Do You Want to Stay in Ophthalmology?
Staying Sane in a Challenging Environment

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Today's Objectives
1. Describe current physician perspectives
2. Identify the causes of this outlook
3. What steps can be taken to remedy them
4. Q&A

2014 Survey of America's Physicians: Practice Patterns and Perspectives:
An Examination of the Professional Morale, Practice Patterns, Career Plans, and Healthcare Perspectives of Today's Physicians Based on Over 20,000 Survey Responses

Survey conducted on behalf of The Physicians Foundation by Merritt Hawkins

Methodology
- Survey mailed to 650,000 physicians in the U.S. from early March 2014 to late June 2014
- Usable surveys: 20,008 (3.1% return); margin of error is <1% (0.78% sampling error)
- Survey contained 48 separate questions with multiple responses available on some; 13,000 written comments
- One of the largest and most comprehensive physician surveys undertaken in the United States

What is your medical specialty?
- Family Practice 14.6%
- General Internal Medicine 12.0%
- Pediatrics 10.6%
- Surgical Specialty 13.5%
- Medical Specialty 33.6%
- Ob/Gyn 6.2%
- General Surgery 3.8%
- Other 5.7%
**What is your current professional status?**

- Employed by a hospital 30.5%
- Practice owner/partner/associate 34.6%
- Employed by a medical group 22.4%
- Other 12.5%

**What is your age?**

- 35 or under 12.4%
- 36-45 23.2%
- 46-55 26.4%
- 56-65 27.8%
- 66 or older 10.2%
- Average 50

**What is your gender?**

- Male 66.7%
- Female 33.3%

**Size of your practice?**

- Solo 17.2%
- 2-10 physicians 32.8%
- 11-50 physicians 21.6%
- ≥51 28.4%

**Which best describes your professional morale and feelings about the current state of the medical profession?**

<table>
<thead>
<tr>
<th>Morale</th>
<th>2014</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very positive</td>
<td>8.8%</td>
<td>3.9%</td>
</tr>
<tr>
<td>Somewhat positive</td>
<td>35.6%</td>
<td>27.9%</td>
</tr>
<tr>
<td>Somewhat negative</td>
<td>37.1%</td>
<td>44.8%</td>
</tr>
<tr>
<td>Very negative</td>
<td>18.5%</td>
<td>23.4%</td>
</tr>
</tbody>
</table>

**Which best describes how you feel about the future of the medical profession?**

<table>
<thead>
<tr>
<th>Future</th>
<th>2014</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Very positive/optimistic</td>
<td>10.2%</td>
<td>3.1%</td>
</tr>
<tr>
<td>Somewhat pos/opt</td>
<td>38.7%</td>
<td>19.5%</td>
</tr>
<tr>
<td>Somewhat neg/pess</td>
<td>39.5%</td>
<td>45.9%</td>
</tr>
<tr>
<td>Very neg/pessimistic</td>
<td>11.6%</td>
<td>31.5%</td>
</tr>
</tbody>
</table>
### If you had your career to do over, would you choose to be a physician?

<table>
<thead>
<tr>
<th>Year</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>71.3%</td>
<td>28.7%</td>
</tr>
<tr>
<td>2012</td>
<td>66.5%</td>
<td>33.5%</td>
</tr>
<tr>
<td>2008</td>
<td>73.0%</td>
<td>27.0%</td>
</tr>
</tbody>
</table>

### Would you recommend medicine as a career to your children or other young people?

<table>
<thead>
<tr>
<th>Year</th>
<th>Yes (%)</th>
<th>No (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2014</td>
<td>49.8%</td>
<td>50.2%</td>
</tr>
<tr>
<td>2012</td>
<td>42.1%</td>
<td>57.9%</td>
</tr>
<tr>
<td>2008</td>
<td>40.2%</td>
<td>59.8%</td>
</tr>
</tbody>
</table>

### Medicine and healthcare are changing in such a way that...

- I will accelerate my retirement plans: 38.7%
- I will defer my retirement plans: 18.6%
- I will not change my retirement plans: 42.7%

### What two factors do you find most satisfying about medical practice?

- Patient relationships: 78.6%
- Intellectual stimulation: 65.3%
- Interaction with colleagues: 22.0%
- Financial rewards: 15.2%
- Prestige of medicine: 12.2%

### In the next 1-3 years, do you plan to...

(check all that apply)

- Continue as I am: 56.4%
- Cut back on hours: 18.2%
- Seek a non-clinical job in healthcare: 10.4%
- Retire: 9.4%
- Cut back on patients seen: 7.8%
- Seek employment within a hospital: 7.3%
- Work part-time: 6.4%
- Switch to a cash/concierge practice: 6.2%
- Close my practice to new patients: 2.4%

### Hospital employment of physicians is a positive trend likely to enhance quality of care and decrease costs

- Mostly agree: 9.3%
- Somewhat agree: 27.8%
- Somewhat disagree: 28.8%
- Mostly disagree: 34.1%
In your opinion, which factors contribute to rising health costs?

- Defensive medicine: 60.3%
- Aging population: 37.4%
- Insurance mandates: 36.5%
- Cost of pharmaceuticals: 30.7%
- Advances in technology: 24.3%
- End of life care: 19.9%

Physician Comments

“Changing changes in documentation and endless redundant prior authorization forms make me feel as if medicine is becoming a mechanistic exercise with less and less art involved. This may be good, it may be bad, but it is not the profession I entered, so I am leaving. If I wanted a job filling out forms I would have gone into data entry, if I wanted to follow an algorithm for every clinical decision, I would have become a car mechanic or an electrician.”

Physician Comments

“The system is broken and I am out of here as soon as I can. I am tired of being used, abused and lied to. Has anyone here woken up to the fact that we are always the last ones to be considered in the equation of change?”

Physician Comments

“We need a single payer system that provides better coordination of care, reduces overhead and management costs, reduces complexity of reimbursements, provides a single formulary. We also need federal tort reform to reduce the cost of medicine.”

Physician Comments

“In many ways large and small, physicians are over-regulated and constrained, especially by insurance companies. Requirements for pre-authorization, preferred medication lists, and similar intrusions into the doctor/patient relationship are killing us.”
Physician Comments

- “Get government OUT of healthcare.”
- “Single payer system is the only way to create universal access and keep costs down.”
- “I’m a Canadian physician practicing in the United States. The politicians and policy makers need to understand that government involvement in healthcare never works.”

Physician Comments

- “I prefer single payer: I realize this will never happen in the USA.”
- “Return to free market, reduce state and federal involvement.”
- “A single payer system (Medicare for all) is the only viable solution.”

Physician Comments

“I no longer love what I do.”

Physician Comments

Reasons for Outlook

- Regulatory environment
  - Complexity
  - Mutability
  - Threatening
  - Costly
  - Time consuming

Reasons for Outlook

- Economic environment
  - Diminished reimbursement
  - Increasing overhead
  - Greater capital requirements
  - Increased taxes
  - Variable macroeconomic outlook

Remedial Action Plan

- Strengthen bargaining position – size helps
- Improve market visibility; increase market share
- Diversify to reduce risk; integrate ASC, optical, other
- Assess and improve customer service levels
- Increase capital; grow balance sheet
- Recruit human resources – increase talent pool
- Strengthen management team
- Reduce overhead expenses proportionately
- Revise physicians’ compensation plan
- Revise shareholders’ agreements
Remedial Action Plan

- Strengthen bargaining position – size helps
  - Acquisitions
  - Mergers
  - Group formation
  - Consolidation
  - Independent Practice Association
  - Accountable Care Organizations
  - Networks, buying groups

Remedial Action Plan

- Improve market visibility; increase market share
  - Expand geographic coverage
  - Diversify; add subspecialty coverage
  - Appeal to different age groups
  - Increase publicity
    - Website and media
    - Connections within the community
    - Other referring doctors

Remedial Action Plan

- Diversify to reduce risk
  - Optical dispensary
  - Ambulatory surgery center
  - Hearing center
  - Pharmaceuticals
  - Aesthetics
  - Medical office building
  - Billing service
  - Equipment leasing
  - Management services organization

Remedial Action Plan

- Assess and improve customer service levels
  - Satisfaction
  - Accessibility
  - Timeliness
  - Outcomes

Remedial Action Plan

- Increase capital
  - Strong cash position
  - Manage financial assets
  - Strengthen balance sheet
  - Grow retained earnings
  - Increase credit line and borrowing power
  - Improve credit worthiness

Remedial Action Plan

- Recruit human resources – increase talent pool
  - Experience
  - Certification
  - Credentials
  - Professionalism
  - Retention
  - Ongoing training
Remedial Action Plan

- Certified ophthalmic technicians
  - Certified ophthalmic assistant (COA)
  - Certified ophthalmic technician (COT)
  - Certified ophthalmic medical technologist (COMT)
  - Certified orthoptist (CO)
  - Certified retinal angiographer (CRA)
  - Certified ophthalmic photographer (COP)

- Certified staff
  - Certified medical scribe specialist (CMSS)
  - Certified professional coder (CPC)
  - Certified professional medical auditor (CPMA)
  - Certified electronic health records specialist (CEHRS)
  - Registered Health Information Administrator (RHIA)

Remedial Action Plan

- Strengthen management team
  - Board of Directors
  - Administrator
  - Operations manager
  - Finance officer
  - Information technology officer
  - Human resource manager
  - Marketing manager
  - Compliance officer
  - Medical director

- Add licensed physician extenders
  - Physician Assistant
  - Nurse Practitioner

Remedial Action Plan

- Reduce overhead expenses proportionately
- Increase amount of expenditures, but reduce that amount as a percentage of revenue
  - Physician compensation
  - Staff compensation
  - Operating expenses
  - Marketing expense
  - Facility expense
  - Efficiency through patient triage
  - Service expansion by physician extenders

Physician Assistant

- Potential capabilities
  - Assistant surgeon (e.g., oculoplastics)
  - Minor procedures (e.g., intravitreal injections)
  - Intravenous injections (e.g., IVFA)
  - Chronic disease management (e.g., diabetes)
  - Pre-op history and physical
  - Orthoptist
  - Weekend call, triage
Remedial Action Plan

• Revise physicians’ compensation plan
  • To attract new physicians
  • To retain existing physicians
  • To support new priorities
  • Link compensation to goals

Productivity

• STRENGTHS
  • Strong motivation
  • Physician centric
  • Grows revenue
  • Emphasizes surgery

• WEAKNESSES
  • To detriment of other goals
  • Ignores teamwork
  • Neglects profitability
  • Encourages overutilization
  • Overlooks patients

Reward System

• Productivity (RVUs, Dollars)
• Patient satisfaction (Surveys)
• Quality (Peer recognition, avoid litigation)
• Growth (Referrals, volume, collections)
• Efficiency (Overhead)
• Compliance (Chart review)

Revise Shareholders’ Agreement

• Return on investment for owners/investors
• Consistent with capitalization
• Comport with leadership and executive duties
• Provide additional investment opportunities

Conclusion

• More than half of physicians are pessimistic/negative in 2014 – down from two-thirds in 2012
• About half of physicians would recommend medicine to their kids
• Most physicians are driven by patient relationships and intellectual stimulation
• Almost 40% plan to retire sooner
• Burdensome regulation is largely responsible
• Responding to these pressures requires strength and a plan

Questions…

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