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## **For Your Health's Sake**

### **Physician Employment Trends**

(Huntsville, TX) – Over the past 20 years, physicians generally have not had any difficulty in finding desirable employment. However, during the next several years, there will be important trends in the medical industry that will affect the careers and future earning power of most physicians practicing in the United States. A physician's purchasing power is dictated by such things as the supply of physicians in the industry, early retirement and its effects on the job market, the increased need for health care services, compensation and malpractice trends, and the increased volume of patients needing care. Additionally, the geographical region the physician practices in will also make a substantial impact on their purchasing power. As the healthcare provider for this community, Huntsville Memorial Hospital feels that by reviewing each trend, you can keep abreast of all issues affecting the medical industry.

### **Overall Growth of Physician Employment**

According to the U. S. Department of Labor, in 2000, there were approximately 598,000 physician jobs in the United States. Seventy percent of these jobs were office-based practices and 20 percent were hospitals-based positions. The rest worked in government positions for such agencies as veterans' hospitals and public health services. Their projections indicate that overall physician employment is expected to grow about 10 to 20 percent by 2012.

### **Early Retirement**

According to the American Medical Association's statistics, 38 percent of physicians in the United States are 50 years of age or older. Many of these physicians opt for early retirement. The primary reason for early retirement is frustration due to managed care regulations; however, doctors also retire early due to advancing age, disabilities, or the wish to do something different with their lives.

### **Growth Pains In The Suburbs**

Today we have an increased need for health care services. The fastest growing areas are the suburbs, which are situated outside of major cities. People tend to move to these regions because it offers them a reduced crime rate, less traffic, better schooling and lower living expenses while, at the same time, provides them the opportunity of being closer to the amenities of larger metropolitan areas. These communities are growing at such an astonishing rate that they have an immediate and desperate need for physicians.

As these communities continue to grow, we should expect a greater demand for physicians in these areas. So expect more physicians to locate in the surrounding outlying areas rather than within city limits.

### **Physician Compensation**

From 2008 to 2009, most physicians enjoyed increased compensation. However, recent compensation trends reveal a leveling off of physician compensation. Though tendencies in income will vary depending on the specialty, overall compensation for most physicians will remain the same except for in-demand specialties, which will show an increase. According to a Medical Group Management Association (MGMA) report, a number of specialties experienced a decrease in compensation in 2010 for the first time in several years.

### **Malpractice**

Malpractice lawsuits have increased in a number of states and have influenced the way doctors practice. According to a recent study by *Medical Liability Monitor*, rates for general surgeons increased by 25.8 percent and rates for ob-gyns rose by an astonishing 31.2 percent from \$116,388 in 2008 to \$152,730 in 2009. As a result, some physicians have taken a volume approach to their work as opposed to a consultative approach. Their goal is to increase profit and keep costs down. Ever rising malpractice premiums cause many physicians to relocate to states with lower premiums. Other doctors consider revising their list of medical services that they offer to patients. Residents and young doctors respond to this problem by steering clear of states that are threatened by the malpractice crisis.

### **Managed Care**

Managed care is the result of increased pressures to reduce health care costs, and this has had an adverse effect on doctors. An ever-increasing number of Americans are being enrolled in managed care plans through their employers, Medicaid, and Medicare. An MGMA study found that 56 percent of physicians listed managed care as their biggest frustration. Rather than hiring an additional physician to compensate for an increase in patients, existing doctors must see more patients to make up for their reduced income, which puts greater demands on them.

### **Quality of Life**

Physicians continue to choose specialties that enable them to have a higher quality of life. What specific activities constitute a higher quality of life? While each physician is unique, a dominant trend is that doctors are seeking more free time to spend with family and friends and in other recreational pursuits. According to an article in *Medical Economics Magazine*, some young doctors have taken significant pay cuts to work for community health centers rather than tackling the more time-consuming demands of private practices. As younger physicians move into the medical industry, expect quality of life to become an ever-increasing consideration.

### **Physician Turnover**

Residents and doctors are changing jobs more often in the search for better opportunities. According to recent studies, over 10 percent of the physician workforce change jobs annually. Why? Some top reasons include professional dissatisfaction, tightening controls in how they practice medicine, and diminished job security. As job change becomes more of a standard practice in all industries, this will also affect the medical profession, especially with young doctors and residents.

These issues are just a few of the many factors involved in the future outlook of physician employment trends. It is vital that physicians and residents are aware of up-and-coming developments that will influence their future. At Huntsville Memorial Hospital we are proud of our talented and professional medical staff. No matter what economic trends our community faces, we are dedicated to developing a team comprised of highly-trained specialists and medical experts to expand our capabilities and services to the community.

Sally Nelson  
Chief Executive Officer  
Huntsville Memorial Hospital