

# Getting a Check-Up on Physicians



*A closer look at the current world of  
Physicians*

## **Market Highlight Report, Winter 2011**

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## Physicians Winter 2011

### General Overview

Physicians and surgeons diagnose illnesses and prescribe and administer treatment for people suffering from injury or disease. Physicians examine patients, obtain medical histories, and order, perform, and interpret diagnostic tests. They counsel patients on diet, hygiene, and preventive healthcare.

There are two types of physicians: *M.D. (Medical Doctor)* and *D.O. (Doctor of Osteopathic Medicine)*. While both M.D.s and D.O.s may use all accepted methods of treatment, including drugs and surgery, D.O.s place special emphasis on the body's musculoskeletal system, preventive medicine, and holistic patient care. D.O.s are most likely to be primary care specialists although they can be found in all specialties. About half of D.O.s practice general or family medicine, general internal medicine, or general pediatrics.

Physicians work in one or more of several specialties, including, but not limited to, anesthesiology, family and general medicine, general internal medicine, general pediatrics, obstetrics and gynecology, psychiatry, and surgery.

*Anesthesiologists* focus on the care of surgical patients and pain relief. Like other physicians, they evaluate and treat patients and direct the efforts of their staffs. Through continual monitoring and assessment, these critical care specialists are responsible for maintenance of the patient's vital life functions—heart rate, body temperature, blood pressure, breathing—during surgery. They also work outside of the operating room, providing pain relief in the intensive care unit, during labor and delivery, and for those who suffer from chronic pain. Anesthesiologists confer with other physicians and surgeons about appropriate treatments and procedures before, during, and after operations.

*Family and general physicians* often provide the first point of contact for people seeking healthcare, by acting as the traditional family physician. They assess and treat a wide range of conditions, from sinus and respiratory infections to broken bones. Family and general physicians typically have a base of regular, long-term patients. These doctors refer patients with more serious conditions to specialists or other healthcare facilities for more intensive care.

*General internists* diagnose and provide nonsurgical treatment for a wide range of problems that affect internal organ systems, such as the stomach, kidneys, liver, and digestive tract. Internists use a variety of diagnostic techniques to treat patients through medication or hospitalization. Like general practitioners, general internists commonly act as primary care specialists. They treat patients referred from other specialists and, in turn, they refer patients to other specialists when more complex care is required.

*General pediatricians* care for the health of infants, children, teenagers, and young adults. They specialize in the diagnosis and treatment of a variety of ailments specific to young people and track patients' growth to adulthood. Like most physicians, pediatricians work with different healthcare workers, such as nurses and other physicians, to assess and treat children with

various ailments. Most of the work of pediatricians involves treating day-to-day illnesses—minor injuries, infectious diseases, and immunizations—that are common to children, much as a general practitioner treats adults. Some pediatricians specialize in pediatric surgery or serious medical conditions, such as autoimmune disorders or serious chronic ailments.

*Obstetricians and gynecologists (OB/GYNs)* specialize in women's health. They are responsible for women's general medical care, and they also provide care related to pregnancy and the reproductive system. Like general practitioners, OB/GYNs attempt to prevent, diagnose, and treat general health problems, but they focus on ailments specific to the female anatomy, such as cancers of the breast or cervix, urinary tract and pelvic disorders, and hormonal disorders. OB/GYNs also specialize in childbirth, which includes treating and counseling women throughout their pregnancy, from giving prenatal diagnoses to assisting with delivery and providing postpartum care.

*Psychiatrists* are the primary mental health caregivers. They assess and treat mental illnesses through a combination of psychotherapy, psychoanalysis, hospitalization, and medication. Psychotherapy involves regular discussions with patients about their problems; the psychiatrist helps them find solutions through changes in their behavioral patterns, the exploration of their past experiences, or group and family therapy sessions. Psychoanalysis involves long-term psychotherapy and counseling for patients. In many cases, medications are administered to correct chemical imbalances that cause emotional problems.

*Surgeons* specialize in the treatment of injury, disease, and deformity through operations. Using a variety of instruments, and with patients under anesthesia, a surgeon corrects physical deformities, repairs bone and tissue after injuries, or performs preventive surgeries on patients with debilitating diseases or disorders. Although a large number perform general surgery, many surgeons choose to specialize in a specific area. One of the most prevalent specialties is orthopedic surgery: the treatment of the musculoskeletal system. Others include neurological surgery (treatment of the brain and nervous system), cardiovascular surgery, otolaryngology (treatment of the ear, nose, and throat), and plastic or reconstructive surgery. Like other physicians, surgeons also examine patients, perform and interpret diagnostic tests, and counsel patients on preventive healthcare.

## **Education and Training**

Formal education and training requirements for physicians are among the most demanding of any occupation—4 years of undergraduate school, 4 years of medical school, and 3 to 8 years of internship and residency, depending on the specialty selected. A few medical schools offer combined undergraduate and medical school programs that last 6 or 7 years rather than the customary 8 years.

The minimum educational requirement for entry into medical school is 3 years of college; most applicants, however, have at least a bachelor's degree, and many have advanced degrees. In 2008, there were 129 medical schools accredited by the Liaison Committee on Medical Education (LCME). The LCME is the national accrediting body for M.D. medical education programs. The American Osteopathic Association accredits schools that award a D.O. degree; there were 25 schools accredited in 31 locations in 2008.

Students spend most of the first 2 years of medical school in laboratories and classrooms, taking courses such as anatomy, biochemistry, physiology, pharmacology, psychology, microbiology, pathology, medical ethics, and laws governing medicine. They also learn to take

medical histories, examine patients, and diagnose illnesses. During their last 2 years, students work with patients under the supervision of experienced physicians in hospitals and clinics, learning acute, chronic, preventive, and rehabilitative care. Through rotations in internal medicine, family practice, obstetrics and gynecology, pediatrics, psychiatry, and surgery, they gain experience in the diagnosis and treatment of illness.

Following medical school, almost all M.D.s enter a residency—graduate medical education in a specialty that takes the form of paid on-the-job training, usually in a hospital. Most D.O.s serve a 12-month rotating internship after graduation and before entering a residency, which may last 2 to 6 years.

A physician's training is costly. According to the Association of American Medical Colleges, in 2007, 85 percent of public medical school graduates and 86 percent of private medical school graduates were in debt for educational expenses.

## **Licensing**

To practice medicine as a physician, all States, the District of Columbia, and U.S. territories require licensing. All physicians and surgeons practicing in the United States must pass the United States Medical Licensing Examination (USMLE). To be eligible to take the USMLE in its entirety, physicians must graduate from an accredited medical school. Although physicians licensed in one State usually can get a license to practice in another without further examination, some States limit reciprocity. Graduates of foreign medical schools generally can qualify for licensure after passing an examination and completing a U.S. residency. For specific information on licensing in a given State, contact that State's medical board.

M.D.s and D.O.s seeking board certification in a specialty may spend up to 7 years in residency training, depending on the specialty. A final examination immediately after residency or after 1 or 2 years of practice is also necessary for certification by a member board of the American Board of Medical Specialists (ABMS) or the American Osteopathic Association (AOA). The ABMS represents 24 boards related to medical specialties ranging from allergy and immunology to urology. The AOA has approved 18 specialty boards, ranging from anesthesiology to surgery. For certification in a subspecialty, physicians usually need another 1 to 2 years of residency.

## **Job Growth**

Physicians and surgeons held about 661,400 jobs in 2008; approximately 12% were self-employed. About 53% of wage-and-salary physicians and surgeons worked in offices of physicians, and 19% were employed by hospitals.

According to 2007 data from the American Medical Association (AMA), 32% of physicians in patient care were in primary care.

A growing number of physicians are partners or wage-and-salary employees of group practices. Organized as clinics or as associations of physicians, medical groups can more easily afford expensive medical equipment, share support staff, and benefit from other business advantages.

Employment of physicians and surgeons is projected to grow 22% over the next 8 years, much faster than the average for all occupations. Job growth will occur because of continued expansion of healthcare-related industries. The growing and aging population will drive overall growth in the demand for physician services, as consumers continue to demand high levels of

care using the latest technologies, diagnostic tests, and therapies. Many medical schools are increasing their enrollments based on perceived new demand for physicians.

Despite growing demand for physicians and surgeons, some factors will temper growth. For example, new technologies allow physicians to be more productive. This means physicians can diagnose and treat more patients in the same amount of time. The rising cost of healthcare can dramatically affect demand for physicians' services. Physician assistants and nurse practitioners, who can perform many of the routine duties of physicians at a fraction of the cost, are being increasingly used. Furthermore, demand for physicians' services is highly sensitive to changes in healthcare reimbursement policies. If changes to health coverage result in higher out-of-pocket costs for consumers, they may demand fewer physician services.

### **Physicians in Today's Economy**

Opportunities for individuals interested in becoming physicians and surgeons are expected to be very good. In addition to job openings from employment growth, openings will result from the need to replace the relatively high number of physicians and surgeons expected to retire over the 2008-18 decade.

Job prospects should be particularly good for physicians willing to practice in rural and low-income areas because these medically underserved areas typically have difficulty attracting these professionals. Job prospects will also be especially good for physicians in specialties that afflict the rapidly growing elderly population. Examples of such specialties are cardiology and radiology because the risks for heart disease and cancer increase as people age.

According to the AMA, the New England and Middle Atlantic States have the highest ratios of physicians to population; the South Central and Mountain States have the lowest. Physicians tend to locate in urban areas, close to hospitals and education centers. AMA data showed that in 2007, about 75 percent of physicians in patient care were located in metropolitan areas while the remaining 25 percent were located in rural areas.

Source: Occupational Outlook Handbook, 2010-11 Edition. Bureau of Labor Statistics. 14 November 2010 <<http://www.bls.gov/oco/ocos074.htm>>.

### **Salaries for Physicians**

1-4 years of experience earn a median annual salary of:	\$139,200
5-9 years of experience earn a median annual salary of:	\$153,100
10-19 years of experience earn a median annual salary of:	\$159,500
20+ years of experience earn a median annual salary of:	\$173,300

- Physicians who are self-employed earn approximately \$161,000 annually.
- Physicians who work in the non-profit sector earn approximately \$153,000 annually.
- Physicians in Texas, California, Florida and New York are generally the highest paid.

Source: Payscale.com. 14 November 2010. Payscale.com. 14 November 2010. <[http://www.payscale.com/research/US/people\\_with\\_jobs\\_as\\_physicians/\\_doctors/salary](http://www.payscale.com/research/US/people_with_jobs_as_physicians/_doctors/salary)>.

## **Student Debt**

According to the Association of American Medical Colleges (AAMC), the average educational debt of indebted graduates of the class of 2009 was \$156,456. Some additional findings from the 2009 Graduate Questionnaire are the following:

- 79% of graduates have debt of at least \$100,000.
- 58% of graduates have debt of at least \$150,000.
- 87% of graduating medical students have outstanding loans.

Medical education debt is driven by rising tuition. AAMC data show that median private medical school tuition and fees increased by 50 percent (in real dollars) in the 20 years between 1984 and 2004. Median public medical school tuition and fees increased by 133 percent over the same time period. Other recent 20-year periods show similar trends; tuition is just one source of increasing debt burdens. Other causes include:

- Interest accrued on loans over time significantly adds to the total cost of student debt.
- Students are now entering medical school with more education debt from undergraduate education
- Increasing numbers of “non-traditional” students who have children to support.

The increase in debt not only burdens medical students, but can have effects on the entire health care system. Some of correlations the recent study found were the following:

- Students with high debt may be less likely to pursue family practice and primary care specialties and instead seek specialties with higher income or more leisure time.
- The cost of tuition can prevent students from low-income/minority and those with other financial responsibilities from attending medical school.
- Physician diversity is necessary to address the needs of heterogeneous, multicultural patient populations.
- Residents with high debt are more likely to moonlight.

Source: “Medical Student Debt.” [Ama-assn.org](http://www.ama-assn.org/ama/pub/about-ama/our-people/member-groups-sections/medical-student-section/advocacy-policy/medical-student-debt.shtml). 2010. 14 November 2010. <<http://www.ama-assn.org/ama/pub/about-ama/our-people/member-groups-sections/medical-student-section/advocacy-policy/medical-student-debt.shtml>>.

## **Key Issues**

### **Cause for Concern: The Rising Cost of Medical Malpractice?**

Malpractice premiums cost doctors tens of thousands of dollars a year, not because an individual doctor has a history of making mistakes, but because in some states juries make excessively generous awards, knowing that insurance companies will pay.

According to Towers Perrin, a global professional services firm, malpractice litigation costs \$30 billion a year and has grown at more than 10% annually since 1975. Medical specialties with the highest premiums include obstetrics and anesthesiology. Insurance premiums for some doctors in high-cost states can reach \$200,000 per year, whereas premiums in low-cost states are closer to \$20,000 annually.

Some states, such as Texas, are showing how to get malpractice costs under control. Since the state legislature passed a series of malpractice reforms several years ago, medical malpractice costs have plummeted, and numbers of doctors moving into the state have soared. About 7,000 physicians have moved into Texas over the last four years, and the state has backlogs of applications from other physicians wanting to move.

While some experts suggest that if patients agreed to binding arbitration as a means of settling malpractice disputes, the variability and sometimes outrageous excesses of jury awards would be eliminated in favor of more even-handed compensation systems for those injured by medical negligence. And although laws requiring arbitration may be deemed unconstitutional, laws which uphold patients' rights to agree to arbitration as a condition of care would likely serve to attract frequently-sued specialists into regions that have been abandoned because of costs or unavailability of malpractice insurance.

Although no solution is on the horizon, a few things are clear: Americans are paying more for treatment because of the potential for medical lawsuits and doctors continue to be burdened with the stressors of growing medical malpractice insurance costs.

Source: "The high cost of medical malpractice." [Realclearmarkets.com](http://www.realclearmarkets.com). 6 August 2009. Diana Furchtgott-Roth. 14 November 2010.  
[http://www.realclearmarkets.com/articles/2009/08/06/the\\_high\\_cost\\_of\\_medical\\_malpractice\\_97346.html](http://www.realclearmarkets.com/articles/2009/08/06/the_high_cost_of_medical_malpractice_97346.html).

### **Effects of Health Care Reform**

Like insurance companies, physicians and hospitals will benefit from healthcare reform, but the long-range impact on their financial health won't necessarily be good.

There are several reasons why this is a complex issue. On the positive side, these providers will get more insured patients. On the negative side, the changes in reimbursement methods that Medicare is looking into will lead to major changes in how healthcare is delivered and paid for; essentially, the important take-away is that many doctors may eventually earn less than they do now.

In the short term, coverage will start growing before the end of 2010. The bill will immediately allow parents to cover their young adult children and will prohibit children from being denied insurance because of their health status. Adults can't have their coverage dropped when they get sick, and people who are denied health insurance because of their health conditions will be eligible for beefed-up high-risk insurance pools. All of these measures should immediately reduce the number of patients who can't pay their bills.

Four years from now, however, the big Medicaid expansion and the individual mandate to purchase insurance will take effect. By 2019, these provisions will expand coverage to an estimated 32 million people, greatly reducing the number of patients who can't pay their bills. The impact will vary from physician to physician, depending on whether they now provide care to uninsured and Medicaid patients. Those who do will benefit the most from the expansion of private insurance; the requirement that coverage purchased in the health insurance exchanges

meet minimum benefit standards will improve the situation even more. But no physician will benefit from getting more Medicaid patients unless Medicaid programs increase their reimbursement, which physicians say is less than the cost of providing care.

Unfortunately, this is unlikely to happen unless the economy turns around and states' budget deficits are erased. Even in that case, Medicaid may not pay better. The states do not want to provide Medicaid to more people, and they're likely to hold the line on payments to healthcare providers. This is Physicians' biggest long term concern of the Health Care reform.

Source: "Healthcare reform: Good for doctors now, but the bite is coming." [Bnet.com](http://www.bnet.com). 23 March 2010. Ken Terry. 20 November 2010. <<http://www.bnet.com/blog/healthcare-business/healthcare-reform-good-for-doctors-now-but-the-bite-is-coming/1272>>.

### **How Insurance Professionals Can Support the Market**

Because physicians have had to endure a great deal of training, they respect other professionals who have advanced degrees in their field, such as CFP<sup>®</sup>, CLU or ChFC.

Due to their heavy patient-loads and often frequent commutes between multiple locations where they practice, physicians rely heavily on their staff to make sure that responsibilities are being met and that patients are getting timely, quality care. Therefore, it's beneficial to get to know the staff. Find out what you can about their roles, their challenges, their likes and dislikes. If you are meeting a physician at his/her office, bring in an extra cup of coffee and offer it to the receptionist or office manager as an act of good will.

Importantly, you'll want to know your physician's schedule and other important facts. What months are the busiest for him/her? What days do they have off? Where do they like to vacation or work out? What are the ages of their children? Do they prefer electronic communication or face-to-face? Striking a balance between a friendly, interested dialogue and respecting their limited time will be your biggest challenge but most effective tactic in establishing a relationship.

Finally, volunteerism cannot be overrated as an excellent method for endearing yourself to physicians and other medical professionals. They are constantly being targeted but experienced professionals who generally care enough about the medical field to volunteer their own personal time, repeatedly, to promote the goals of a hospital or organization will be favorably noticed.

Finally, lunchtime workshops, in addition to workshops at odd hours for non-traditional shifts, will help you convey your offering and educate your prospects on your services. With allowances from Compliance, sponsoring a yogurt sundae bar or a light taco lunch along with your prepared messages can create a positive buzz in the facility and will encourage more people to attend.

For more ideas on getting involved, follow the links below to local associations in your area.

### **National Associations**

Note: In many organizations that are established to support physicians, one must be a licensed professional in order to enjoy full membership. However, that does not prevent interested parties from becoming involved in fundraising, volunteer or advertising opportunities that could provide excellent exposure and service to an organization. Check your local chapters for more information.

### **The Association of American Physicians and Surgeons**

<http://www.aapsonline.org/>

AAPS is a non-partisan professional association of physicians in all types of practices and specialties across the country. Since 1943, AAPS has been dedicated to the highest ethical standards of the Oath of Hippocrates and to preserving the sanctity of the patient-physician relationship and the practice of private medicine. For a list of upcoming events, please view the following link: <http://www.aapsonline.org/calendar.php>.

1601 N. Tucson Blvd. #9  
Tucson, AZ 85716  
800-635-1196

### **The American Medical Women's Association**

<http://www.amwa-doc.org/>

The American Medical Women's Association is an organization which functions at the local, national, and international level to advance women in medicine and improve women's health. They achieve this by providing and developing leadership, advocacy, education, expertise, mentoring, and through building strategic alliances. To learn more about upcoming events, please view: <http://www.amwa-doc.org/page3-45/MeetingsAndEvents>.

100 North 20th Street, 4th Floor,  
Philadelphia, PA 19103.  
(215) 320-3716

### **The Mexican American Hispanic Physicians Association**

<http://www.mahpa-sa.com/>

MAHPA is committed to assisting and empowering students, underrepresented in the health professions, to pursue medical and healthcare careers. By encouraging students to enter health professions, they strive to improve the delivery of health care services to the medically underserved. To view a list of current members, please follow the url: <http://www.mahpa-sa.com/current-members/>.

7475 Callaghan Rd., Ste: 101  
San Antonio, TX 78229  
210.340.824

### **The Association of Black Women Physicians**

<http://www.blackwomenphysicians.org/>

The Association of Black Women Physicians is an organized network of Black women physicians committed to the improvement of public health and welfare, through the advancement of knowledge concerning women and the community health. They serve as a philanthropic source of funds to individuals and projects related to the health concerns of the Black community. For a calendar of events, please view:

<http://www.blackwomenphysicians.org/events.php>.

4712 Admiralty Way Suite #175  
Marina Del Rey, CA 90292  
(310) 364-1438

## **American Medical Association**

<http://www.ama-assn.org/>

The AMA has one mission: to promote the art and science of medicine and the betterment of public health. Today, the core strategy used to carry out this mission is our concerted effort to help doctors help patients. They do this by uniting physicians nationwide to work on the most important professional and public health issues. In 2010 their strategic plan focuses on five areas that encompass the central elements in health system reform:

- Access to care
- Quality of care
- Cost of health care
- Prevention and wellness
- Payment models

These topics represent the major areas of emphasis in which the AMA carries out its mission in the current environment. Its proposed actions are not only directed at solving reform issues at the policy level, but also at helping physicians adapt to—and adopt—changes in a productive way.

515 N. State St., Chicago IL 60654  
800.621.8335

Learn more about Association marketing by reading [About Association Marketing](#) which includes tips for vetting an association, becoming a resource, and surveys for the association leadership and members.

## **Marketing Checklist**

- Narrow niches within the market to a reasonable size and scope.
- Visit websites and flag the best ones for ongoing reference.
- “Follow” companies and associations of interest on LinkedIn.com and join market-related groups.
- Note names of at least 15 individuals that would be good Centers of Influence in the market.
- Conduct informational interviews and/or networking appointments
  - with potential strategic alliances also active in the market.
  - ask for “personal introductions” to others in the market.
- Subscribe to market-related blogs and magazines, note calendar dates, editors names and sponsorship or advertising opportunities.
- Determine which association(s) is most worthwhile and attend networking events; obtain meeting with Association Director and be sure to “ask” more rather than “tell.”
- Determine a Unique Value Statement that appeals to the market and sets you apart from the competition.
- Announce your presence in the market through social media, letters, ads, and press releases.
- Obtain membership lists for cultivation and look into targeted list buying if needed.
- Organize a mix of cultivation pieces. For ex., avoid sending all email or all snail mail. Aim for a minimum of six to twelve touch-points per year.
- Explore what types of seminar topics and/or guest speakers are of interest to this market.
- Contact local business journals and find out if they plan on dedicating a special issue to the market where you can advertise and/or get an article published.

**SAMPLE One Page 90-Day Strategic Planning Template**  
**Target Market Focus: Physicians in (Region)**

**Three Year Vision:** 75 physician clients in database; Receive X number of leads per mo.; Conduct min. of 2 Workshops per year and 3 C of I Appreciation Events

**One Year Vision:** 15 new physician clients in database with a min. of 5 who will provide ongoing introductions

90 Day Objectives/Tactics	Challenges	Action Items	Person	Date
1. Continue Research & Build Top 15 List		<ul style="list-style-type: none"> <li>- Obtain local research &amp; dig deep into links in report;</li> <li>- define profile of best client.</li> <li>- Identify 5 C of I's who work w/ physicians</li> <li>- Drill down to find out more about individuals and create a file.</li> <li>- Determine which associations to join or volunteer</li> <li>- Become active on LinkedIn.com.</li> <li>- Ask for introductions</li> </ul>		
2. Create Unique Value Proposition and Brand Statement		<ul style="list-style-type: none"> <li>- Find out needs/wants</li> <li>- Come up with unique characteristics of product line and hone approach</li> <li>- Create brand statement; get approved by Compliance</li> <li>- Test out w/ Advisors</li> </ul>		
3. Build Cultivation Program		<ul style="list-style-type: none"> <li>- Vet communication materials</li> <li>- Select best approved pieces (2 or 3)</li> <li>- Create Approach letter</li> <li>- Get approved</li> <li>- Set up first mailing program</li> </ul>		
4. Conduct 5 Center of Influence Surveys; goal is min. of 5 per month.		<ul style="list-style-type: none"> <li>- Modify interview as appropriate</li> <li>- Send hand written thank you's &amp; follow up on any tasks/requests</li> <li>- Get responses from surveys into database</li> <li>- Schedule more appts.</li> </ul>		
5. Set up database/admin. needs		Make sure database can manage cultivation process for follow up, etc.		