Pettingill BF and Tewes FR, J Phys Med Rehabil Disabil 2020 6: 048
DOI: 10.24966/PMRD-8670/100048

HSOA Journal of Physical Medicine, Rehabilitation & Disabilities

Commentary

Exploring Doctor Shortages during and after the Pandemic of 2020: Some Dire Consequences but Few Solutions

Bernard F Pettingill* and Federico R Tewes

Department of Medicine, LSU Medical Centre, Florida, USA

Introduction

More than 950 million doctor visits were expected in the United States, had the COVID-19 global pandemic never affected the healthcare industry in the United States. In the first quarter of 2020, nearly 100,000 Americans died because of the pandemic and 38 million people claimed unemployment benefits from the government. Given this general outlook, this article explores how the number of active physicians in the United States namely 525,439 (see Statista) [1] may fare once this crisis passes. The breakdown by physician specialty is listed in table 1 below.

Psychiatrists	54,935
Surgeons	53,002
Anesthesiologists	50,121
Emergency Medicine	55,671
Radiology	47,828
Cardiology	32,640
Oncology (cancer)	20,473
Endocrinology, Diabetes, & Metabolism	8,046
All other specialties	202,723
Total MD's and DO's	**525,439**

Table 1: Breakdown by physician specialty.

According to the 2016 National Ambulatory Medical Care Survey, there were 883 million physician visits in 2016. Based on a 2 percent annual inflation since 2016, this estimate of doctor visits increased to 937 million in 2019 and slightly over 950 million doctor visits expected in 2020. This assumes no pandemic interfered with the standard protocol.

Nearly 89.7% of the projected 937 million doctor visits (2019) were to private practice doctors, defined by the Small Business Administration as a practice with fewer than 500 employees. In short, 840 million doctor visits were to private practices in 2019. By the end of April 2020, three physician associations representing more than 260,000 doctors out of the total 525,439 employed physicians nationwide, noted that "the situation facing front-line physicians is dire," based in part on the lead article from the NY Times [2]. The number of doctor visits by patients dropped to half the average of 120 per day, causing typical doctor offices to also realize nearly a 40 percent drop in payments for the First Quarter 2020 compared to First Quarter 2019.

In matters of how physicians are paid, private insurance accounted for 59.6%, Medicare for 24.7%, and Medicaid for 15.6% in 2019. If 840 million doctor visits went to private practices in 2019 and 59.6% were covered by private insurance, then we can conclude that an expected 500 million doctor visits were covered by private insurance at private practices in 2019.

By May 2020, over 38 million people filed for unemployment claims in the United States [3]; however, according to a law called the Consolidated Omnibus Budget Reconciliation Act of 1985 (a.k.a. COBRA) employers with 20 or more employees are forced to continue group medical expense coverage for terminated workers (as well as their spouses, divorced spouses, and dependent children) for up to 18 months following termination [4].

Industry data suggests that the typical practice's overhead is compiled of 50 percent to 60 percent of total revenue. Also, typical private practices employ 3.9 Full-Time Equivalents (FTEs) per each Physician, meaning multiple people hired to deal with private insurance companies and special billing software related to insurance billing. In 99% of the doctor visits, either private insurance or state insurances were accepted as the main form of payment for services rendered. This pandemic magnified a significant weakness of these private practices because of the number of patients seen daily by providers has diminished by nearly half the average of 120, resulting in an equivalent drop in the percentage of revenue year over year due to this pandemic.

Indeed, "the situation facing front-line physicians is dire" holds true when the rhetoric is converted into revenue lost. The article stresses that as many as 60,000 physicians in family medicine alone may no longer be employed in their practices by June 2020, because of the pandemic [2].

However, one option to conventional medicine practice, i.e. boutique medicine has taken over many specialties such as general practice, psychiatry, and internal medicine. For example, a physician in North Carolina developed his own model of managed care.

***Corresponding author:** Bernard F Pettingill, Department of Medicine, LSU Medical Centre, Florida, USA, Tel: 5613467828; E-mail: biffpett@comcast.net, biffpett@gmail.com

Citation: Pettingill BF, Tewes FR (2020) Exploring Doctor Shortages during and after the Pandemic of 2020: Some Dire Consequences but Few Solutions. J Phys Med Rehabil Disabil 6: 048.

Received: May 25, 2020; **Accepted:** May 29, 2020; **Published:** June 05, 2020

He provides 3,500 to 4,000 patient visits per year; his annual overhead breaks down as follow in table 2.

Medical assistant salary/benefits/expenses (36 hours weekly)	$31,500
Charges for tests performed by outside lab	$22,500
Malpractice Insurance/practice contents insurance	$10,500
Medical Supplies (splints, dressings, suture sets, injectables, etc.)	$9,500
Utilities (phone, electric, water, trash pickup, sharps disposal, etc.)	$5,250
Profit for rental income	($3,600)
Miscellaneous (office supplies, credit card processing, Internet, etc)	$2,750
Total Annual Overhead	**$78,400**

Table 2: Annual overhead breaks down.

Since April 2002, this boutique private practice in North Carolina has succeeded in covering the annual overhead of $78,400 with only four patient's visits a day. Below is an outline detailing how they not only succeeded, but thrived:

First, the practice is just one staff person per two providers, causing the ratio of 0.5 staff per provider, considerably lower than the national average of 3.9 staff members per Full-Time Equivalent provider. Second, revenue averages $82 per patient visit and the net profit is nearly $62 per patient visit. Third, insurance claims are eliminated; also, the practice has never taken Medicare or Medicaid. Furthermore, patients pay in full at the time of their visits. Fourth, the doctor spends almost 30 minutes with a patient during an average visit; and this efficiency translates to low overhead consistently at 25 percent of revenue, while the national average for overhead is 40 percent to 60 percent of revenue [5].

For doctors in a traditional private practice resembling the nationwide model, our research discovered 10 potential benefits for physicians under the CARES Act which plans to allocate $130 billion to medical and hospitals. These are government-supported programs through the Small Business Administration (SBA) include:

Paycheck Protection Program ("PPP") Loan: Loans are provided on a first come, first serve basis. The maximum loan amount is the lesser of 2.5 times the average total monthly payroll cost or $10 million. The money can be used for payroll costs, benefits, insurance premiums, interest payments, rent and utilities.

SBA Economic Injury Disaster Loans and Loan Advance ("EIDL"): The CARES Act expands the availability of EIDL's loans and provides emergency grants up to $10,000. These are low interest rate loans up to $2 million each. Principal and interest may be deferred at the SBA's discretion. The loans can be used to pay for expenses that could have been met had the disaster not occurred, including payroll and other operating expenses.

Payroll Tax Deferral: Up to 50 percent of the employer portion of any Social Security taxes may be deferred until December 31, 2021. The remaining 50 percent of such taxes may be deferred until December 31, 2022.

Employee Retention Tax Credit: This applies to wages paid after March 12, 2020. The employee retention payroll tax credit is generally equal to 50 percent of qualifying wages capped at $10,000 paid to an employee. The employer can obtain a tax refund by filing IRS Form 7200.

Direct Financial Support from HHS: The CARES Act provides $100 billion to reimburse eligible healthcare providers for health care related expenses or lost revenues attributable to COVID-19. For example, costs related to temporary structures, leasing of properties, medical supplies and equipment, increased workforce and training, emergency operations centers, etc. CMS has started making $30 billion in direct deposit payments to providers.

Medicare Advance Payments: CMS is authorized to provide three months of advance payments during the pandemic to any eligible Medicare provider who submits a request to the appropriate Medicare Administrative Contractor ("MAC"). Each MAC will process requests within seven calendar days and most providers will be able to request up to 100% of the Medicare payment amount for a three-month period.

Suspension of 2% Medicare Sequester: Medicare payments between May 1, 2020 and December 31, 2020 will not be subject to a 2% Medicare sequestration tax that has been required under the Budget Control Act of 2011. The CARES Act extends the sequestration policy through 2030. Without the sequestration, physicians will receive more money during the pandemic outbreak.

Telehealth: Coverage of telehealth services are relaxed beginning March 6, 2020 through the duration of the pandemic allowing providers to be paid by Medicare for evaluation and management visits, mental health counseling and preventive health screenings through three main avenues: telehealth visits, virtual check-ins and e-visits. The CARES Act only relaxes the telehealth perspective from a Medicare perspective.

Diagnostic Tests: Health plans are required to cover all diagnostic tests for COVID-19 if the test is approved by the FDA, without cost-sharing or prior authorization requirements.

Limitation of Liability for Volunteers: Physicians providing volunteer services in response to the COVID-19 outbreak will not be liable under federal or state law from any harm caused by an act or omission in the provision of health care services during the COVID-19 outbreak, if certain requirements are met [6].

Physicians employed by large health care systems are in better financial shape than independent doctors, at least for now. As one physician, who used to be in independent practice explains: "With the decreased volume of patients we are taking care of, I'm still able to get my salary. Otherwise, I do not know whether I could keep my staff and overhead going [7]." There are many benefits to physicians working under a fixed salary during this pandemic.

Large companies like HCA Healthcare, which employs thousands of physicians through its 186-hospital system based in Tennessee posted revenues of $12.9 billion in the first quarter of 2020, compared to $12.5 billion a year earlier. However, its first-quarter net earnings were only $581 million, down 44% compared to $1.04 billion from the first quarter of 2019. This is a clear and present danger example of taking advantage of the money earmarked for hospitals under the CARES Act, working the SBA to execute a new $2 billion loan facility and requesting accelerated Medicare payments authorized by the CARES Act [8]. Otherwise this company would suffer dire consequences.

Another large Tennessee company is Envision Healthcare, which two years after completing a buyout by private equity firm KKR, is struggling to manage its $7 billion debt load. The company is taking several steps to improve its financial position. For example, it is holding back pay for physicians, reducing salaries of senior leadership and furloughing nonclinical staff. Furthermore, clinical pay will be reduced in services with low patient volumes, and performance-based bonuses plus clinician profit-sharing will be delayed until the fall.

Additionally, Envision temporarily suspended retirement contributions, merit increases and promotions for all employees. If it succeeds in securing funds through the CARES Act, then more than 40,000 team members, 27,000 of whom are physicians and clinicians may not need to worry about an Envision Healthcare bankruptcy filing [9].

In the first quarter of 2020, the COVID-19 global pandemic caused a dire slowdown of healthcare services as patients fearing infection opted to stay home. Large companies like HCA Healthcare and Envision Healthcare struggled with the 44% drop in profits and the contemplation of bankruptcy. As more patients stay home for fear of contracting the disease, doctors with private practices, many whom are seeing near empty waiting rooms may be forced to close by the end of the second quarter, due to a lack of cash flow.

Those private practice doctors that decide to continue operating will change how their practices deliver managed care and experience firsthand the financial support offered by the government through the CARES Act and the 10 solutions provided by the Small Business Administration. For example, some doctors may become more efficient and need less than 40 percent of revenue to cover the practice's overhead. Others may respond by significantly eliminating the filing of insurance claims and accept cash payments directly from patients at the time of services rendered. Other private physicians may aim to become far more efficient than the national average and reach breakeven with fewer than 10 patients per day.

Whichever decision these private practice physicians take, the COVID-19 pandemic highlighted the need for improvement in the delivery of healthcare in the United States.

References

1. Elflein J (2019) Number of active physicians in the U.S. in 2019, by specialty area. Physicians, Hospitals & Pharmacies. New York, USA.
2. Abelson R (2020) Doctors Without Patients: 'Our Waiting Rooms Are Like Ghost Towns'. The New York Times, New York, USA.
3. Long H, Dam AV (2020) U.S. Unemployment Rate Soars to 14.7 Percent, the Worst since the Depression Era. The Washington Post, Washington, USA.
4. NAIFA (2020) Florida Health & Life (Including Annuities and Variable Contracts) 34th Edition of Florida Study Manual. National Association of Insurance and Financial Advisors, Florida, USA.
5. Forrest BR (2007) Breaking Even on Four Visits per Day. Fam Pract Manag 14: 19-24.
6. Jobe N (2020) 10 Potential Benefits for Physicians under the CARES Act. Thompson Coburn LLP, Missouri, USA.
7. Terry K (2020) Medical Practices Reel Financially from COVID-19 Losses. Medical Economics 97: 1-9.
8. Ellison A (2020) HCA Records 44% Drop in Profit, Pulls 2020 Guidance. Becker's Healthcare, Illinois, USA.
9. Ellison A, Kelly G (2020) Envision Hires Restructuring Advisers, Considers Bankruptcy Filing. Becker's Healthcare, Illinois, USA.

HERALD

Advances In Industrial Biotechnology | ISSN: 2639-5665

Advances In Microbiology Research | ISSN: 2689-694X

Archives Of Surgery And Surgical Education | ISSN: 2689-3126

Archives Of Urology

Archives Of Zoological Studies | ISSN: 2640-7779

Current Trends Medical And Biological Engineering

International Journal Of Case Reports And Therapeutic Studies | ISSN: 2689-310X

Journal Of Addiction & Addictive Disorders | ISSN: 2578-7276

Journal Of Agronomy & Agricultural Science | ISSN: 2689-8292

Journal Of AIDS Clinical Research & STDs | ISSN: 2572-7370

Journal Of Alcoholism Drug Abuse & Substance Dependence | ISSN: 2572-9594

Journal Of Allergy Disorders & Therapy | ISSN: 2470-749X

Journal Of Alternative Complementary & Integrative Medicine | ISSN: 2470-7562

Journal Of Alzheimers & Neurodegenerative Diseases | ISSN: 2572-9608

Journal Of Anesthesia & Clinical Care | ISSN: 2378-8879

Journal Of Angiology & Vascular Surgery | ISSN: 2572-7397

Journal Of Animal Research & Veterinary Science | ISSN: 2639-3751

Journal Of Aquaculture & Fisheries | ISSN: 2576-5523

Journal Of Atmospheric & Earth Sciences | ISSN: 2689-8780

Journal Of Biotech Research & Biochemistry

Journal Of Brain & Neuroscience Research

Journal Of Cancer Biology & Treatment | ISSN: 2470-7546

Journal Of Cardiology Study & Research | ISSN: 2640-768X

Journal Of Cell Biology & Cell Metabolism | ISSN: 2381-1943

Journal Of Clinical Dermatology & Therapy | ISSN: 2378-8771

Journal Of Clinical Immunology & Immunotherapy | ISSN: 2378-8844

Journal Of Clinical Studies & Medical Case Reports | ISSN: 2378-8801

Journal Of Community Medicine & Public Health Care | ISSN: 2381-1978

Journal Of Cytology & Tissue Biology | ISSN: 2378-9107

Journal Of Dairy Research & Technology | ISSN: 2688-9315

Journal Of Dentistry Oral Health & Cosmesis | ISSN: ٢٤٧٣-٦٧٨٣

Journal Of Diabetes & Metabolic Disorders | ISSN: 2381-201X

Journal Of Emergency Medicine Trauma & Surgical Care | ISSN: 2378-8798

Journal Of Environmental Science Current Research | ISSN: 2643-5020

Journal Of Food Science & Nutrition | ISSN: 2470-1076

Journal Of Forensic Legal & Investigative Sciences | ISSN: 2473-733X

Journal Of Gastroenterology & Hepatology Research | ISSN: 2574-2566

Journal Of Genetics & Genomic Sciences | ISSN: 2574-2485

Journal Of Gerontology & Geriatric Medicine | ISSN: 2381-8662

Journal Of Hematology Blood Transfusion & Disorders | ISSN: 2572-2999

Journal Of Hospice & Palliative Medical Care

Journal Of Human Endocrinology | ISSN: 2572-9640

Journal Of Infectious & Non Infectious Diseases | ISSN: 2381-8654

Journal Of Internal Medicine & Primary Healthcare | ISSN: 2574-2493

Journal Of Light & Laser Current Trends

Journal Of Medicine Study & Research | ISSN: 2639-5657

Journal Of Modern Chemical Sciences

Journal of Nanotechnology Nanomedicine & Nanobiotechnology | ISSN: 2381-2044

Journal Of Neonatology & Clinical Pediatrics | ISSN: 2378-878X

Journal Of Nephrology & Renal Therapy | ISSN: 2473-7313

Journal Of Non Invasive Vascular Investigation | ISSN: 2572-7400

Journal Of Nuclear Medicine Radiology & Radiation Therapy | ISSN: 2572-7419

Journal Of Obesity & Weight Loss | ISSN: 2473-7372

Journal Of Ophthalmology & Clinical Research | ISSN: 2378-8887

Journal Of Orthopedic Research & Physiotherapy | ISSN: 2381-2052

Journal Of Otolaryngology Head & Neck Surgery | ISSN: 2573-010X

Journal Of Pathology Clinical & Medical Research

Journal Of Pharmacology Pharmaceutics & Pharmacovigilance | ISSN: ٢٦٣٩-٥٦٤٩

Journal Of Physical Medicine Rehabilitation & Disabilities | ISSN: 2381-8670

Journal Of Plant Science Current Research | ISSN: 2639-3743

Journal Of Practical & Professional Nursing | ISSN: 2639-5681

Journal Of Protein Research & Bioinformatics

Journal Of Psychiatry Depression & Anxiety | ISSN: 2573-0150

Journal Of Pulmonary Medicine & Respiratory Research | ISSN: 2573-0177

Journal Of Reproductive Medicine Gynaecology & Obstetrics | ISSN: 2574-2574

Journal Of Stem Cells Research Development & Therapy | ISSN: 2381-2060

Journal Of Surgery Current Trends & Innovations | ISSN: 2578-7284

Journal Of Toxicology Current Research | ISSN: 2639-3735

Journal Of Translational Science And Research

Journal Of Vaccines Research & Vaccination | ISSN: 2573-0193

Journal Of Virology & Antivirals

Sports Medicine And Injury Care Journal | ISSN: 2689-8829

Trends In Anatomy & Physiology | ISSN: 2640-7752

Submit Your Manuscript: https://www.heraldopenaccess.us/submit-manuscript