

COVID-19

PHYSICIAN FINANCIAL HEALTH SURVEY 2.0



**CALIFORNIA
MEDICAL
ASSOCIATION**

For more information,
visit cmadocs.org/covid-19



In April, the California Medical Association's (CMA) first [COVID-19 Physician Financial Health Survey](#) found widespread concern about the financial health of physician practices. At that time, 95% of practices reported they worried about their financial health due to the COVID-19 public health emergency, with an average revenue decrease of 64%. Now that we are six months into the pandemic, CMA conducted a follow-up survey to reevaluate practice viability.

The follow-up survey found that 87% of physician practices are still worried about their financial health. Even with more than 8 out of 10 practices now utilizing telehealth, the average volume of patient visits and practice revenue is still down by one third, with 25% of practices still experiencing a revenue decline of 50% or greater. Surgical

specialties are particularly impacted because of their inability to practice via telehealth, with average revenue declines of 41%, compared to 34% for all specialties.

While revenue is down, practice costs have gone up 14%, with practices having to purchase personal protective equipment (PPE), comply with public health disinfecting guidelines, implement telehealth and make other changes due to the pandemic.

While many practices had to temporarily close their offices earlier in the year due to public health guidelines and a lack of accessible PPE, many practices have still not reopened. In several rural regions of California, 60% or more of primary care practices are still closed, putting these practices at risk of permanent closure. Further, 56% of practices statewide report their staffing levels have not returned to normal. In addition to providing vital medical care to patients, physician practices play an important role in local economies, helping to sustain jobs and economic viability during these uncertain times.

CMA's alarming survey findings highlight the impact of six months of sustained financial losses and contradict health plan and insurer claims that patient volume is back to normal. CMA's data shows that the smaller the physician practice, the greater the revenue decline, which raises serious concerns about further market consolidation.

If policymakers do not take immediate action to help medical practices—particularly independent small and medium-sized practices—California will face a new wave of consolidation that will increase health care costs and decrease patient access to care.



87%

of practices are still worried about financial health

(down only slightly from 95% in April)



74%

of practices still seeing a notable decrease in patient volume and revenue

34% decrease in patient volume

33% decrease in revenue

41%

revenue decline for surgical specialties

25%

of practices are still experiencing a revenue decline of 50%+



14%

increase in practice costs due to COVID-19 expenditures, such as:

- + Personal protective equipment
- + Disinfecting procedures
- + Pre-visit screenings
- + Telehealth implementation



34%

of practices statewide have still not reopened



56%

of practices have not returned to normal staffing levels

60%+

of primary care practices have not reopened in several rural areas

- + Sacramento/North: 60%
- + Central Coast/Valley: 72%



82%

of practices are using telehealth

29% of visits are being conducted via telehealth

57% increase in telehealth visits since the pandemic started

Summary of the Survey Results

- + In seven days, **986 physician practices**, representing all modes of practice in a broad range of specialties across 43 counties completed the survey.
- + **87%** of practices report they **are still worried about their practices' financial health** due to the financial stress they are experiencing as a result of the COVID-19 public health emergency. This is down only slightly from the 95% of practices that were worried in our April survey.
- + Even with high rates of telehealth implementation, when looking at the last 30 days, **74% of practices report total patient volume has not returned** to what it was at this time last year, **averaging a 34% decrease**.
- + Practice **revenue has also not returned to normal levels**. When comparing the last 30 days to the same time period in 2019, **revenue has decreased by 33%**.
 - Revenue for surgical specialties has decreased by 41%
 - **25%** of practices are still **experiencing a revenue decline of 50% or greater**. Some practice sizes, specialties and regions have experienced even greater revenue declines.
 - 34% of solo physician practices experienced a decline of 50% or greater
 - 32% of physicians in the Los Angeles/Orange County regions experienced a decline of 50% or greater
 - 40% of surgical specialty practices experienced a decline of 50% or greater
- + On top of revenue decreases, **practice costs have increased by 14%** due to COVID-19 pandemic expenditures (e.g., PPE, disinfecting procedures, implementation of telehealth, pre-visit screening, etc.), adding to the financial distress practices are experiencing.
- + Of the practices that had temporarily closed since the pandemic, **34% have still not reopened**.
 - In the Sacramento/North and Central Valley/Coast regions the number of family practice offices that haven't reopened is almost double the statewide average at 60% and 72%, respectively.
 - In the Inland Empire, 67% of surgical specialty practices that had temporarily closed have not yet reopened.
- + Of the practices that had to implement drastic measures to remain open (e.g., laid off, furloughed, or reduced hours or salaries), **56% report their staffing levels have not returned to normal**.
 - Family practice offices in the Inland Empire (67%), San Diego/Imperial (66%), and Central Valley/Coast (63%) reporting their staffing levels have not returned to normal.
- + Physicians still rank **financial assistance** and **PPE** as the two **most important resources** they need.
- + More than **8 out of 10 (82%) of practices report they are now utilizing telehealth**.
 - Since the pandemic, **telehealth visits have increased by 57% statewide**.
 - Telehealth use in the Bay Area has increased by 64% and has increased in the San Diego/Imperial region by 62% since the pandemic.
 - Almost **1 in 3 patient visits (29%) are now being conducted via telehealth**.
 - Of those utilizing telehealth, 69% of physicians believe their patients' experience has been good or very good.
- + **Selecting technology** (46%), **staff training** (43%) and **internet access** (37%) have been the **biggest challenges** for those that have implemented or expanded telehealth.
- + The most common reason practices have still not implemented telehealth is because **providing care via telehealth is challenging for their specialty** (63%). For example, a physician's specialty might require a patient to be physically present, such as a surgeon.

COVID-19 Physician Financial Health Survey 2.0 Results

1. How concerned are you about your practice’s financial health during and after the COVID-19 pandemic?

Extremely worried 24%

Very worried 24%

Somewhat worried..... 39%

Not worried 13%
2. When looking at the last 30 days, has your practice’s patient volume returned to what it was at this same time last year?

Yes 26%

No 74%
3. When comparing your practice’s volume over the last 30 days to the same time period in 2019, by what percentage has your patient volume decreased?

Average 34%
4. When comparing your practice’s revenue over the last 30 days to the same time period in 2019, by what percentage has your practice revenue decreased?

Average 33%
5. By what percentage has your overall practice costs increased due to COVID-19 pandemic expenditures (e.g., PPE, disinfecting procedures, implementation of telehealth, pre-visit screening, etc.)?

Average 14%
6. Is your practice utilizing telehealth, including visits by telephone, telehealth platform, or FaceTime/Skype?

Yes, implemented since the pandemic..... 64%

Yes, was utilizing telehealth previously, but have expanded during the pandemic 17%

Yes, was utilizing telehealth previously, but have not expanded during the pandemic 1%

In the process of implementing..... 3%

No, I have not yet implemented telehealth into my practice 15%
7. What percentage of your patient visits are conducted via telehealth, including visits by telephone, telehealth platform, or FaceTime/Skype?

Average 29%
8. By what percentage have your telehealth visits increased since the COVID-19 pandemic (March 1, 2020)?

Average 57%
9. What have been the biggest challenges your practice has faced in implementing or expanding telehealth? (select all that apply)

Expense..... 4%

Reimbursement issues..... 1%

Documentation and coding requirements..... 0%

Patient concerns (e.g., privacy, resistance to technology, etc.)..... 28%

Selecting the right technology.....	46%
Access to broadband internet or devices.....	37%
Staff training.....	43%
Clinical workflow.....	26%
Uncertainty about how rules might change after the pandemic.....	26%
Other.....	20%

10. Overall, would you say that your patients' experience with telehealth has been?

Very good.....	23%
Good.....	45%
Fair.....	24%
Poor.....	4%
Don't know.....	2%
Not applicable.....	2%

11. Why has your practice not implemented telehealth? (select all that apply)

Expense.....	10%
Uncertainty about how rules might change after the pandemic (e.g., reimbursement, HIPAA, etc.).....	12%
Need help selecting the right technology.....	8%
Access to broadband internet or devices.....	3%
Telehealth is challenging for my specialty (e.g., not appropriate for providing care for my specialty, etc.).....	63%
Patient concerns (e.g., difficulty or resistance to technology, concerns about privacy, etc.).....	8%
Other.....	33%

12. If your practice temporarily closed as a result of the COVID-19 pandemic, has it reopened?

Yes.....	28%
No.....	14%
Not applicable.....	58%

13. If you previously furloughed, laid off, reduced salaries or hours for physicians and/or staff, or temporarily closed, has your practice staffing returned to pre-COVID levels?

Yes.....	26%
No.....	33%
Not applicable.....	41%

14. What resources or support would be most helpful to support your practice? (Please rate your top 5 selections and rank in order of importance using a scale of 1-5, with 1 being the most important).

Telehealth/telephone billing guidance.....	2.98
Telehealth platform/vendor selection information.....	3.35
Documentation guidance.....	3.17
Care team workflows, triage, etc.....	3.22
Employment advice (payroll, furlough, leave).....	3.24
Financial support.....	2.31
Personal protective equipment.....	2.81
Testing support (e.g., supplies, reimbursement, etc.).....	3.36
Physician wellness support.....	3.14
Other.....	3.04

15. Please share your personal stories about how the COVID-19 pandemic has affected your practice's viability and/or changed your practice?

- + We are able to see less patients, are limited in procedures we are able to do. Staffing and testing have also been challenging. We face increased overhead and less revenue.
- + Cash flow is unstable and unpredictable. There is likely to be another drop in patient visits if the virus surges in the fall/winter.
- + After 6 months of reduced revenue and situation actually worsening in September, I am closing my practice and moving out of California.
- + Every day I need to debunk the lies that patients are believing from social media, this is so very emotionally and time draining.
- + I handle LOTS of phone calls. I spend a huge amount of time coordinating patient care. I don't know of a way to bill for the care coordination time.
- + It was very stressful to rapidly learn and implement telehealth. There are still connectivity problems.
- + As a small independent private practice in an underserved community and with a high acuity patient base, I am compelled to make this work, while a number of community colleagues have opted for retirement. My practice is staying open purely by personal sacrifice which is not sustainable. Healthcare was in bad shape pre-COVID, and now we're in a free fall. Larger hospital-based groups are getting preferential help based on payment models and this further displays the unfair nature of how providers are reimbursed.
- + This will likely be my reason to retire at what otherwise would be the peak of my career.
- + Can't afford to rehire staff. Doing my own billing/collections/insurance verification. Working 14-hour days. Office mate is losing his practice and leaving, now looking for new office space.
- + Just more work. It feels like anything that happens in the healthcare system makes more work for me as a physician. Every new rule, metric, guideline or requirement makes more work for the physicians which means more time at work for the same income with less time for family and personal time.
- + My staff is like extended family. My biggest concern was getting them through this healthy (physically and emotionally) and financially secure.
- + Without the HHS stimulus and the PPP loan, we would have closed by now. As it is, we are a two-man practice looking to merge with a larger group or leave the state and practice elsewhere.
- + Pediatric patients are having significant behavioral problems. Vaccines are not up to date and they are not having well visits.
- + We have lost female staff and had staff reduce their workdays because they have younger children at home on online school who require a parent to support their attention. We have lost more staff than ever. Morale gets low and is hard to boost. We can't socialize or relate in the way we normally do. Patients are more demanding, more stressed, less patient, staff is more taxed, missing interpersonal interaction, working hard and having to adapt faster than ever before. With the increased [costs of] PPE and supply cost and the reduced efficiency, we are stuck with needing more staff and more support which then reduces our ability to pay rent etc. Owner income and opportunity to bonus staff for growth will be reduced this year. That is also leading to more

turnover and all of the issues of the era leave the leadership less inspired to support the practice. I am likely to hire a consulting firm to help us to rebuild and regrow as I see that we have the capacity but I need the to help us reorganize as I see the patients and don't have the time to administrate as much as I do. It would serve the practice better if I did more patient care and brought on a reorganizer to lead the way I need it done. This also brings risk and cost. But there is only so much of me to go around.

- + Going to have to file for bankruptcy op pull from savings to keep practice afloat.
- + We are a small practice. We initially had to reduce staff hours. It has been challenging with decreased revenue and increased costs for PPE and cleaning supplies. Since we are a small practice, obtaining sufficient PPE and cleaning supplies for doctors and staff has been very difficult, especially at the beginning of the pandemic.
- + Patients have remained loyal. Many have lost their jobs. I still see them even though they cannot pay.
- + Since the pandemic, our elective cases have been few and far between. We are primarily a trauma practice, so we have been more fortunate than others, but pre-pandemic we had really been trying to shift to elective surgical procedures. That progress that we made in that area has all but disappeared, and it feels like we will have to start all over again. Obtaining PPE has been a challenge, especially exam gloves and sanitizer. Without the assistance of HHS stimulus and the PPP, we would not have been able to make it through. We are hoping that 2021 will bring back a sense of normalcy to ours and our employees' lives.
- + Contemplating closing practice due to decreasing business volume and personal health risks.
- + 30% loss of income from March through September.
- + We are closing down next month.
- + Big budget cuts. Need to layoff providers.
- + Availability of PPE has been challenging. Hand sanitizer is limited. And difficulty getting sterilizing wipes for rooms, furniture, equipment. All of this is very expensive.
- + Contemplating closing practice due to decreasing business volume and personal health risks.
- + One big huge change has been the implementation of telemedicine. We all love it-myself, my office staff and especially my patients! I am imploring all insurance to continue to allow us to use this amazing tool to provide quality care to those of us in rural health care.
- + As a result of the transition to telemedicine, we have been able to improve access for many patients.
- + I have had to purposely decrease the number of patients we see in my office to be able to socially distance the patients in the waiting room I have had to hire a full time employee to sit outside our office to prescreen and check temperatures My phone staff spend much more time per phone call when making appointments to prescreen patients I spend much more time searching for PPE and antiseptic sprays and wipes .
- + The frequent changes in the indications for testing, access to testing, misinformation about the cost of testing and variable testing turnaround times has created epic challenges and wasted precious resources.
- + We hope to offer more telehealth going forward. It has been a convenient way to see families.
- + Fear and anxiety. Worried about supporting my family if I got sick.

- + I now allow thirty minutes between patients to allow cleaning and to socially distance patients, so an arriving patient does not encounter a departing patient.
- + My practice has closed. I am now employed by a large group.

16. How many physicians are in your practice? (please enter a numeric value)

1	46.0%
2	10.9%
3	6.2%
4	5.0%
5	3.5%
6	3.1%
7	2.6%
8	1.4%
9	0.9%
10	2.1%
11+	18.3%

17. Please indicate your medical specialty (select all that apply):

Allergy	2%
Anesthesiology	2%
Cardiology	2%
Dermatology	3%
Emergency medicine/trauma	3%
Endocrinology	1%
Gastroenterology	2%
General surgery	2%
Hospitalist	2%
Infectious disease	1%
Neurology	2%
Nephrology	1%
OB/GYN	5%
Oncology	1%
Ophthalmology	5%
Orthopedics/orthopedic surgery	5%
Otolaryngology	3%
Pain medicine	2%
Pathology	1%
Pediatrics	7%
Plastic and reconstructive surgery	2%
Primary care (internal medicine, family practice, general practice)	20%
Psychiatry	6%
Pulmonology	2%
Radiology	2%
Rheumatology	1%
Surgery	2%
Urgent care	2%
Urology	2%
Vascular surgery	1%
Other	8%