

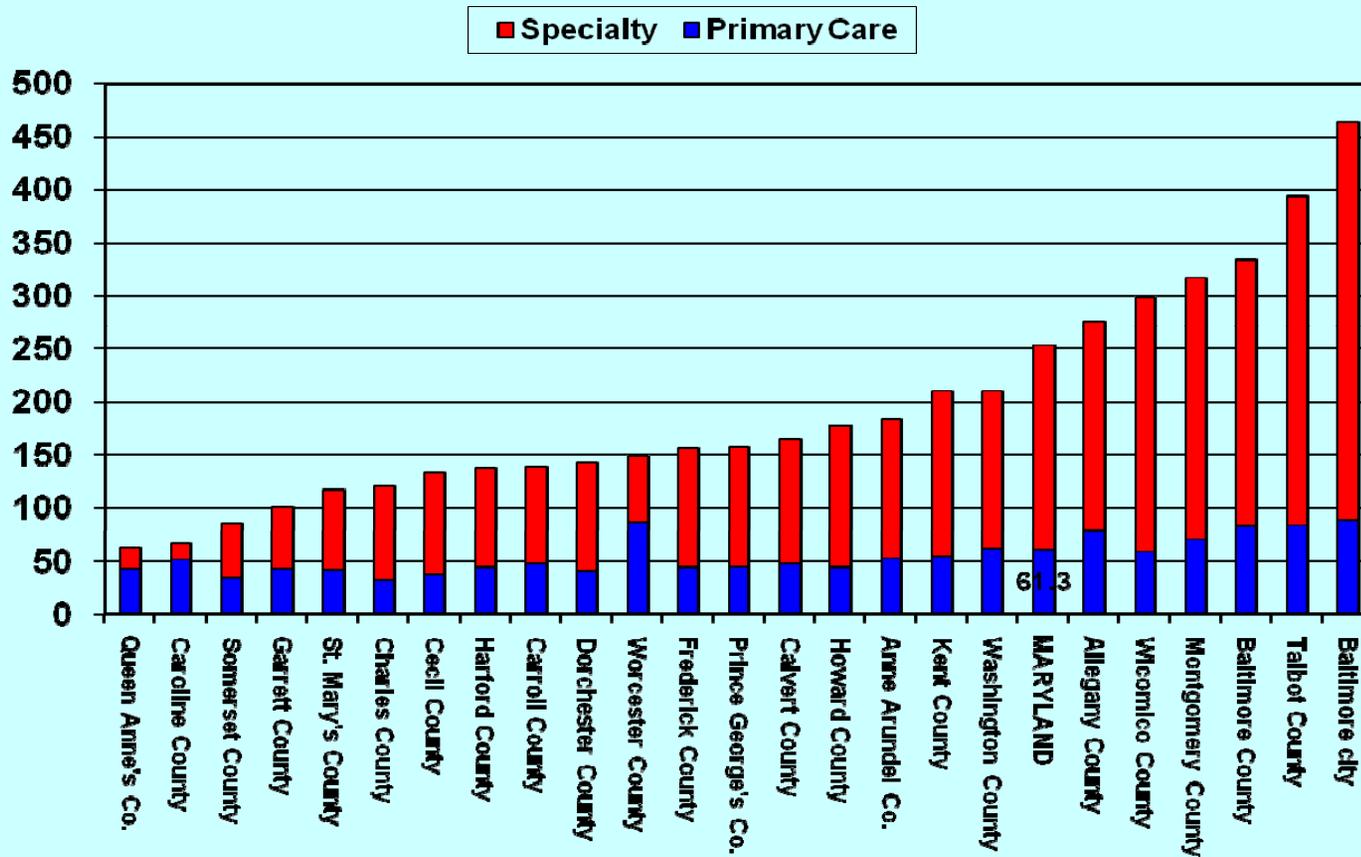
Background on Maryland Physician Practices

Practice Transformation Subgroup
April 27, 2009

Physician Supply

- Board of Physicians provides data on physician and practice characteristics as part of the license renewal process.
- AMA Masterfile and Center for Health System Change Physician Survey used for comparisons with US.
 - AMA data shows higher supply than MHCC's active practice physician subset (14,200).
- Median age is 49, 64% white, 19% Asian, 12% black, 68% male, 25% are in primary care, 25% are in solo practice, 38% in a single specialty group.
- Typical physician participates in 4 networks (payer supplied data) and provides 5 hours of charity care per month.

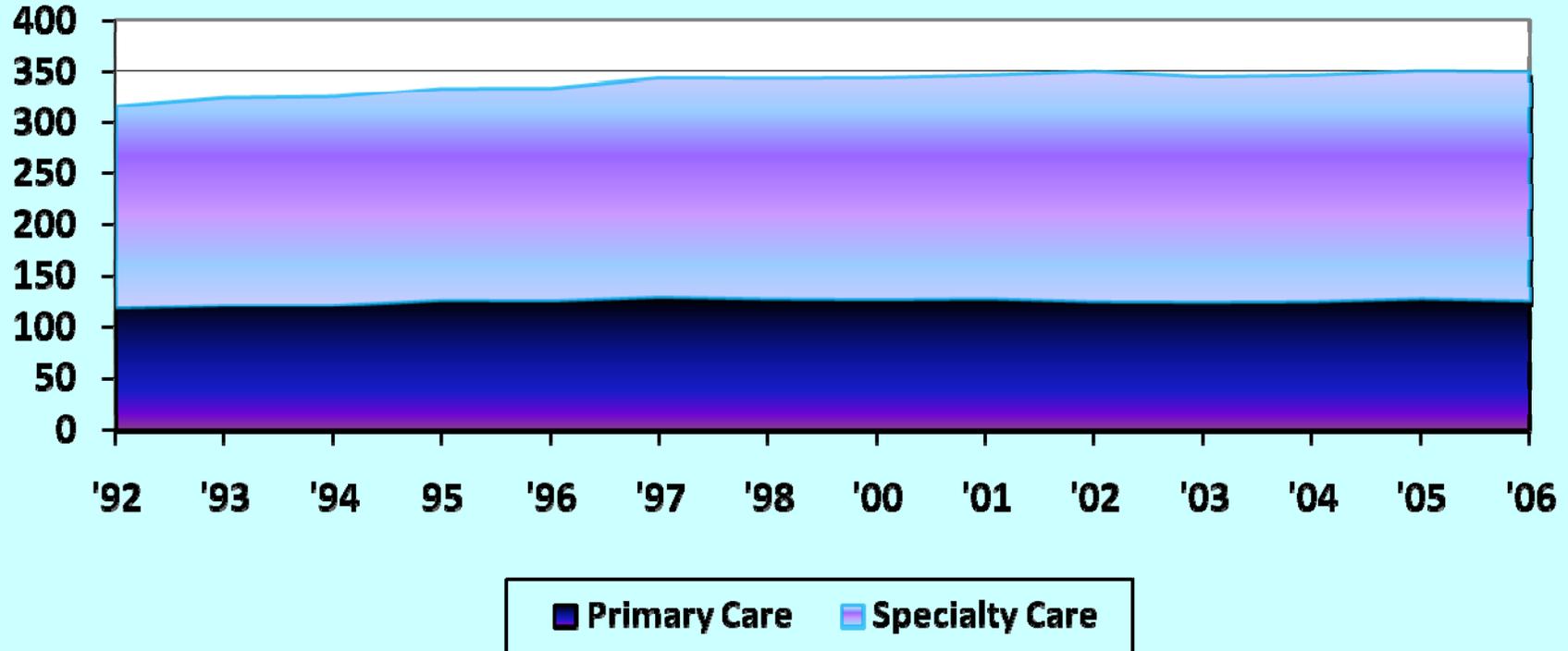
Significant Supply Variation Among Maryland Counties Physicians per 100,000



Source: AMA Masterfile 1992-2006, Physicians in Patient Care
MHCC analysis of Maryland Board of Physicians license renewal data

Physicians Per 100,000 – 1992-2006

Figure 1 --Maryland Physicians in Patient Care 1992-2006



Source: AMA Masterfile 1992-2006, Physicians in Patient Care

Information on Non-physician Professionals is Limited

Nurse Practitioners	1,790
Nurse Anesthetists	340
Nurse Midwives	160
Nurse Psychotherapists	340
Physician Assistants	1,350

- About 1/3 of physicians practice with physicians assistants/nurse practitioners
- Physicians assistants can practice independently, but are required to have a supervising contract with a physician
- Nurse practitioners can practice independently within a defined scope of practice with a collaborative agreement with a physician.

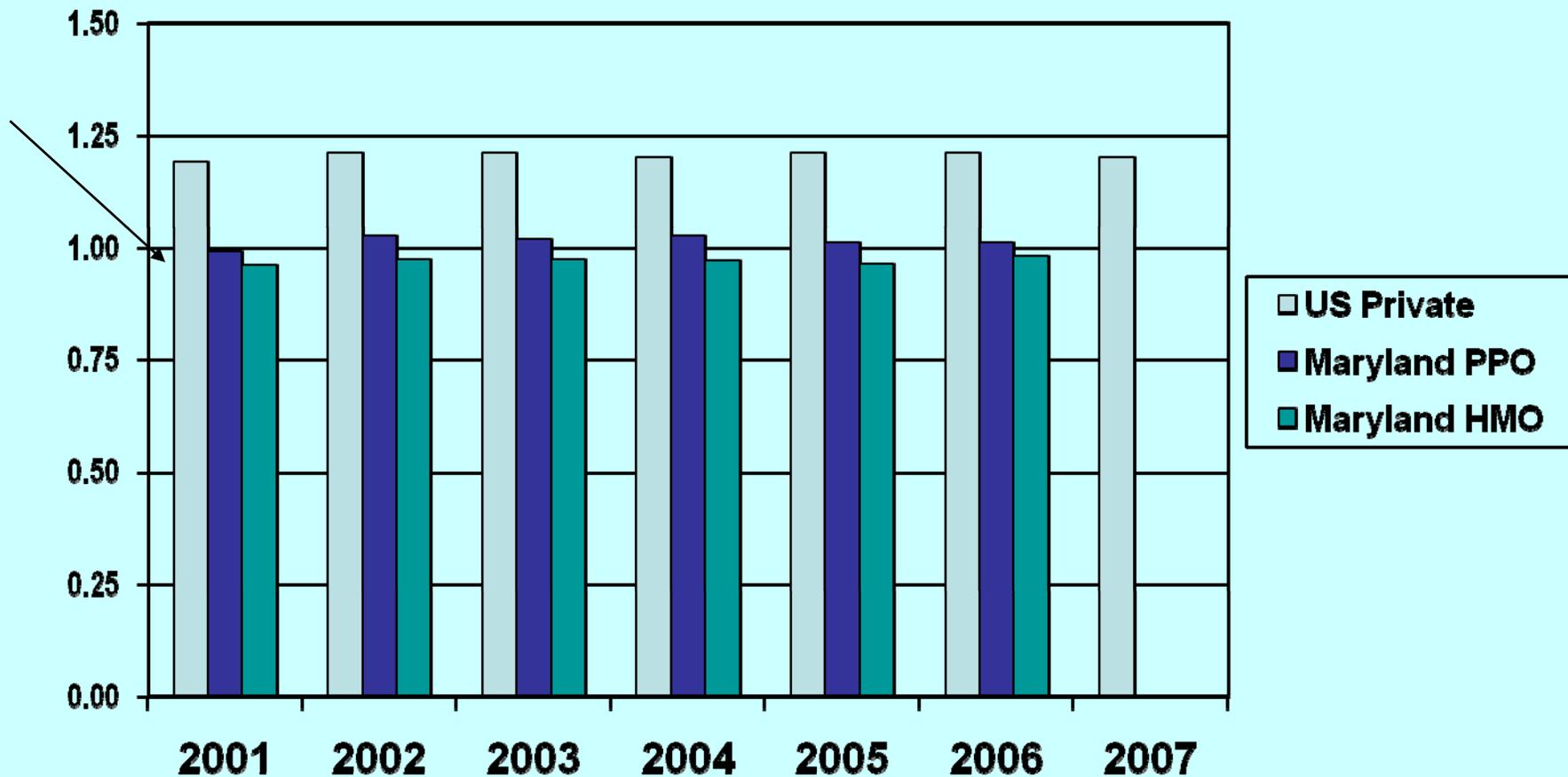
Physician Practices – Majority are Small

Distribution of Maryland Practices By Number of Physicians 2005-2006

Practice Size (# of Full time Physicians)	Practices
Under 6	4,707
6 to 10	143
11+	52
Total	4,902

Source: MHCC analysis of 2006-2007 unaudited MBP physician license renewal files

Ratio of Private Fees Relative to Medicare Fees in Maryland



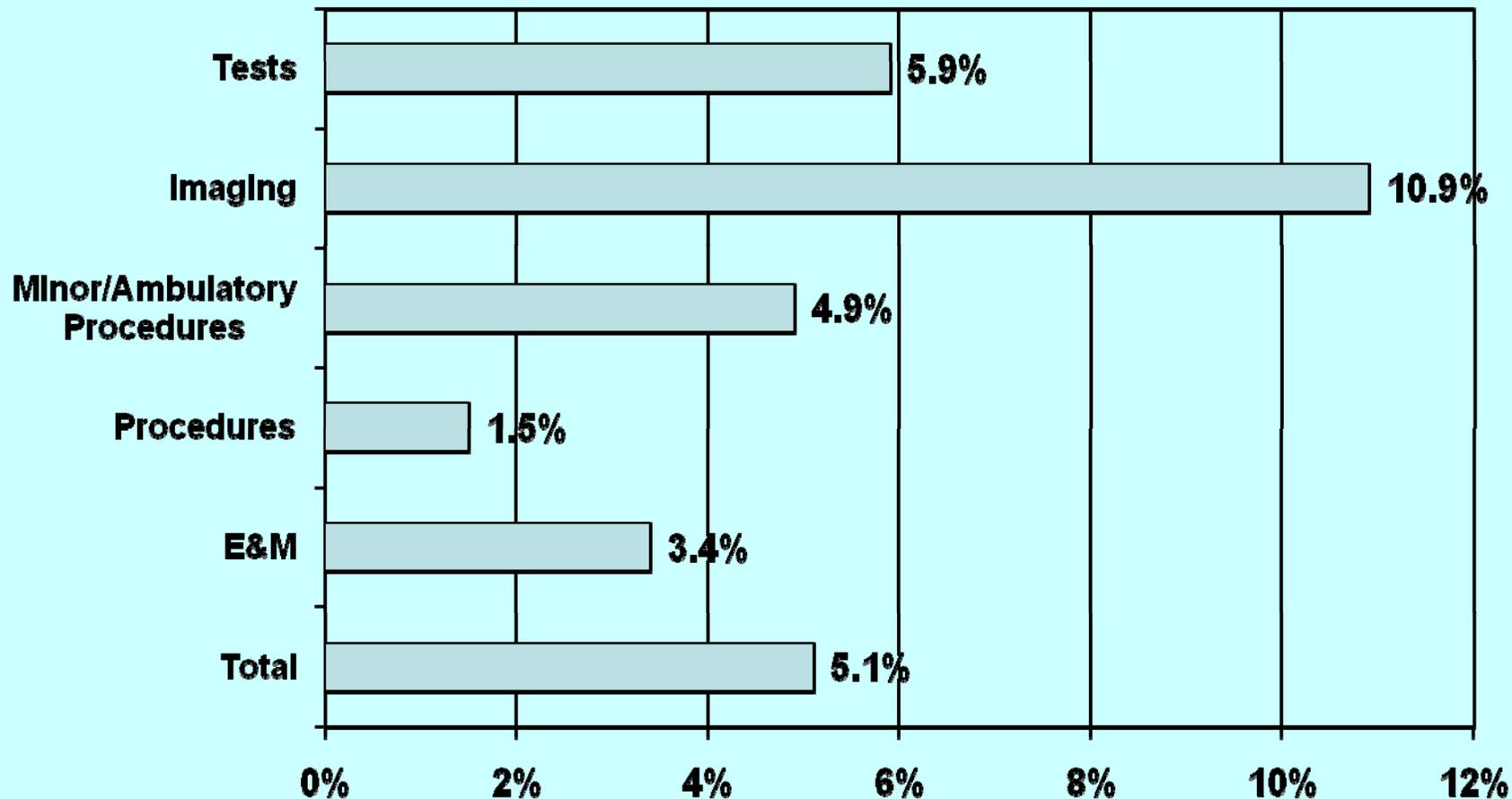
Source: MedPAC March 2009 report referenced at:

http://www.medpac.gov/publications/congressional_reports/Mar09_Ch02b.pdf and MHCC Practitioner

Utilization Reports, 2001-2007

Annualized Growth in Use of Practitioner Services per Patient 2002-2006

In nominal dollars



What we know about provider shortages

- Health Resources Planning Administration (HRSA) designates health providers shortage areas
 - Primary care in parts of Washington and Allegany counties
 - Mental health in parts of Anne Arundel, Calvert, Charles, Garrett, Kent, Queen Anne's, St. Mary's, and Talbot counties
- MHA/MedChi study estimates widest spread shortages in many areas, particularly in rural areas.

Annual Compensation, Work RVUs, and Work per Hour for Selected Specialties, United States, 2006

	Mean Compensation	Mean Annual Work Hrs	Mean Work RVU HR
General Internal Medicine	\$187,806	4,262	2.39
Family Practice*	189,490	4,460	2.51
Noninvasive Cardiology	380,096	7,787	4.28
Urology	402,676	7,175	4.02
Orthopedic Surgery	462,168	7,917	4.3
Invasive Cardiology	483,380	8,278	4.52

*Estimates for family practice exclude obstetrics/gynecology services: Medical Group Management Association (MGM) Physician Compensation and Production Survey: 2007 report, based on 2006 data tabulations, are provided by MGM from survey database. Reprinted with permission from the Medical Group Management Association, 104 Inverness Terrace East, Englewood, Colorado 80112; 877.SK.MGM. www.mgma.com

Information on Utilization and Reimbursement

(from the Maryland Medical Care Data Base)

- MCDB
 - Private insurers' claims, encounter data
 - Practitioner services (physicians and other professionals)
 - Prescriptions covered on a drug benefit offered by the carrier
 - Detailed data on individual services
- Non-HMO plans
 - Claims data
 - Captures most care (except carve-outs for mental health and Rx drugs)
- HMO plans
 - Mixed fee-for-service claims, capitated encounters
 - Incomplete data on capitated encounters: no \$ info, no primary care
 - Greater uncertainty in estimated volume, spending

Efforts to Enhance Practice Operations

- Electronic Health Records
 - CMS Demonstration
 - ARRA (HITECH)
 - Maryland's HB 706 – Support IT Infrastructure Development, Private Payers
Must Help Finance Meaningful EHR adoption
- Loan Repayment Practice Enhancement
 - Maryland 's SB 627 – Loan Assistance Practice Development
 - Loan repayment program
 - Study feasibility of using economic development funds