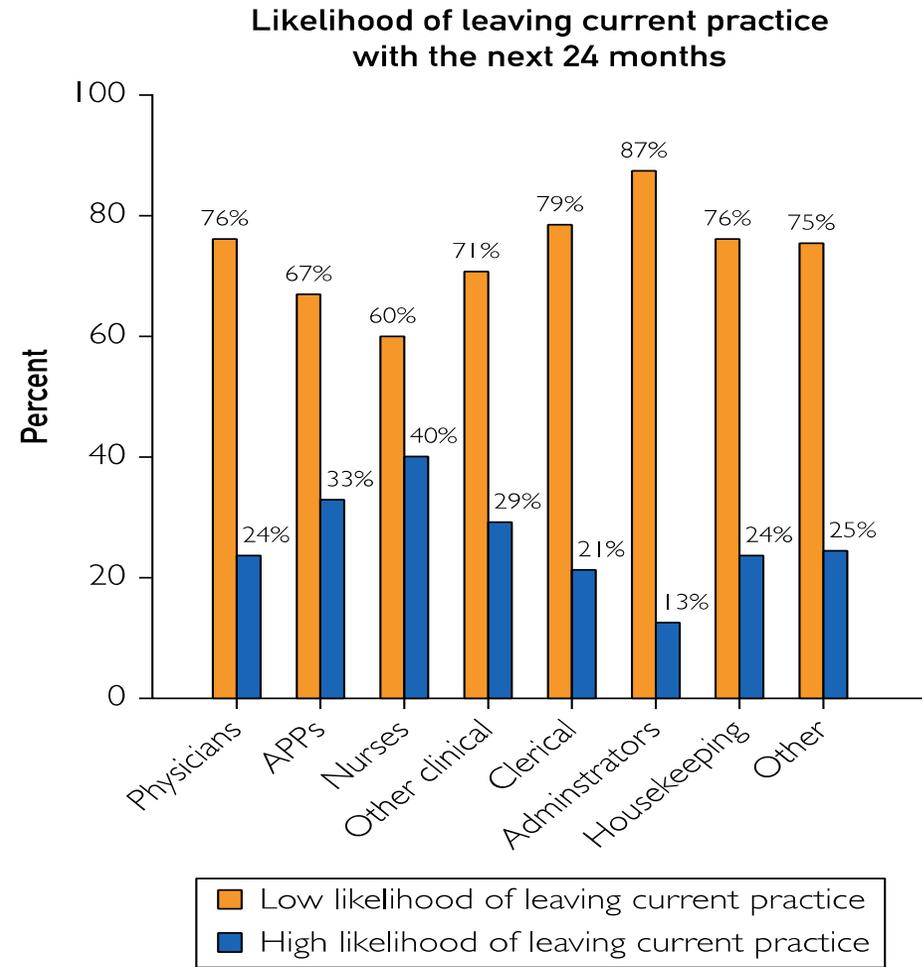
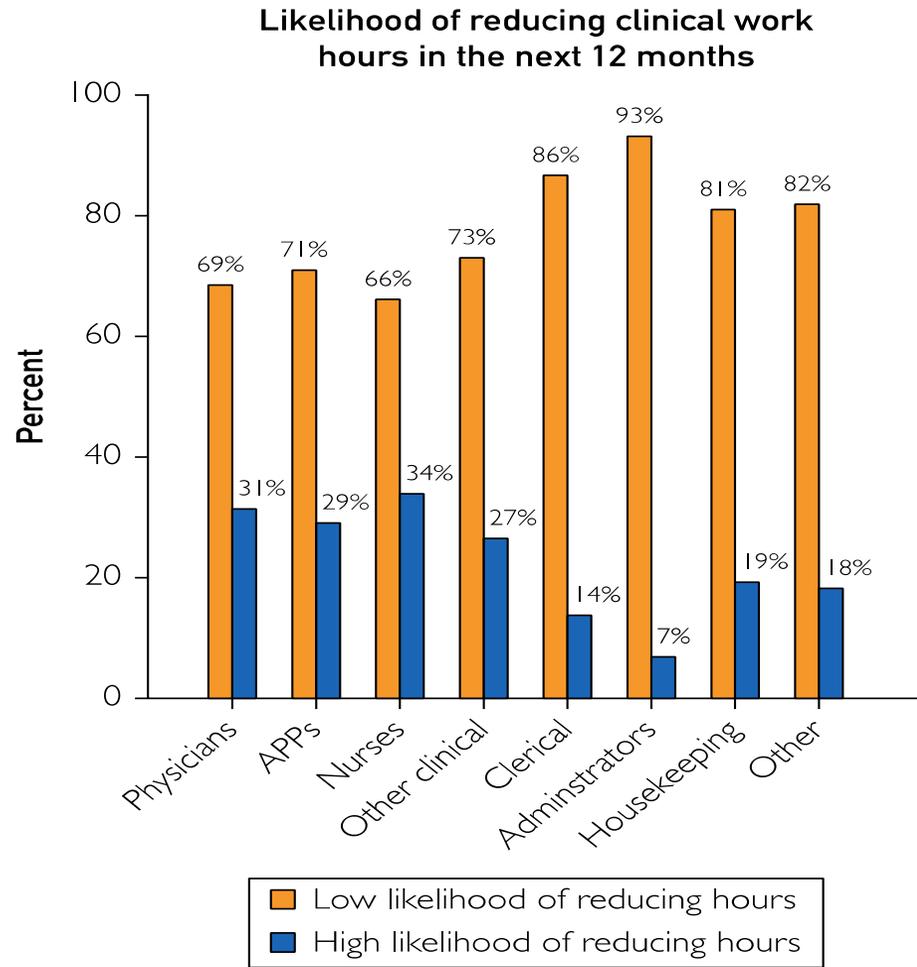


FIGURE 1. Work intentions of US health care workers by role and presence or absence of burnout (N=20,665). APP, advanced practice provider.

Source: Dec 2021 Mayo Clinic Proceedings: Innovations, Quality & Outcomes

GME Expansion: 10 Year Plan

- ▶ Training more physicians throughout Idaho, focus on rural areas
- ▶ Increase number of GME programs from 9 to 21
- ▶ Increase number of residents and fellows from 141 to 356 per year
- ▶ Raise Idaho's number of residents per 100,000 population from 6.7 to 17.7
- ▶ Goal: Graduate 2,000 Idaho-trained residents

ROI of GME Expansion

- ▶ Investing in GME in Idaho has a positive impact on our state's economy
- ▶ Full implementation of the Ten-Year GME Expansion Plan, at conservative retention rates (50%), shows 178 new Idaho physicians would:
 - ▶ Generate \$338.2 Million in total output
 - ▶ Generate \$160.4 Million wages/benefits
 - ▶ Add 2,154 high-paying jobs
 - ▶ Generate \$10.96 Million in state/local taxes





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Discussion & Questions

Thank You!

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