

CSRO

COALITION OF STATE RHEUMATOLOGY ORGANIZATIONS

The Future Environment of Rheumatology

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You Are the Future of Rheumatology

Generational Transition and a Changing Landscape



With it comes Great Opportunity and Great Challenges

A Changing Landscape Depending on Your View

Evolving Environment and Generational Transition

- **Workforce is Changing**
- **Technology is Changing**
- **Care Model is Changing**
- **Consolidation/Integration Changes**



A Changing Landscape Affecting You

Challenges Establishing Yourself

Where Does Your Career Path Go?

**What does it take to be Fulfilled in
Your Career?**

How Do You Make a Difference?



Changing Workforce

- **Generational Turnover of Doctors**
- **Shortage of Primary Care and Specialists**
- **Maldistribution of Doctors Urban>Rural and Regional**
- **Employed in Large Health Care Systems> Independent Practice**
- **Integration of APP's into Health Care Model**

Workforce: Supply and Demand Mismatch

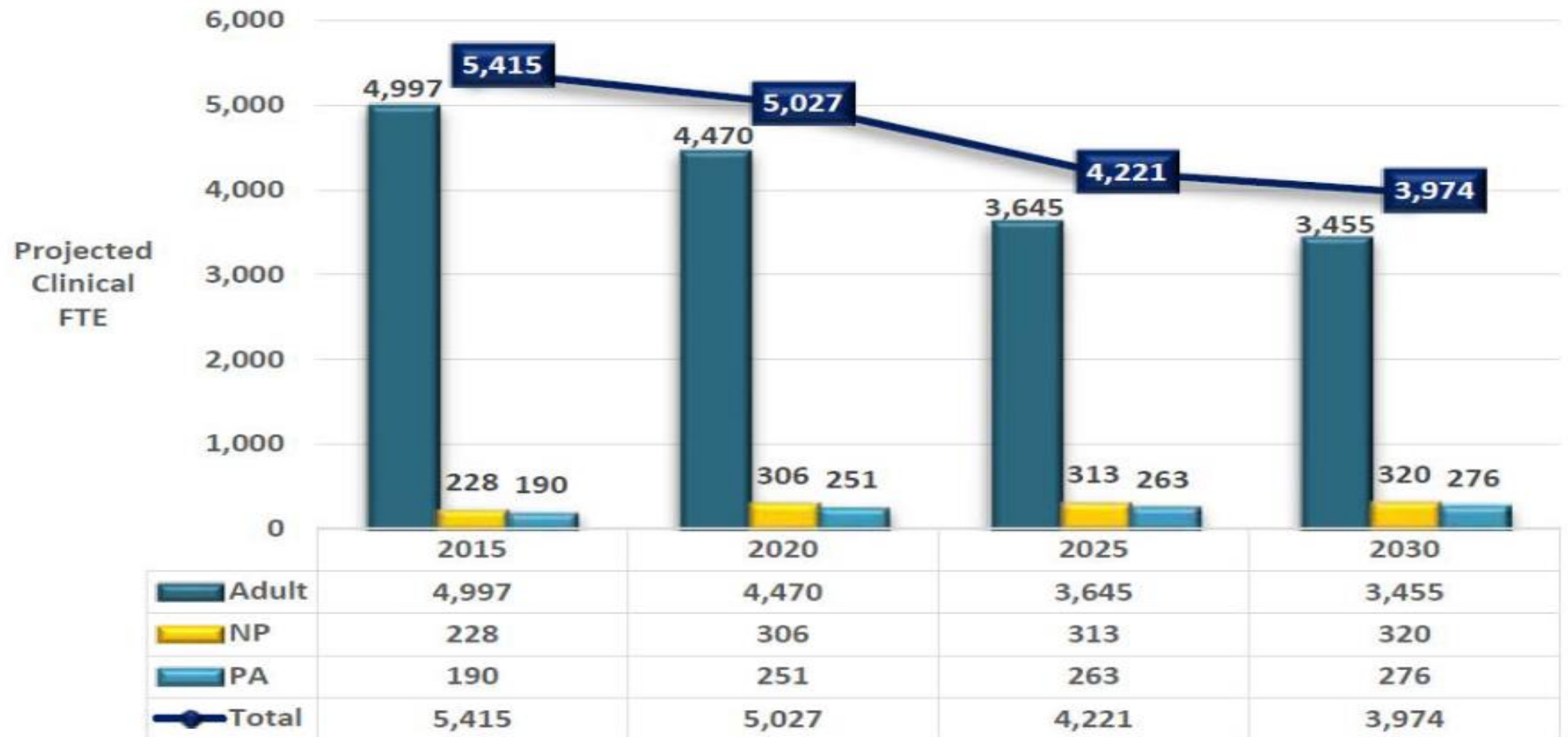


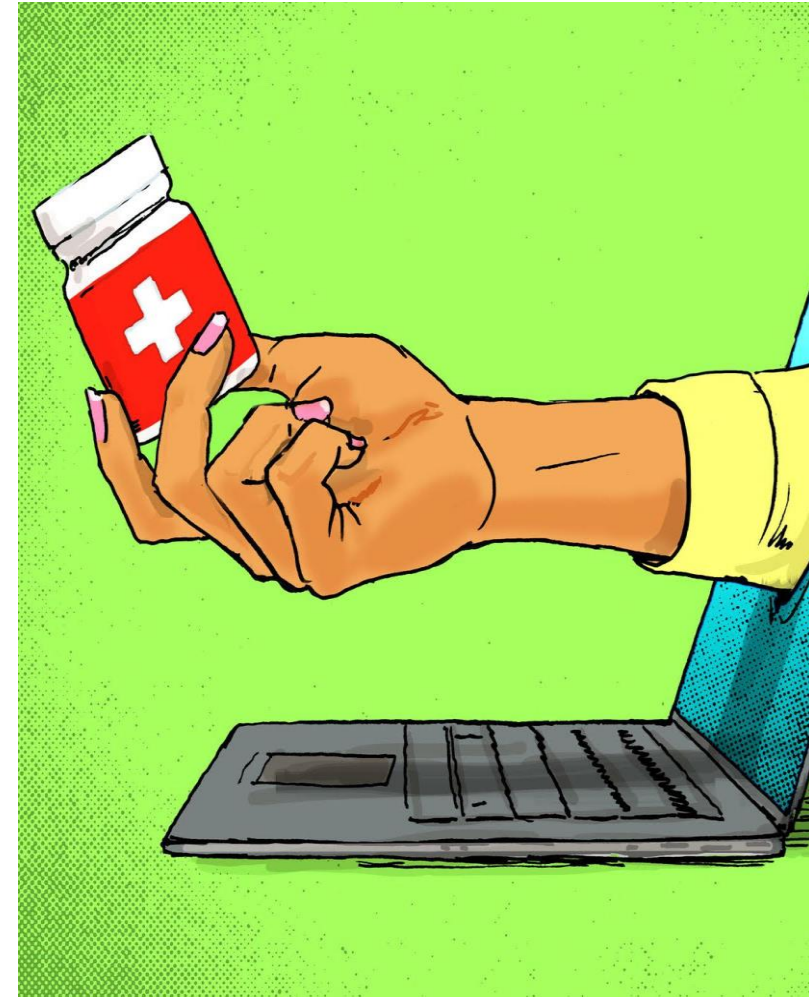
Figure E-1. Comparison of Projected Supply Adult Rheumatology Workforce

Changing Technology

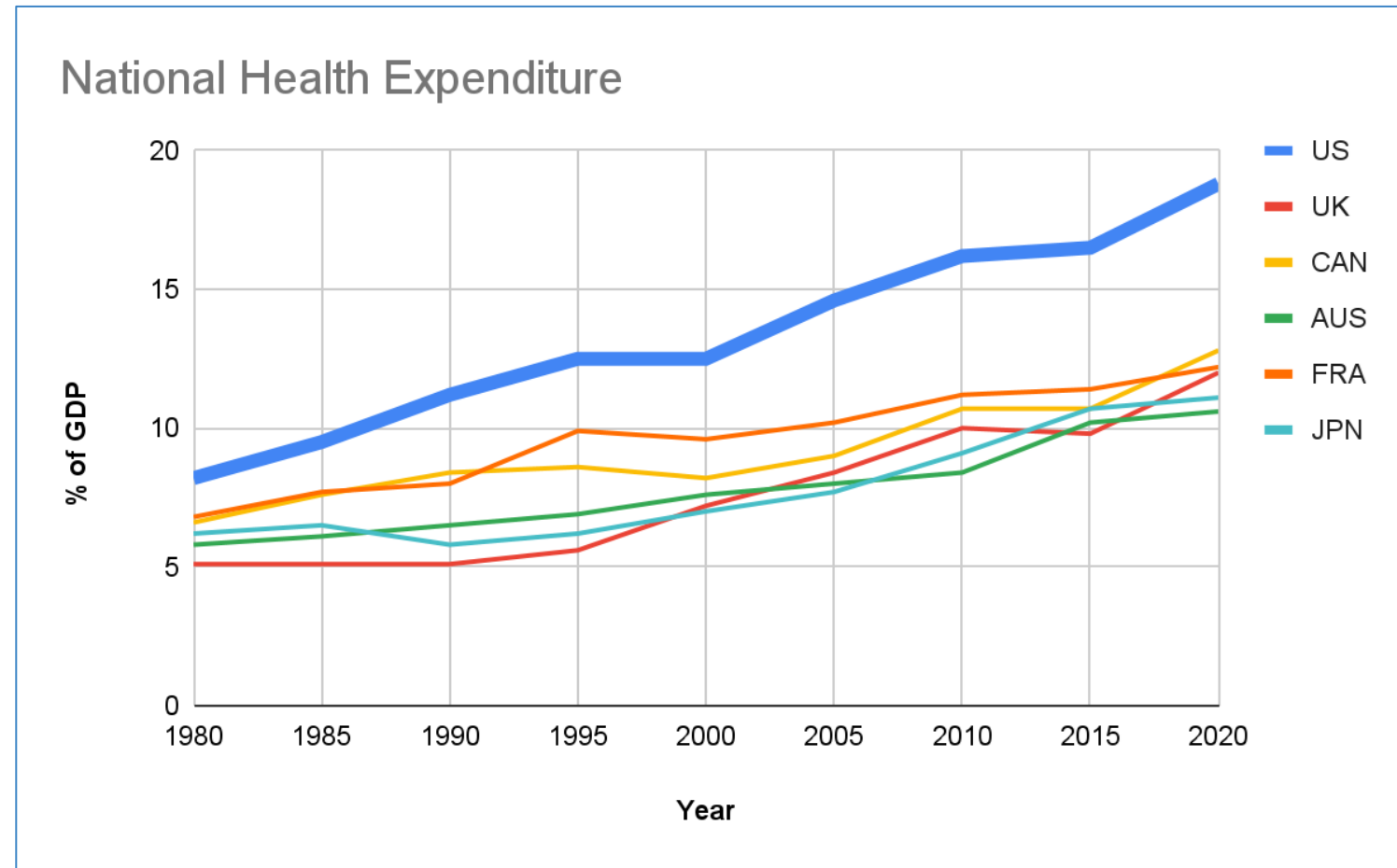


Technology in Healthcare: Is it the Answer?

- Increasing sophistication of automation
- Electronic health records
- Remote care: telemedicine, virtual care
- Artificial intelligence?



Big Picture: Rising Cost of Health Care

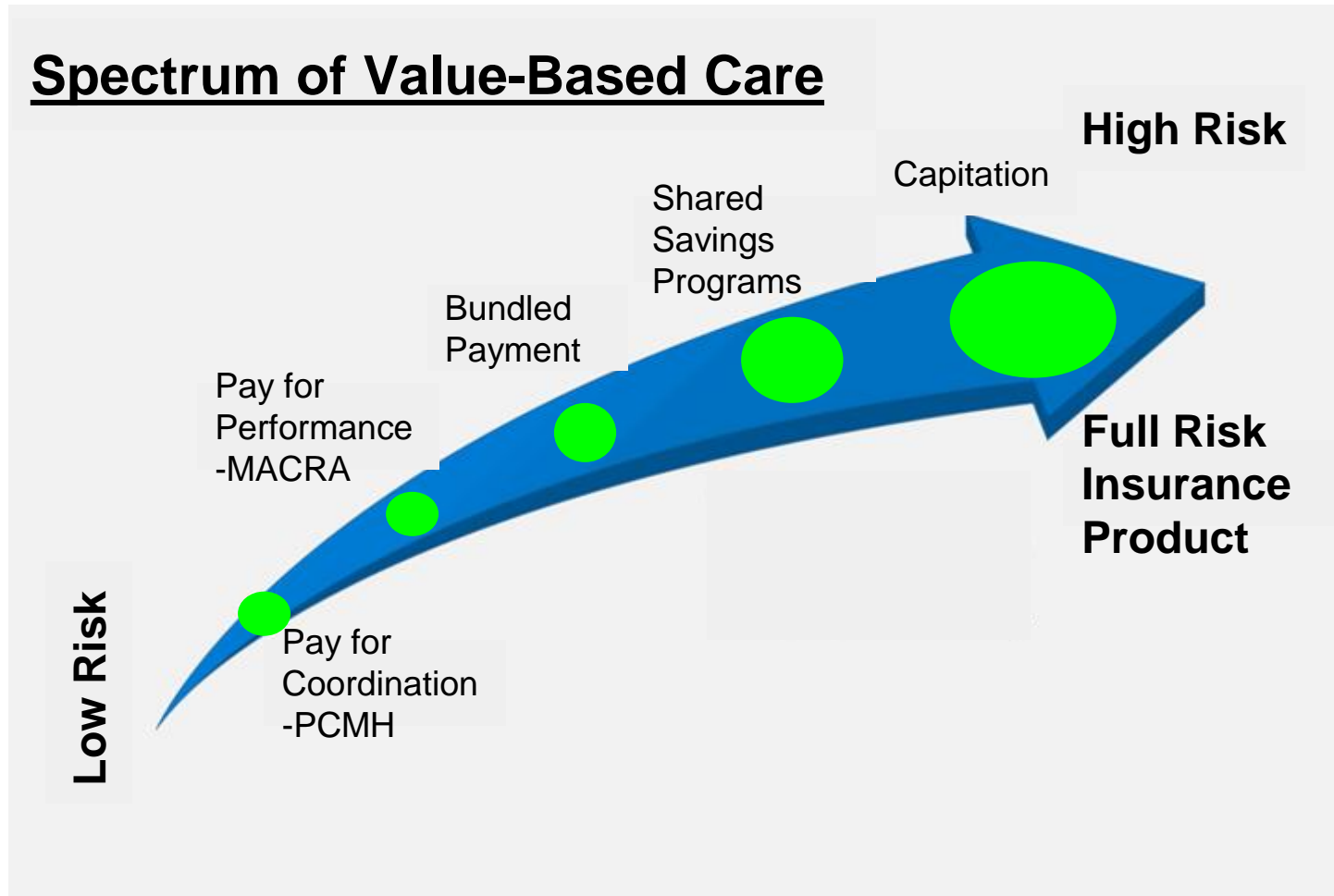


Bend the Curve

Transition: Fee for Service to Value-Based Care

- Value-based care aims to reduce cost while rewarding higher quality of patient care or outcomes instead of paying for individual services.
- By transferring risk from payer to provider to incentivize efficiencies that reduce the quantity and cost of services.
- Rheumatology is generally fee for service and lacks a good model for value-based care.

Fee for Service Vs Value-Based Care Transferring Risk to Provider



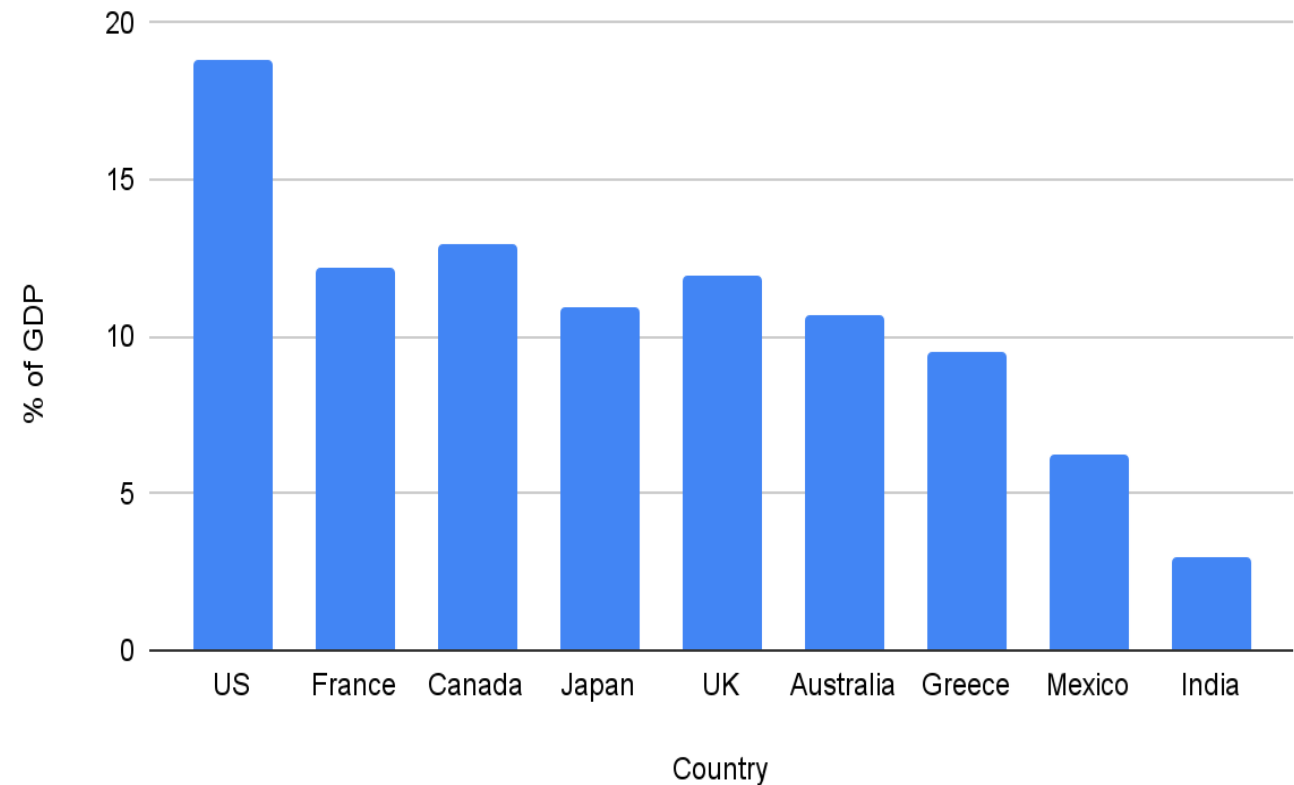
Big Picture: Health Care Sector Cost

**2023 US health
Costs \$ 4.7 trillion**

18% of GDP

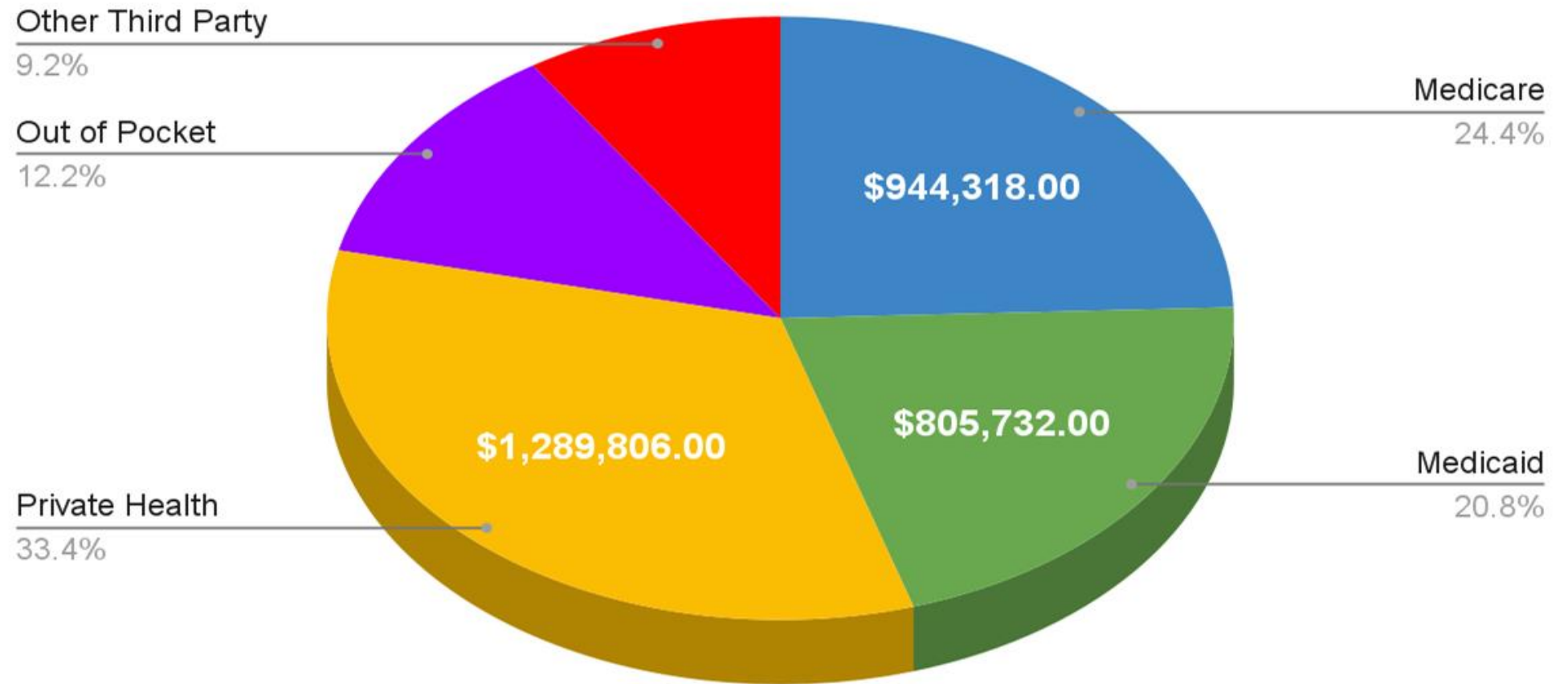
**20% of GDP
Projected in 2031**

Health Care Expenditure in 2020



Sponsors of US Healthcare

National Health Expenditure in 2022 (In Millions)

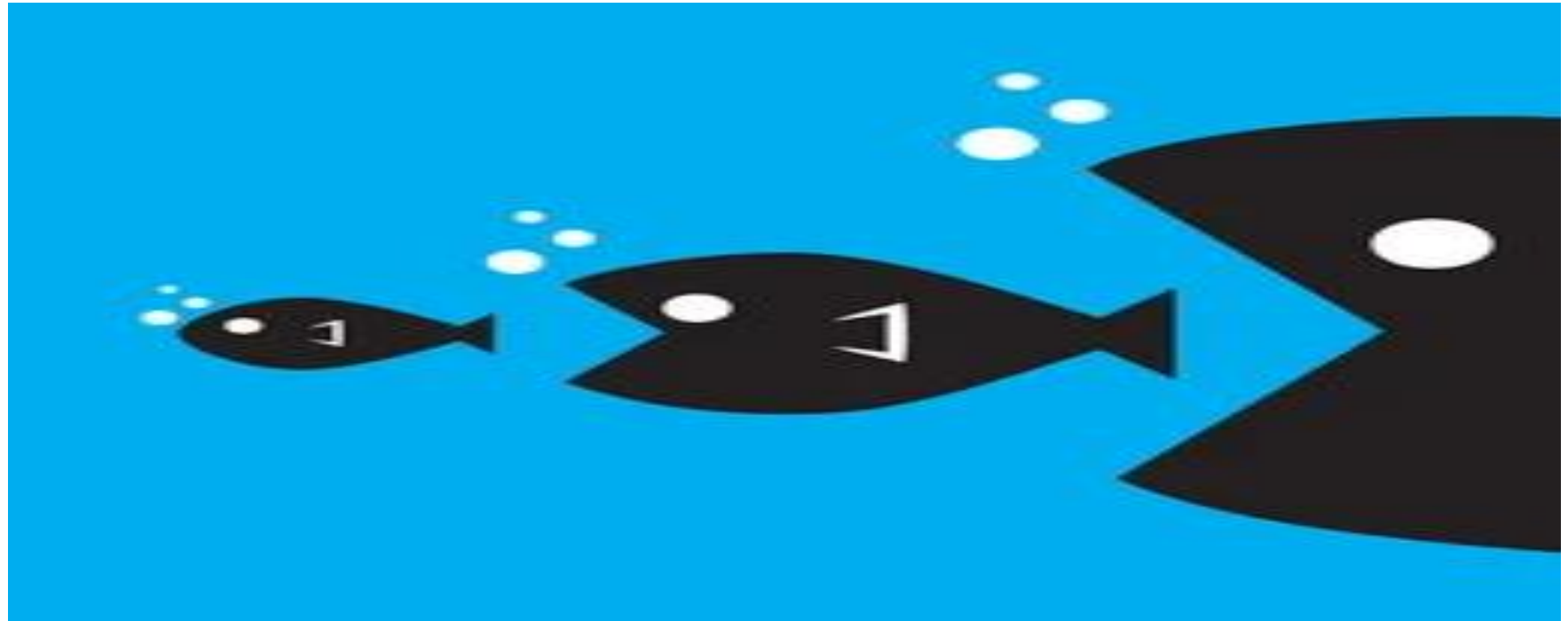


Major Players in US Healthcare Industry

- **Sponsors** (Pay for the healthcare)
 - Employers
 - Government Federal/State (Tax Payers)
 - Patients (Out of Pocket)
- **Payers** (Create Providers Networks & Contracts, Take Risk and Handle Payments)
 - For-Profit Commercial and Non-Profit Insurance Companies
 - Government (subcontracted to MACs)
- **Middlemen**
 - Distributors (Sells Wholesale to Providers)
 - Pharmacy Benefit Managers (Create Formularies, Contracts on Drugs)
- **Manufacturers**
 - Pharmaceuticals, joint replacements, medical supplies, etc
- **Providers**
 - Hospitals, health care systems, physicians, other medical personnel

Major Players in US Healthcare Industry

All of Them are Consolidating



Horizontal and Vertical Integration

- **Horizontal Integration:** expansion at the same level of the supply chain.
 - By acquiring other companies, growth in size and revenue.
- **Vertical Integration:** expansion to control more levels of the supply chain.
 - By acquiring other companies, growth in size and revenue, and advantage over competitors and more control of the market.
 - Examples include insurers buying PBMs and hospitals buying doctors' practices or employing providers.

Why Consolidate? Grow or Die Economy?

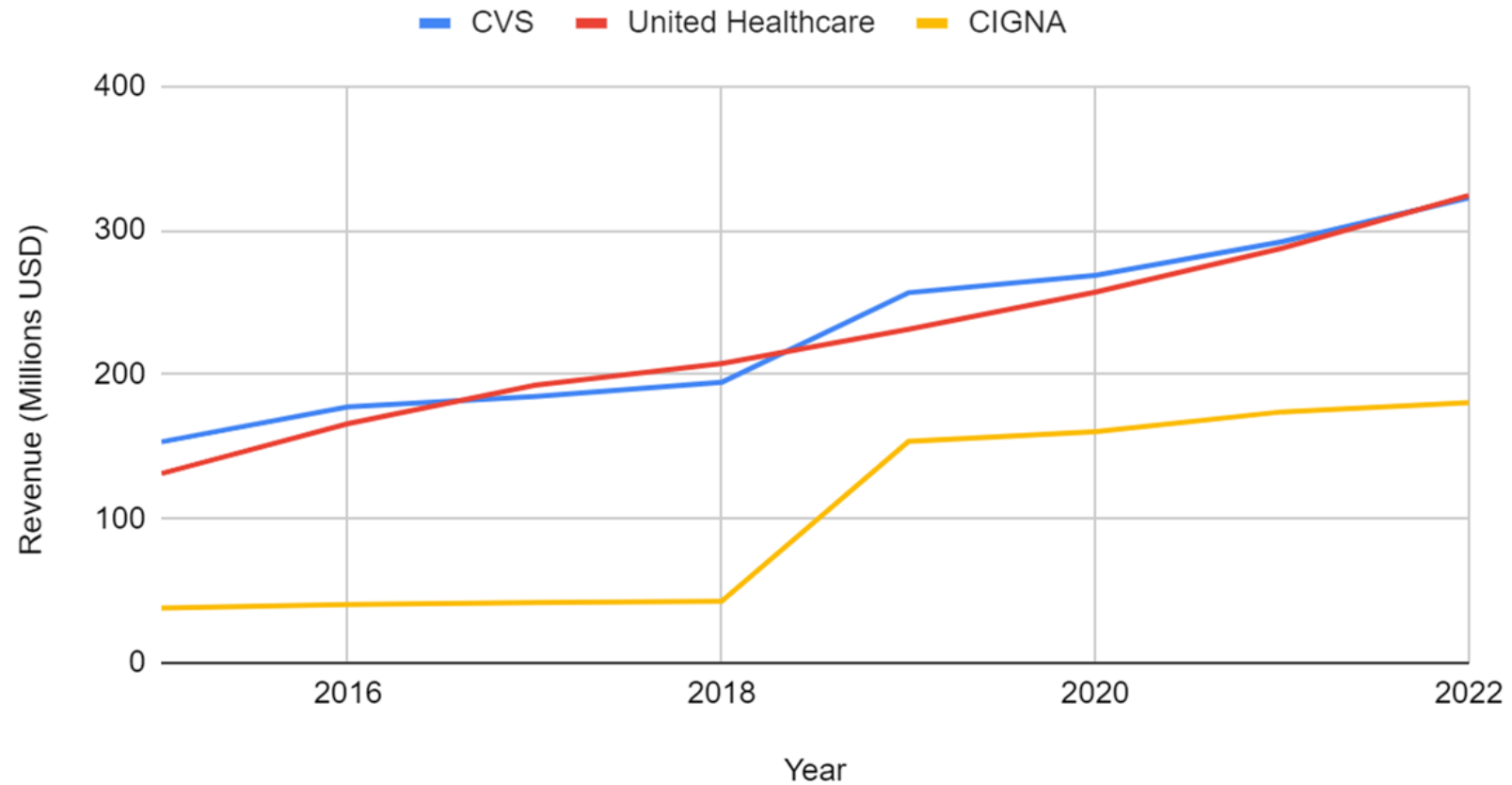
- **Greater market share**
- **Expand territory and services**
- **Reduce/Eliminate competition**
- **Increase leverage for negotiation for all aspects of business**
- **Increase ability to accommodate to and withstand economic stresses**
- **Increase ability to influence markets, government legislation and regulation**

Health Insurance Companies

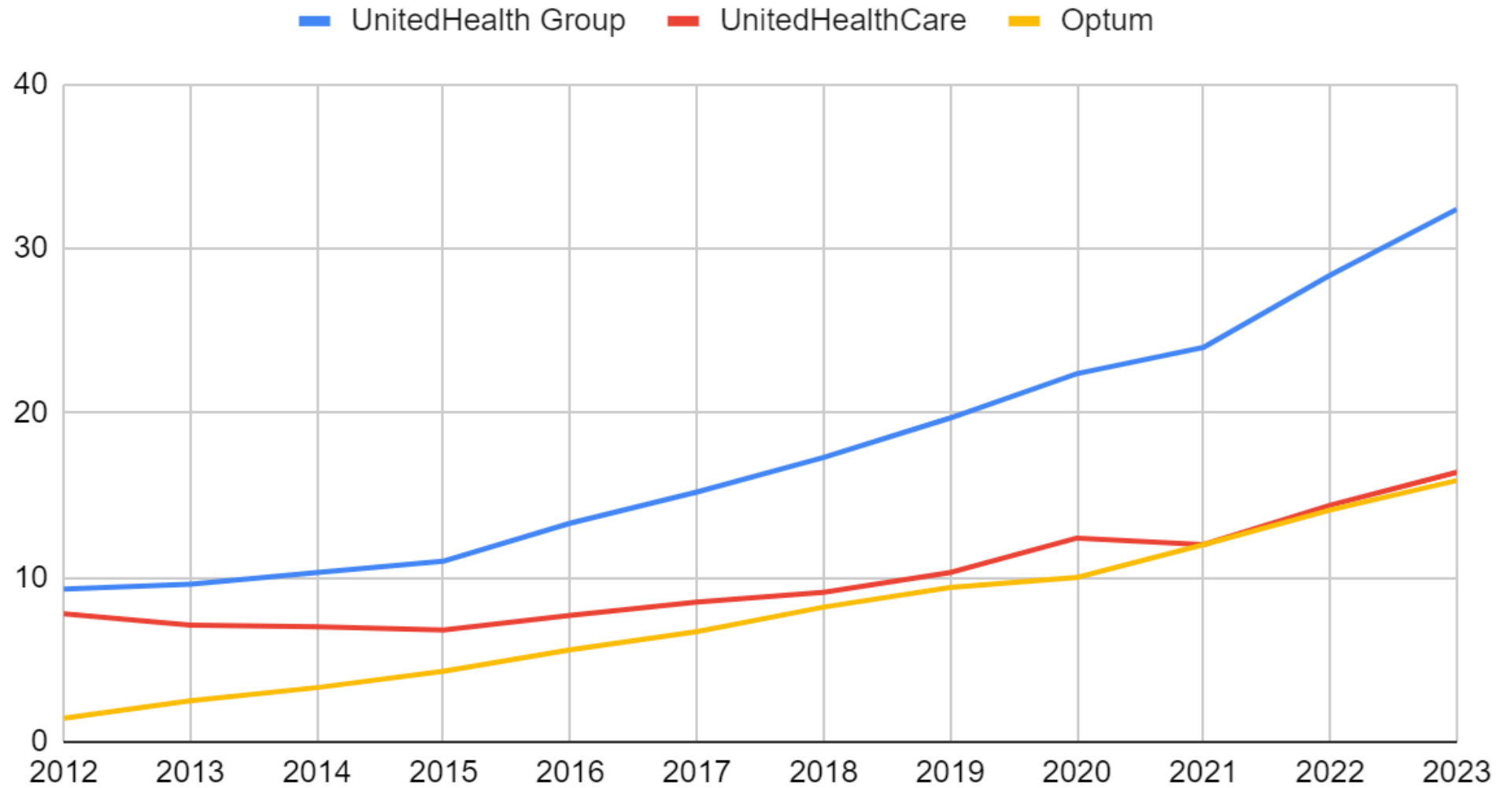
Insurance Company	Millions Insured 2022	2002 Fortune 500 Rank	2015 Fortune 500 Rank	2023 Fortune 500 Rank
United Health Care	39	84	14	<u>5</u>
CVS/Aetna	49.5	74 (Aetna), 93 (CVS)	49 (Aetna), 10 (CVS)	<u>6</u>
CIGNA	20.4	107	22(Cigna) 74(Ex-Sc)	<u>15</u>
Elevance (Anthem)	44	85	38	<u>20</u>

Payer Revenue: Exponential Rise

CVS, United Healthcare, and CIGNA Revenue Since 2015



United Health Group Profit (Billions)



The Most Profitable Business in Health Care PBM's

- Greater than 80% of US drugs are controlled by the Big 3 PBM's
- Optum's profit 4th quarter 2023, \$4.6 billion

United Health Care Health Insurance's profit, \$3.1 billion

- All Three are making more money as drug supply chain middlemen than providing health insurance in the United States.

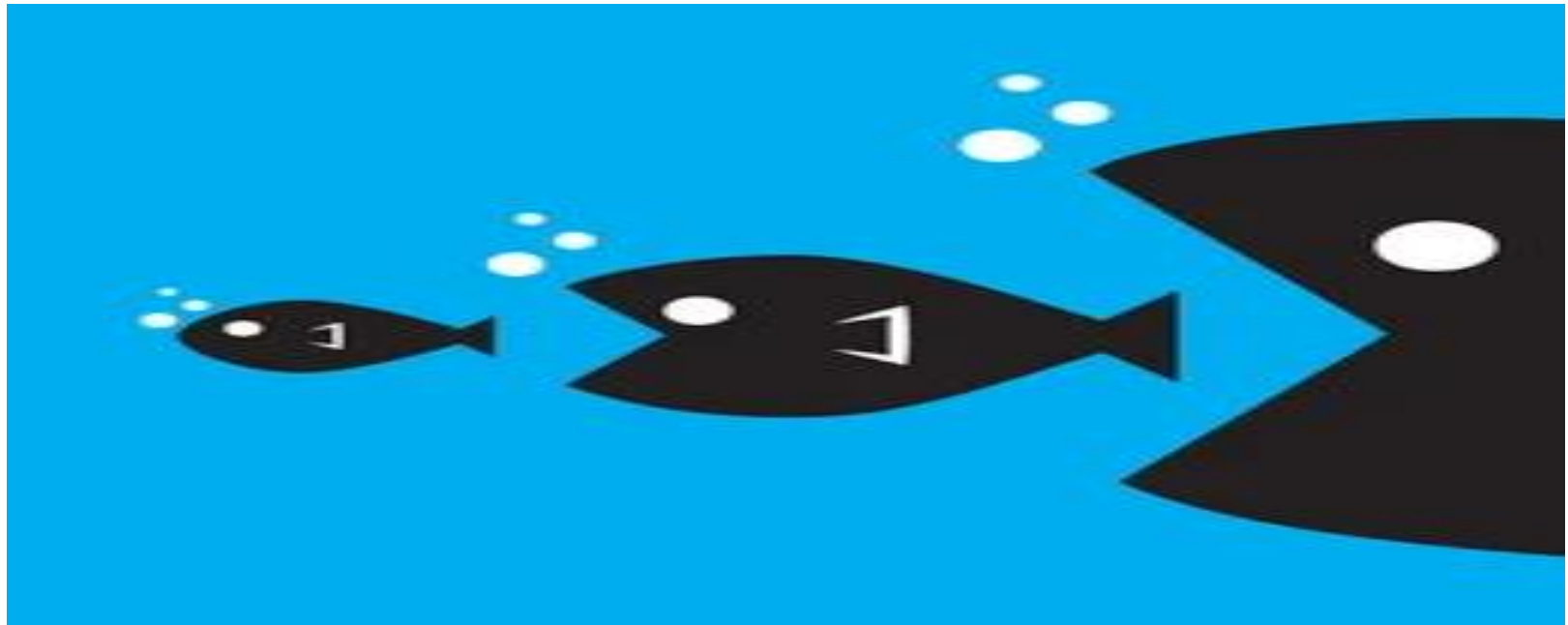
Vertical Integration - PBMs/Insurance Companies



Ownership of Physicians' Offices

- **Optum (UHC)** is the **largest employer of physicians** in the U.S., with **> 90,000 (20,000 more in 2023)**. Kaiser Permanente employs 24,000 physicians.
- **CVS** increase their Medicare Advantage provider offering by purchasing medical group platform.
- **Amazon** acquired One Medical for \$3.9 billion in 2022.
- **Private Equity** increased acquisition of physician groups >600% from 2010 to 2020.

Physicians Are Consolidating Too Even Rheumatologists are Consolidating



Rheum Single Specialty Groups and MSO's

- **Multiple Large Groups of Rheumatologists with Offices in Multiple States Have Become Significant in Specific Markets**
- **Medical Service Organizations and Group Purchasing Organizations Specific to Rheumatology Allowing Small Practices to Join Benefitting from Efficiency Tools, Offer More Services and Negotiate Better Rates on Drugs and Other Purchases**

On the Ground



The Decision: It's About You and Your Career



Where do You Fit in the Healthcare Ecosystem?



A Small Fish in a Big Pond?

Where do You Fit in the Healthcare Ecosystem?



A Lone Wolf?

Where Do You Fit in the Healthcare Ecosystem?



Or Maybe Something Else?

Potential Career Paths/Employers

- Academic programs
- University healthcare systems
- Non-profit healthcare systems
- For-profit healthcare systems
- Multispecialty groups
- Large single specialty
- Small single specialty
- Solo practice
- Government
- Industry

Let's Address the Elephant in the Room What are You Looking For?



Is Your Salary the Decider?

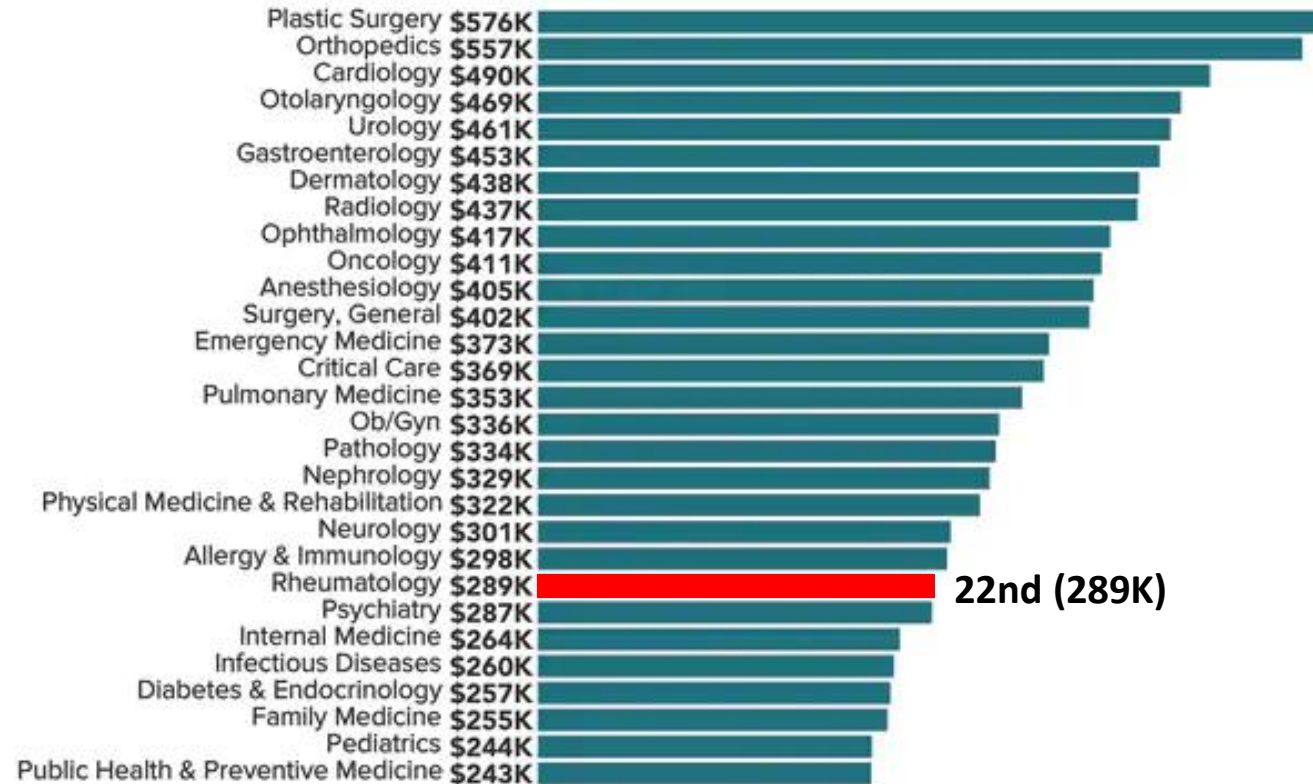


What is a Rheumatologist's Income

Average Annual Physician Compensation (by Specialty)



Rheumatology is in the lowest third of specialties.



Rheum Debt and Compensation

- The median total education debt for physicians in 2019 was > \$200K.
- Average annual compensation for rheumatologists in 2022 was \$289K.
- How do I:

Buy a House?

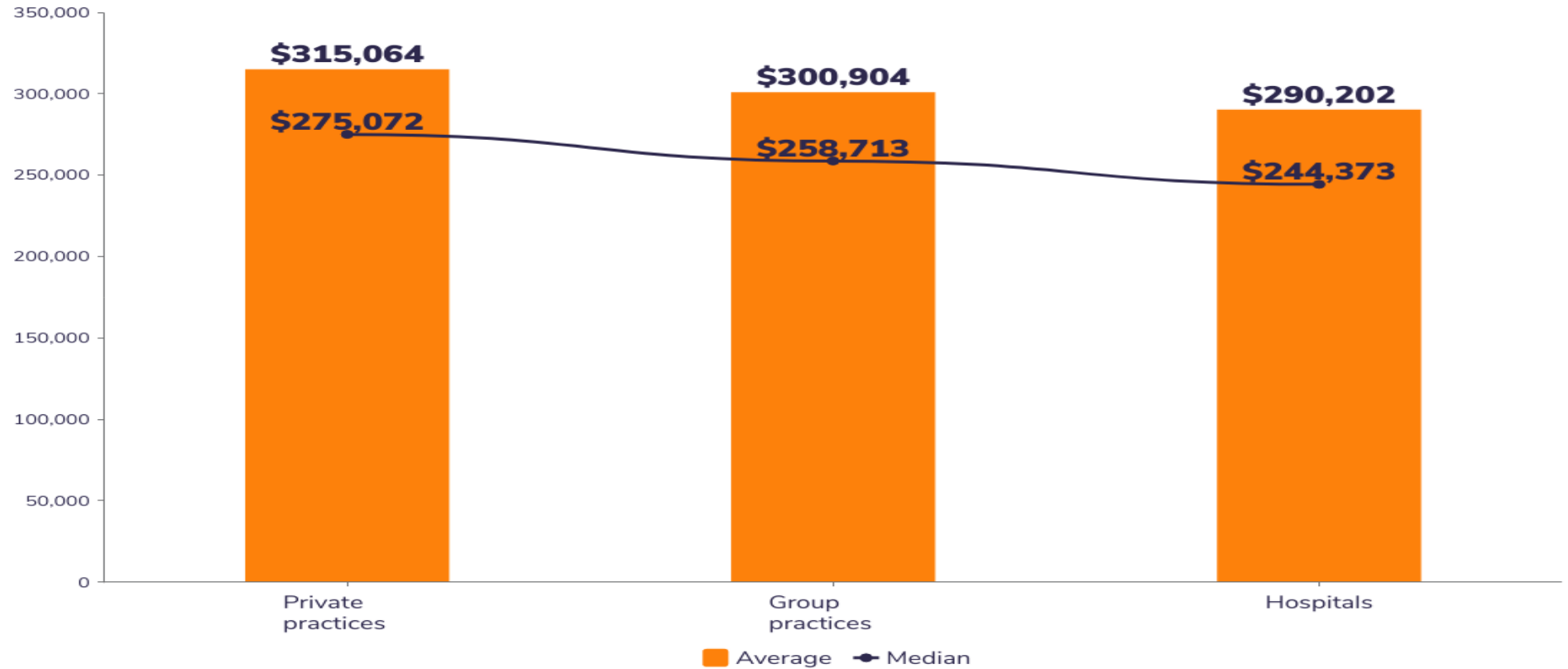
Raise a Family?

Plan for My Retirement?

Pay off My Debt?

1. Youngclaus J, Fresne JA. Physician Education Debt and the Cost to Attend Medical School: 2020 Update. Washington, DC: AAMC; 2020.
2. <https://www.medscape.com/slideshow/2022-compensation-overview-6015043#1>

Physician salaries for private practices, group practices, and hospitals in 2023



Source: Software Advice 2023 Physician Compensation Survey
Q: Which of the following best describes your current place of employment?
Q: What will your gross salary be for the year 2023?
n: 61 physicians at private practices; 95 physicians at group practices; 87 physicians at hospitals

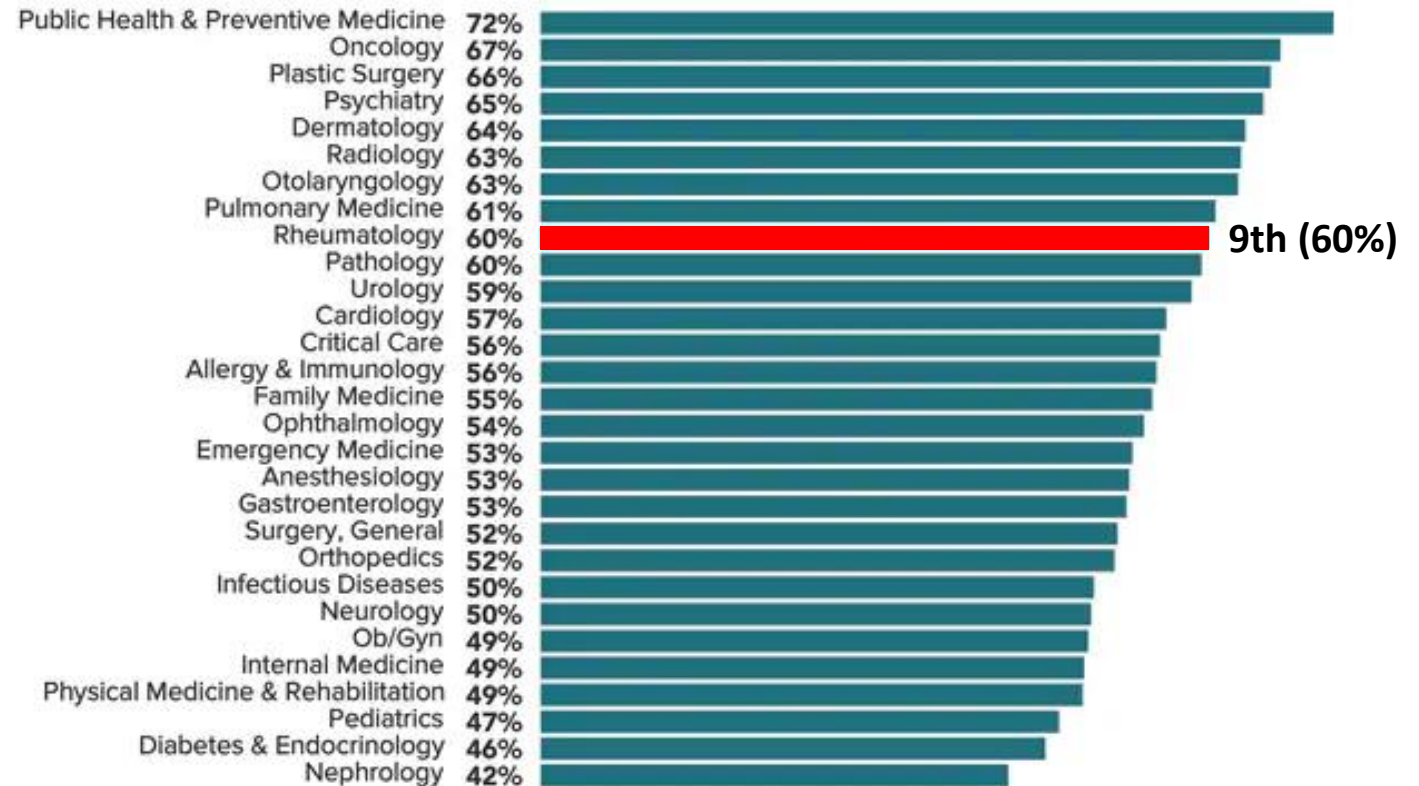
Software Advice.

Why Choose Rheumatology

Which Physicians Feel Fairly Compensated?



60% of
rheumatologists
felt fairly
compensated in
2022.



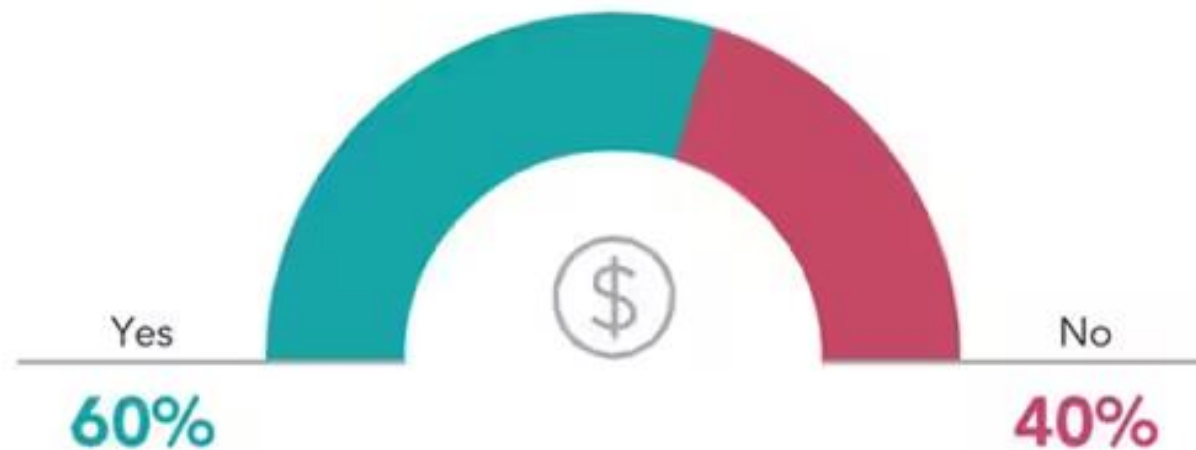
9th (60%)

Why Rheumatology? Because it's Different

- Outpatient not Hospital Based
- Chronic Care of Patients not Acute/Episodic
- Cognitive not Procedural
- Interactive Care with Long-Term Relations

Why Choose Rheumatology

Would Rheumatologists Take a Salary Reduction to Have Better Work-Life Balance?



Work-Life Balance, Are you Getting it?

Is it about getting as **much time** of work off as possible?

Can you take it **when** you want it?

- **Vacation**
- **Scheduled events** (child's holiday sing)
- **Unscheduled events** (child sick at home)

Autonomy and Agency, Do you need It? Responsibility and Risk, Do you want it?

- **Who** decides?
 - **Where** you work?
 - **Who** works with you? Boss, Peers, APP's and Staff?
 - **What** resources you have?
 - **How** much input you have on how things are organized?

Make A Choice: Career or Job? Don't Make a False Choice

You're in Demand Now

You Have the Best Opportunity and Power to Decide

- **Think Long-Term:** Where Will I be Working in 2, 5, 10 and 20 years?
- **Think Specifics:** Where Will I be Happy Working ?
- **Think Realistically:** What do I Want and Need to be Fulfilled Throughout My Whole Career and be Compatible with My Lifestyle?

Make the Right Choice For You

- **Be Prepared for the Process**
- **Get Out of Your Comfort Zone**
- **Don't Immediately Take the 1st Job You're Offered**
- **Look at All Your Opportunities**
- **One of the More Important Decisions You'll Make**
- **Take Your Time and Do it Right**

Professional Fulfillment Vs Burnout Are You Staying or Leaving Your Job?

- Higher Rates of Physician Turn Over are Being Observed
- A study done at 15 Academic Institutions, JAMA 12/23
37,000 Surveyed, 18,700 Medical Specialists responded
- Fulfillment/Burnout: Happiness, Meaningfulness, Satisfaction, Self-efficacy, Sense of Worth and Contributing
- Other Factors: Sleep impaired, Peer/Leadership Support, Schedule Control, Impact on Relations, Perceived Gratitude, EHR

39.3% Professional Fulfillment, 37.9% Burnout
32.6% =/> moderate Intent To Leave Job

Happy in Life and Not Fulfilled in Work?

Why have you?

- Spent 9 years post-graduate training
- Deferred Income
- Accumulated Debt
- Delayed Starting Adult Life

You've Worked & Sacrificed
to have a

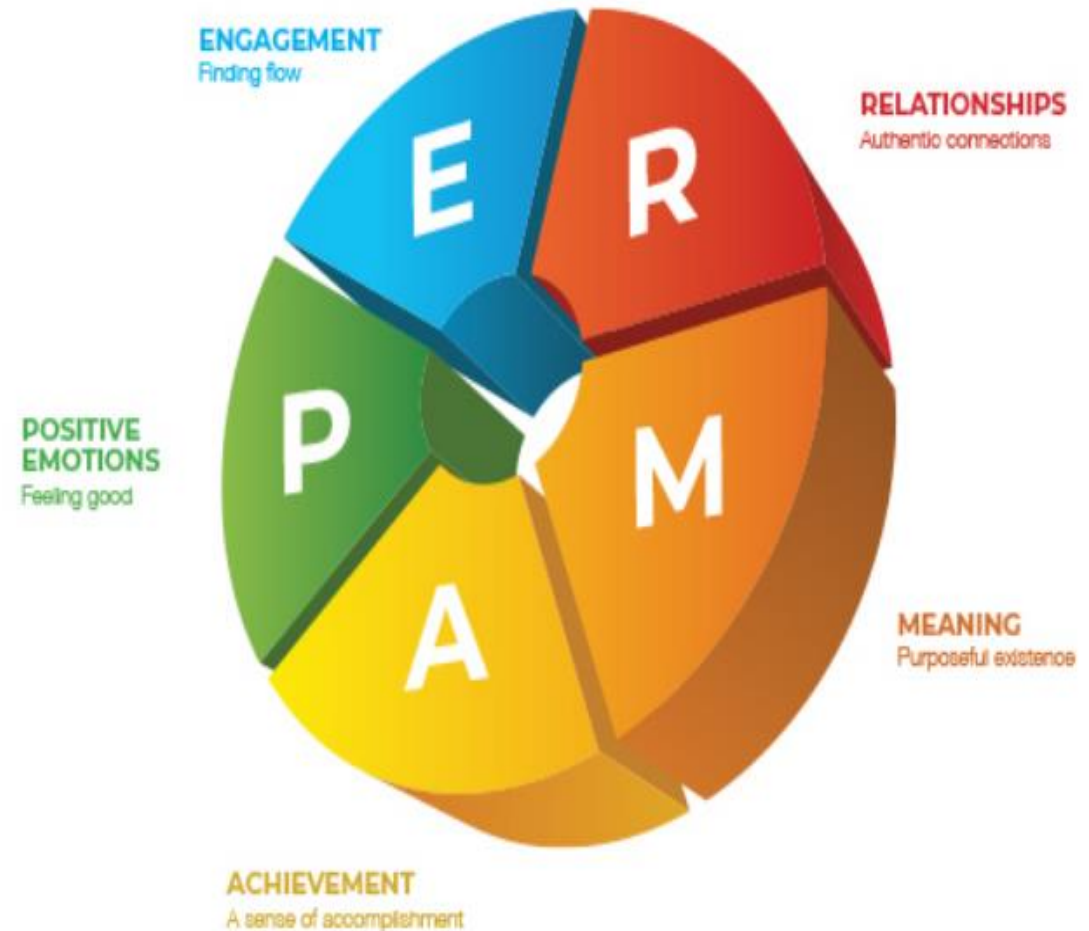
Career

Respect & Fulfillment



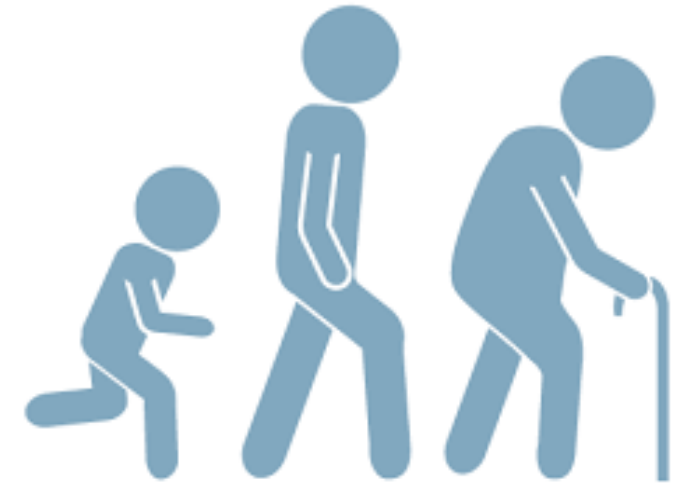
Career Fulfillment: The 5 Pillars

- Engagement
- Relationships
- Positive Emotions
- Achievement
- Meaning



Fulfillment-Relationships-Care

Rheumatologists give long term care for chronic diseases. Continuity of care and the therapeutic relationship ensure the best outcomes.



Foundational Patient-Doctor Relationship

Preserve the Trust

The Patient comes First

You are the Doctor

the Patient's Guide and Protector



Preserving What is Foundational to Care

Changes Impacting/Eroding the Patient-Doctor Relationship

- **For-profit corporate integration: employing providers and managing care**
- **Value-based care: pressure to reduce cost and increase efficiency of care**
- **Workforce problems: shortage of providers with increased demands**
- **Technology/remote care: changing traditional doctor-patient care model**

How do You Make a Difference

- **Research - Find the Right Career Path For You in Rheumatology**
- **Long-Term – Ongoing Career that is Fulfilling to You and Your Lifestyle**
- **Preserve – The Patient-Doctor Relationship, Be the Patient's Advocate**
- **Engagement – Connect to Other Rheumatologists**
- **Involvement - Participate in Organizations Locally and Nationally**

How do You Make a Difference Rheumatologist: The Patient's Advocate

Advocate for Your Patient's High Quality Rheumatology Care

- Access to Care
- Ability for Your Patient to Receive the Right Care at the Right Time
 - Specialists, Diagnostics, Therapeutic Treatments

As the Rheumatologist, You are Your Patients' Advocate

If Not You, Who?

Stewardship of Rheumatology: CSRO Working with You

Advocating for Rheumatology Patients and Providers

Partnership with State Rheum Societies & Rheumatologists

- **Federal and State Government, both Legislative and Regulatory**
- **Monitoring Payers, PBM's and Third-Party Administrators**

You are the Future of Rheumatology The Environment is Changing

Your Career Path Comes with Great Challenges and Opportunities

Your Professional Fulfillment and For You to Make a Difference





**If you do not change direction,
you may end up where you are heading.**

[Lao Tzu](#)