

Clinical Care

The (Independent) Doctor Will NOT See You Now

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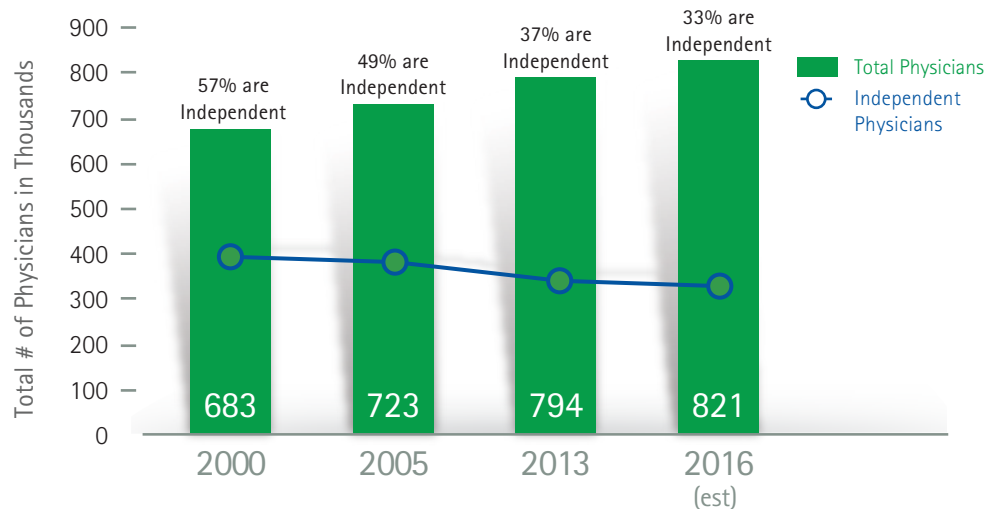
The era of the independent physician that many adults grew up with is swiftly coming to an end.

The number of US physicians in independent practice¹ has dropped significantly in the last several years. Accenture analysis shows that 37 percent of physicians were independent in 2013—down from 57 percent in 2000—and that number will continue to decline to 33 percent by the end of 2016 (Figure 1). Independent physicians are not only declining in numbers, they are also changing their business models.

Figure 1. Independent Physicians: A Swiftly Shrinking Segment

2013: 37% of physicians were independent

2016: Projected to decline to 33%



Sources: Accenture analysis, Bureau of Labor Statistics, the Federation of State Medical Boards, Medical Group Management Association, American Medical Association, Jackson Healthcare

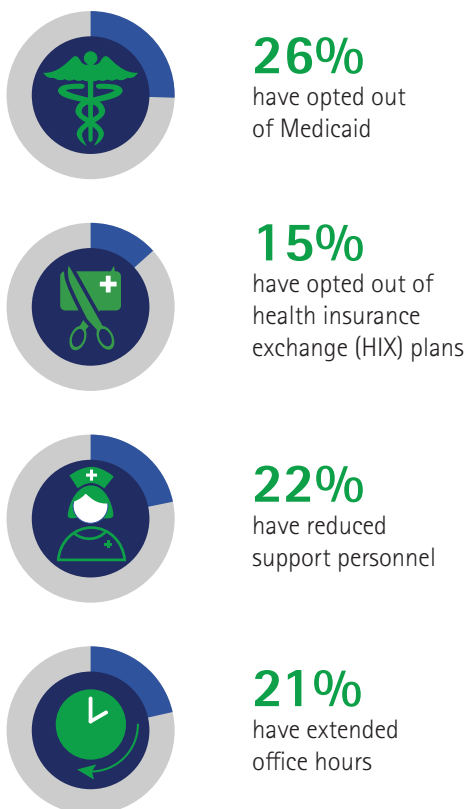
1. Independent physician: One who owns a majority of his/her practice and has key decision-making rights.

Independence is not easy

Today's independent physicians face the same disruptive market conditions that have led many of their peers to [sell their practices](#) or [seek employment directly with health systems in recent years](#). Many physicians who remain independent are changing their business models to respond to changing market demands. A recent Accenture survey reveals that independent physicians most commonly cite reimbursement pressures as the biggest concern with remaining in independent practice.

As such, it is no surprise that one in four (26 percent) have opted out of Medicaid and 15 percent have opted out of health insurance exchange (HIX) plans. What's more, 22 percent of independent physicians have reduced support personnel and 21 percent have extended office hours in response to revenue and cost pressures. (Figure 2)

Figure 2. How Are Independent Physicians Changing Their Practices in Response to Disruptive Market Conditions?



Source: 2015 Accenture Independent Physicians Survey

Market Challenges

Some independent physicians are choosing to opt-out of public programs, such as Medicaid or Medicare, others are experimenting with low-staffing models and some will optimize their cost structure with innovation.

The Accenture survey shows that 3 percent of independents have opted out of Medicare programs. This comes as the patient insurance mix for Medicare is also changing. Nearly a third of those ages 65 and older are opting for Medicare Advantage plans managed by commercial insurers over traditional Medicare, and [Medicare supplemental insurance \(Medigap\) enrollment is also on the rise](#).

Some independent physicians are experimenting with other models to remain competitive. The Accenture survey shows that nearly a fifth (17 percent) of independents report that they are participating in accountable care organizations (ACOs) and 7 percent are participating in patient-centered medical homes (PCMH). In other cases, physicians are offering ancillary or subscription-based services to remain competitive. For example, One Medical offers same-day appointments, online prescriptions and email access to doctors—all for approximately \$150 to \$200 a year. Practices that are independent today won't look like the same practices in the future. Since independent practice is no longer business-as-usual, physicians must establish a competitive business model that is as unique as the market they now serve.

Echoes across the system

How the physician employment trend and its implications will unfold remains to be seen. But by preparing now, other clinical care providers—local hospitals, integrated health systems and even retail clinics—are likely to experience a shift in patient populations, a new payer mix and healthcare delivery challenges.

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Methodology

Accenture conducted an online survey of 194 independent US physicians to assess their employment status and practice models. The survey was fielded by Nielsen in December 2014. Data from the Bureau of Labor Statistics, the Federation of State Medical Boards, Medical Group Management Association, American Medical Association and Jackson Healthcare were used to determine the number of independent physicians in 2013 and forecast for 2016.

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