

## May 18, 2019: Advocacy spotlight on Employed physicians now exceed those who own their practices

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### Employed physicians now exceed those who own their practices

Chances are now slightly more likely that a physician is employed by someone and not a physician who owns his or her practice.

In 2018, 47.4% of practicing physicians were employed, while 45.9% owned their practices, according to a new entry in the AMA Policy Research Perspectives (PRP) series. The PRP is based on data from the 2018 AMA Physician Practice Benchmark Survey, which included 3,500 physicians from 50 states and the District of Columbia who provide at least 20 hours of patient care weekly and do not work for the federal government. The new ownership figures are a milestone, marking the first time the number of employed physicians is greater than the number of those who own practices. But it does not mean physician-owned practices are going away.

The PRP, “Updated Data on Physician Practice Arrangements: For the First Time, Fewer Physicians are Owners Than Employees,” (PDF) shows there are still a large number of physician practice owners. And it notes that this decline is the continuation of a trend that medicine has been monitoring for more than three decades.

In fact, the rate at which physician ownership is falling is slower today than it was in the late 1980s and early 1990s. The share of physicians who are owners fell by more than seven percentage points in the six years between 2012 and 2018, data from the Benchmark Surveys shows. Between 1988 and 1994, ownership fell 14.4 percentage points, from 72.1% in 1988 to 57.7% by 1994.

“Given that only now has the point been reached where the number of employed physicians exceeds the number of owner physicians, caution should be taken in assuming current trends will continue indefinitely,” says the PRP, written by Carol K. Kane, PhD, Director of Economic and Health Policy Research at the AMA.

In 2018, 10% of physicians were employed in practices that are entirely owned by other physicians, also called private practice. In total, and including the practice owners and the physician employees and independent contractors who work for them, more than half of physicians—54% in 2018—worked

in practices that are entirely owned by physicians, according to the PRP. That number is down from 2012, when the share stood at 60.1%. But the numbers indicate the downward trend has been slowing because half of the shift occurred in just the first two years of that six-year period.

Read more here.

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