



COLLEGE of AMERICAN
PATHOLOGISTS

Practice Management Networking Community

Five Fascinating Findings from the CAP's 2021 Practice Leader Survey

Moira Larsen, MD, MBA, FCAP
David J. Gross, PhD, Director, CAP Policy Roundtable
Thomas M. Wheeler MD, FCAP, Chair, Policy Roundtable Subcommittee

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Moira P. Larsen, MD, MBA, FCAP

- **Member, Practice Management Committee**
- **Physician Executive Director, MedStar Medical Group- Pathology, MedStar Health**
 - **Previous roles include Hospital employment and Medical Directorship**
 - **Independent Contractor as employee of group, partner, and eventually President and Head of Group**
- **Board certified AP/CP**



Topic for Today's Discussion

- What are the most important demographic and economic data on pathology practices?
- What is the status of the job market for pathologists?
- How does this data differ by practice setting?
- How have these data changed over time?

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Basic “Ground Rules”

- Respect for diversity of participants
- Respect for privacy of confidential/privileged information
 - Do not share sensitive information deemed confidential or that reflect specific competitive strategies, trade secrets, market positions, etc.

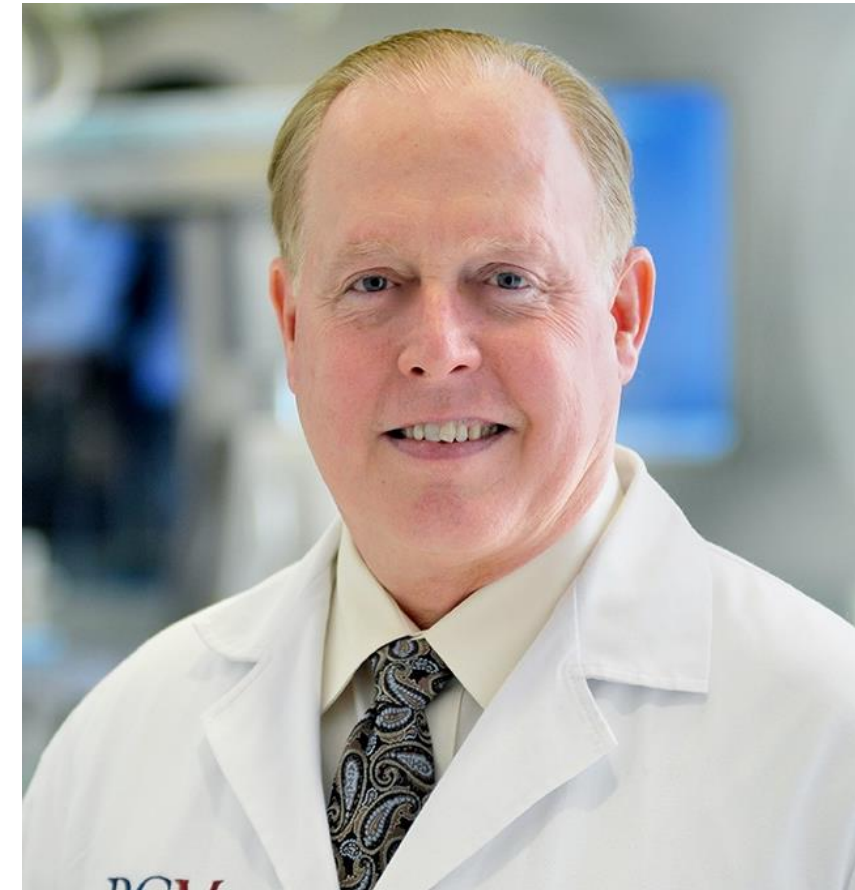
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Thomas M. Wheeler MD, FCAP, Chair, Policy Roundtable Subcommittee

- **Chair, Policy Roundtable Subcommittee**
- **Head of Surgical Pathology, Sagis Diagnostics, Houston TX**
- **Distinguished Professor Emeritus, Pathology & Immunology, Baylor College of Medicine**
- **Board certified AP/CP and Cytopathology**



David J. Gross, PhD, Director, CAP Policy Roundtable

Director, CAP Policy Roundtable

- The CAP Policy Roundtable, founded in 2011, provides timely, well-researched, and objective policy analysis to advance the specialty and/or address changes in the health care system that affect pathology and pathologists' ability to provide benefits to patients.
- The Policy Roundtable produces the CAP's Practice Leader Survey, Practice Characteristics Survey, various COVID-related economic surveys, and other publications and articles related to the economics of pathology practice.





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Polling Question 1

Which best describes your current position?

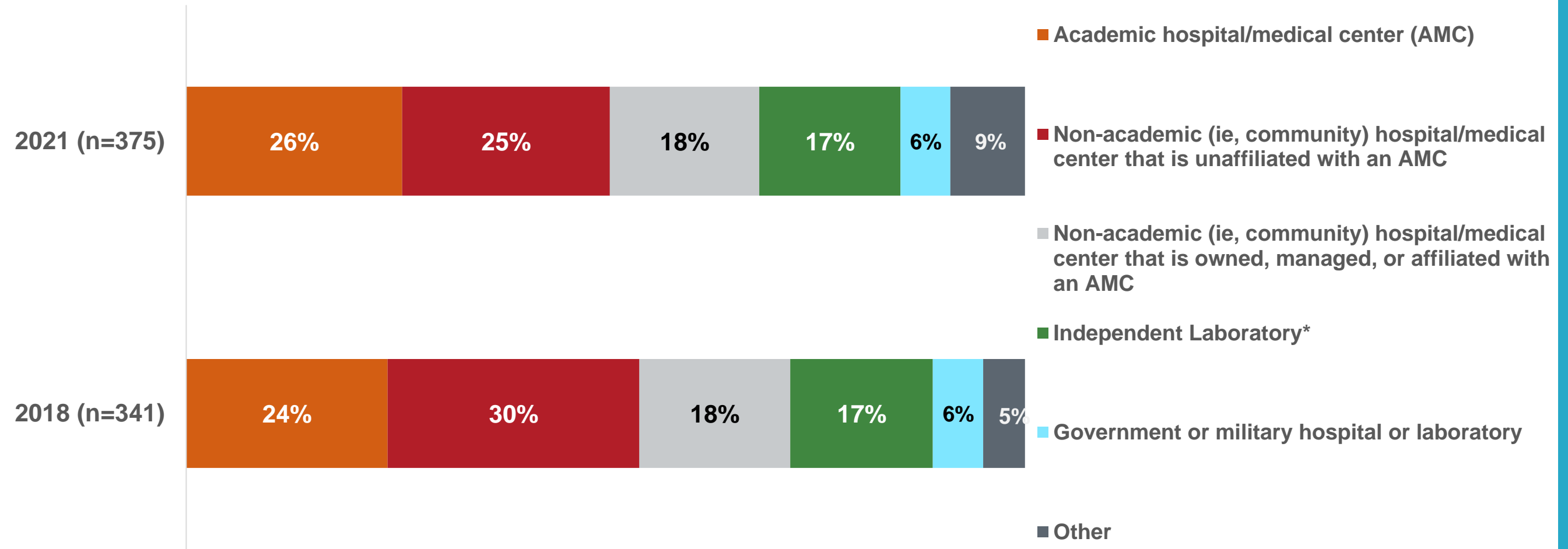
- a. Pathologist/Practice Leader (Chair/President/CEO, etc.)
- b. Pathologist/not a Practice Leader
- c. Practice Manager (not a pathologist)
- d. Business Manager
- e. Other

Polling Question 2

Which best describes your practice's setting?

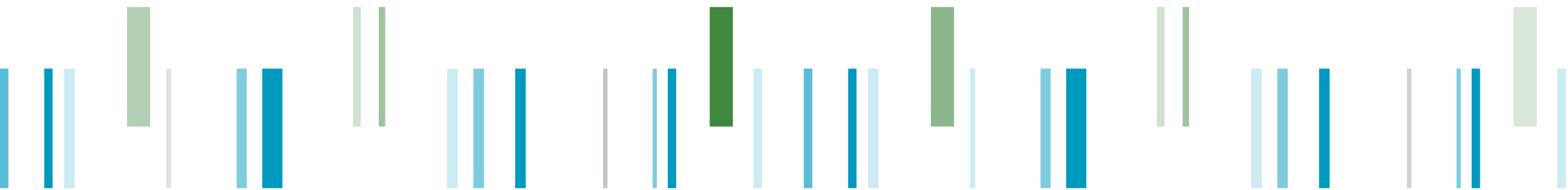
- a. Academic medical center
- b. Non-academic hospital owned by, managed by, or affiliated with an academic medical center
- c. Non-academic hospital that is not affiliated with an academic medical center
- d. Independent laboratory
- e. Government owned laboratory (not DoD or VA)
- f. Central laboratory
- g. Forensic laboratory/Autopsy center
- h. VA or DoD hospital
- i. Other

Practice setting distribution for survey respondents is similar to the 2018 PL survey



***Independent Laboratory = Stand alone laboratories, reference laboratories, and specialized laboratories**

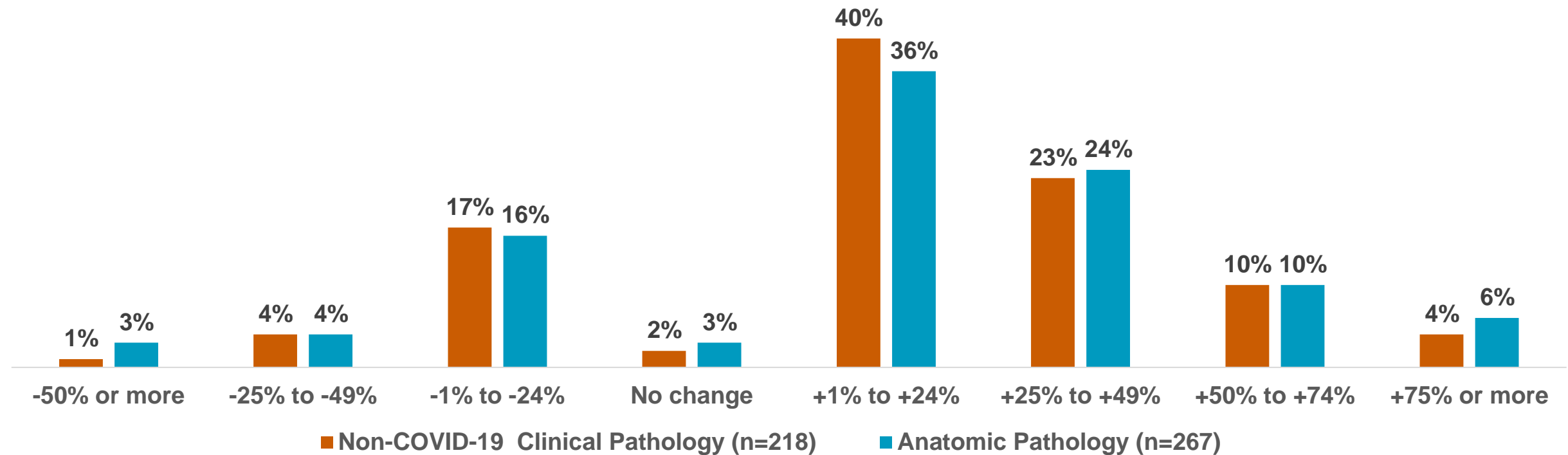
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FASCINATING FINDING 1:
Practice testing volume
continues to increase from early
COVID-19 levels

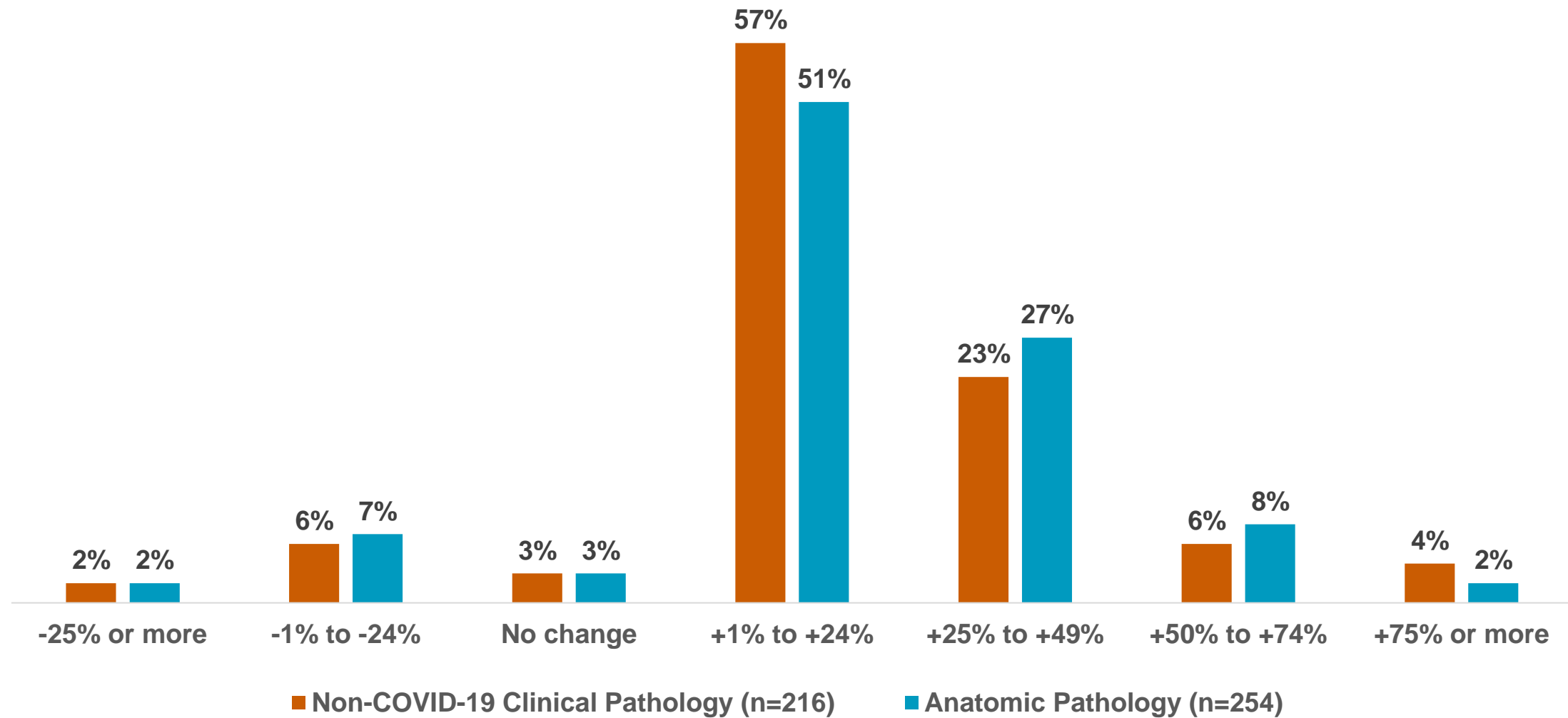
CP and AP volume have increased substantially in 2021 compared to 2020

Q12 Using your best estimate, how has the volume of (non-COVID-19) clinical pathology and anatomic pathology changed between the first five months of calendar year 2021 and the same period in calendar year 2020 for your practice?



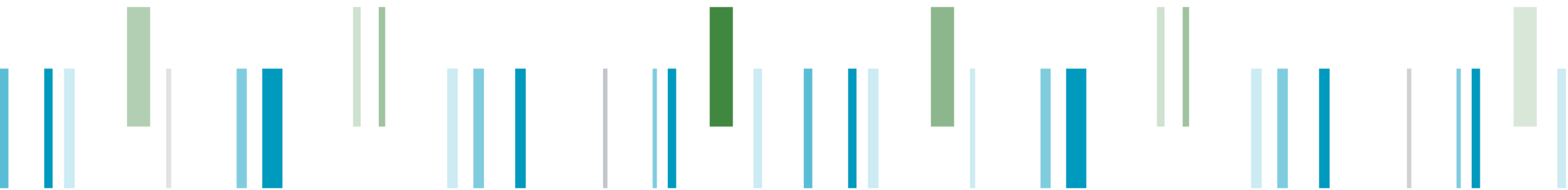
About 90% of practice leaders expect total 2021 testing volume to exceed 2020 levels

Q13 Using your best estimate, how much do you expect the volume of clinical pathology and anatomic pathology to change in your practice from calendar year 2020 to calendar year 2021 for your practice?



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**FASCINATING FINDING 2:
Data suggests evidence of
practice consolidation**

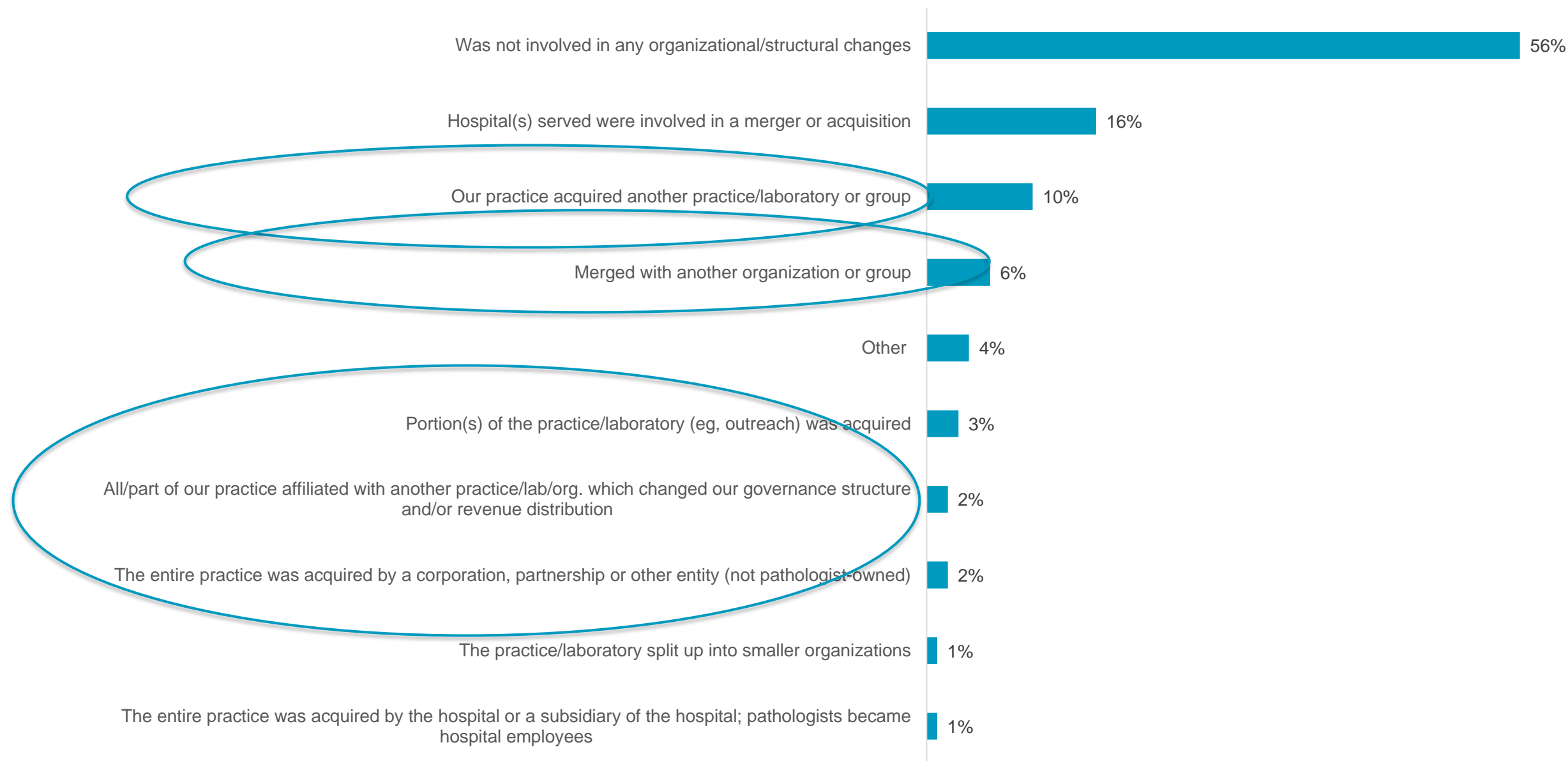
Results suggests a substantial decrease in the share of smaller practice; increase in larger practices

of FTE Pathologists in the Practice at the End of the Prior Year, 2016, 2018, and 2021 Practice Leader Surveys

Number of FTE Pathologists per Practice	2021	2018	2016
	(n=337)	(n=243)	(n=217)
0.4-1.9	14%	14%	17%
2 – 5.9	30%	43%	35%
6 – 10.9	19%	18%	22%
11 – 25.9	21%	14%	17%
26 – 50	11%	5%	7%
Over 50	5%	6%	2%

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19% of practices were involved in some kind of merger or acquisition in the last two years

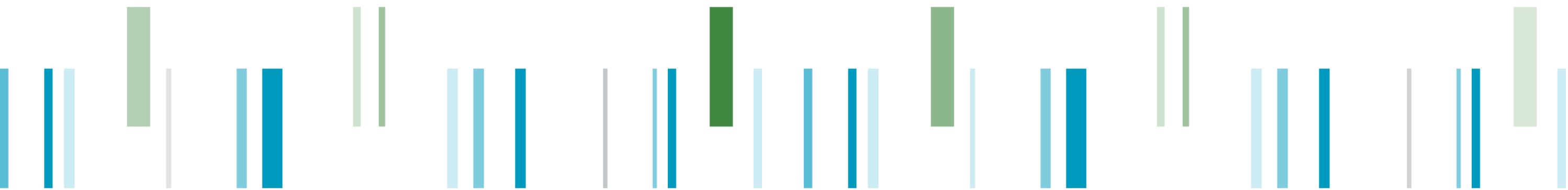


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Polling Question 3

Please complete this sentence: In the last two years, the percent of pathology practices that were owned by pathologists:

- a. Increased
- b. Decreased
- c. Pretty much stayed the same



FASCINATING FINDING 3:
Data reveal a mixed message on
pathologist ownership of
practices

The share of practices owned by pathologists is virtually unchanged from 2018

Q4 - Which of the following best describes the ownership structure of your primary practice setting?

	Practice Setting	
	ALL SETTINGS	
	2021	2018
	n=371	n=319
Pathologist-owned practice	40%	38%
Hospital-owned/health system-owned	39%	34%
Corporate-owned (other than a pathologist-owned corporation)	14%	15%
Clinician-owned multi-specialty practice	2%	3%
Other	4%	11%

It looks like there has been little change in practice ownership by pathologists since 2018.

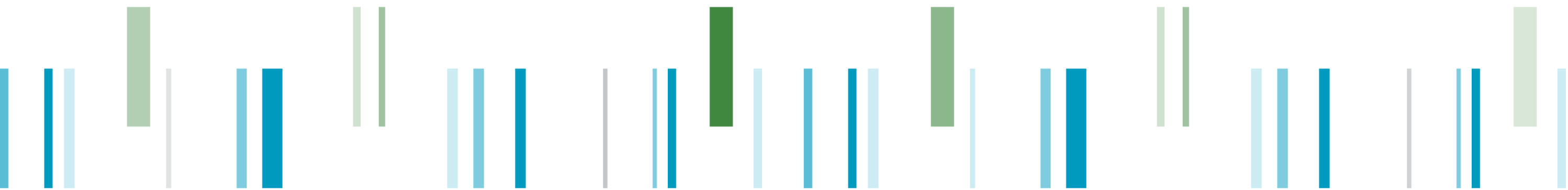
But....

The share of practices owned by pathologists is virtually unchanged from 2018

Q4 - Which of the following best describes the ownership structure of your primary practice setting?

	Practice Setting									
	ALL SETTINGS		Academic medical center (AMC)		Non-academic hospital owned, managed, or affiliated with an AMC		Non-academic hospital unaffiliated with an AMC		Independent Laboratory	
	2021	2018	2021	2018	2021	2018	2021	2018	2021	2018
	n=371	n=319	n=98	n=82	n=66	n=60	n=91	n=101	n=62	n=59
Pathologist-owned practice	40%	38%	6%	13%	52%	40%	69%	56%	56%	41%
Hospital-owned/health system-owned	39%	34%	84%	60%	38%	40%	18%	32%	2%	0%
Corporate-owned (other than a pathologist-owned corporation)	14%	15%	6%	12%	8%	10%	10%	10%	35%	36%
Clinician-owned multi-specialty practice	2%	3%	3%	2%	2%	3%	2%	1%	2%	7%
Other	4%	11%	1%	12%	2%	7%	1%	1%	5%	15%

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**FASCINATING FINDING 4:
Consolidation among hospitals
and physician clients is also
affecting pathology practices**

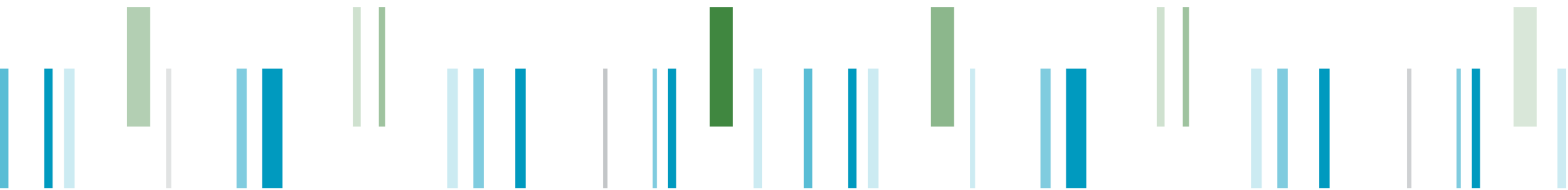
Consolidation of other entities has adversely affected practices

Q37 - Within the last two years, which of the following changes have occurred and if they have, what was the financial impact:	Occurred in the last two years		Impact on my practice			
	n	%	Negative impact	No impact	Positive Impact	Unsure
Physician clients have been acquired by a corporation or a health care system (n=271)	88	36%	52%	23%	19%	6%
Outreach clients (ie, surgery centers, physician offices) have moved their laboratory services in-house (n=269)	59	25%	75%	5%	19%	2%
One or more hospitals to which we provide services has had a structural change (eg, merged with another hospital, became part of an integrated health system, opted to bring its laboratory in-house) (n=269)	65	28%	52%	26%	19%	3%
A client (ie, physician office, surgery center, hospital laboratory) formed a relationship with a national or regional laboratory (eg, a joint venture; management agreement, direct purchase or lease) (n=270)	59	24%	88%	5%	5%	2%
A contracted hospital or independent laboratory closed (n=267)	21	9%	76%	0%	19%	5%

Polling Question 4

Which statement is best supported by the survey data?

- a. Fewer practices are hiring pathologists than three years ago
- b. Some practices are hiring more pathologists than three years ago, but those are mostly academic-based practices
- c. Practices in nearly all settings are hiring more pathologists than three years ago



FASCINATING FINDING 5:
The pathologist job market even stronger than in recent years

Job market for pathologists in 2021

- **56% of practice leaders say that they expect to hire at least one pathologist in 2021**
- **This represents a continuing upward trend from our prior Practice Leader Surveys, which asked about hiring in 2015 and 2017**

	2021 (n=282)	2017 (n=256)	2015 (n=215)
% of practices hiring pathologists	56%	52%	43%
# of practices hiring pathologists	157	135	92
Mean # of FTE pathologists being hired per practice	2.5	2.5	2.3

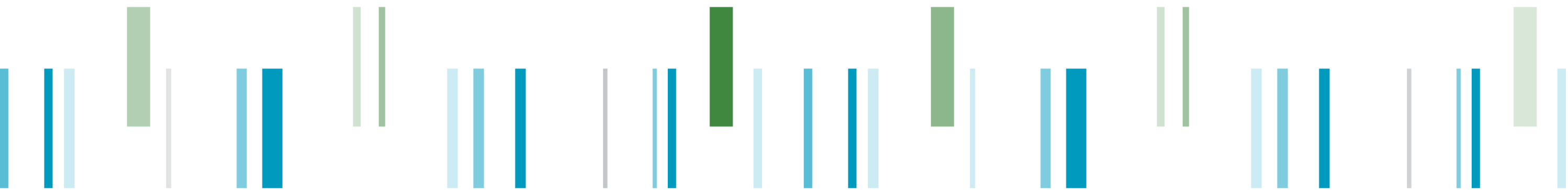
For most settings, the share of practices hiring pathologists has risen since 2017—often substantially

Setting	Count (n)	% hiring pathologists in 2021	% hiring pathologists in 2017	Mean # of FTEs (among those hiring)
Academic medical center (AMC)	62	82%	72%	3.6
Non-academic hospital affiliated with an AMC	54	63%	40%	2.2
Non-academic hospital unaffiliated with an AMC	75	37%	30%	1.4
Independent laboratory	57	53%	33%	1.8
Other settings	40	43%	64%	2.3

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Hiring expectation in next three years

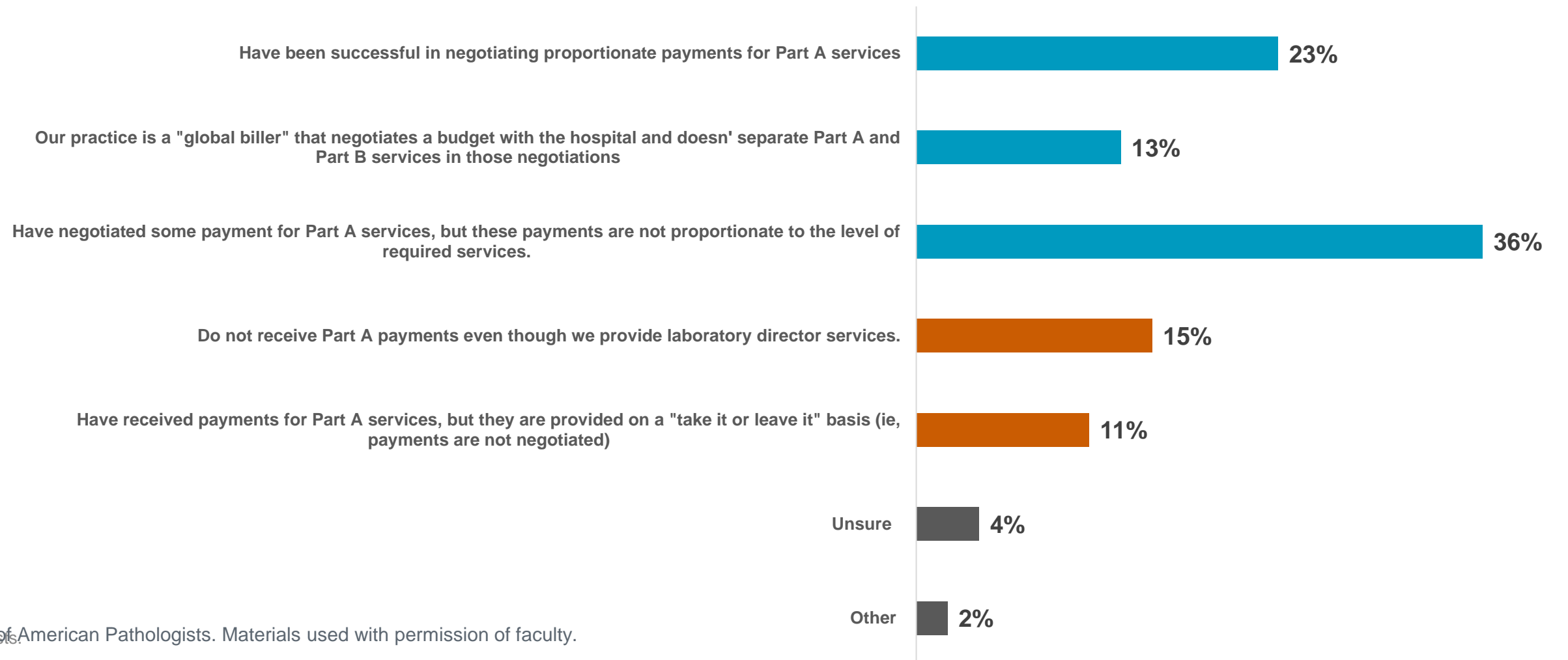
	2021 (n=245)	2017 (n=218)
Positions expect your practice to hire over next three years (FTEs)	451.9	298
% of respondents that expect to hire at least one pathologist in next three years	70%	66%
% of these positions that are to replace retirees	54%	69%
Number of positions per responding practice	1.8	1.4



**BONUS - FASCINATING FINDING 6:
A sampling of other data informing
advocacy issues**

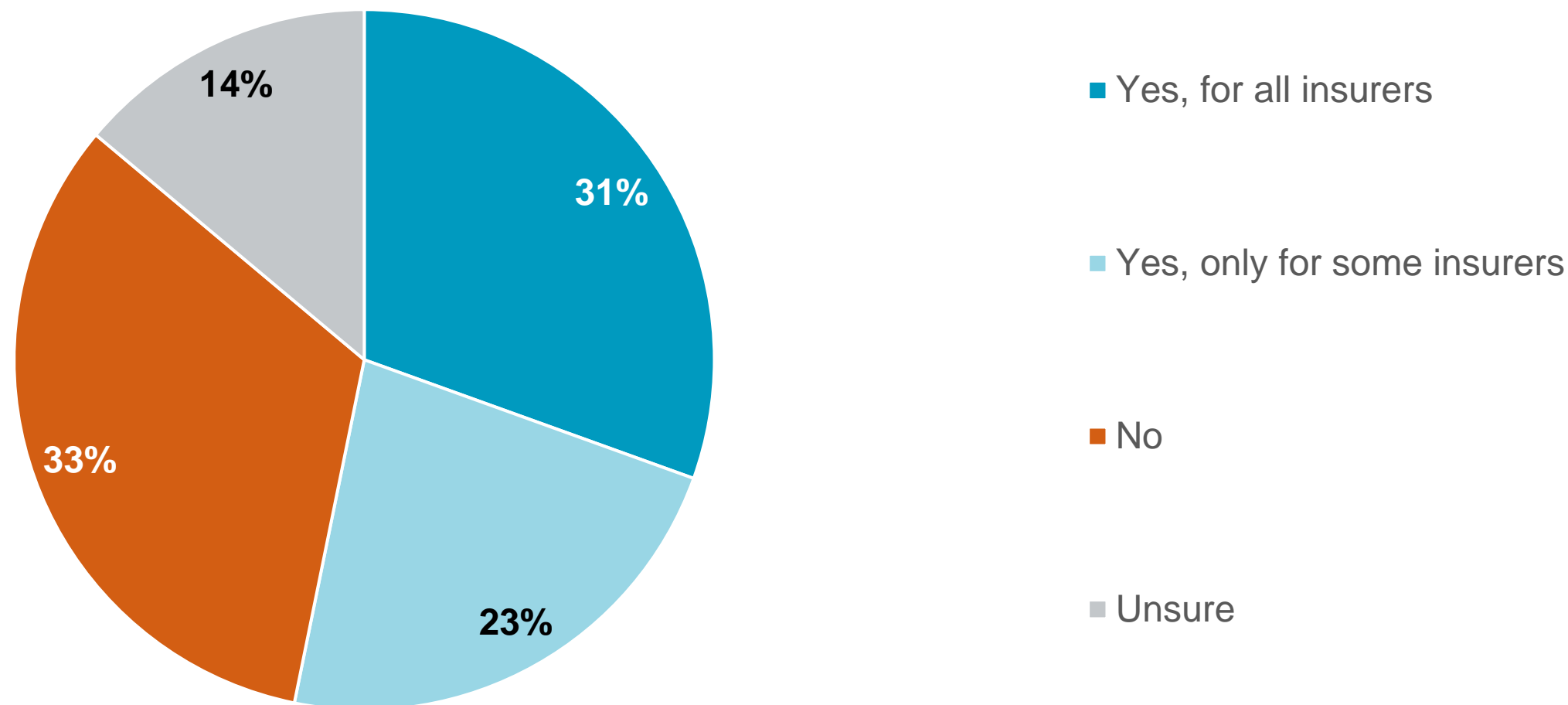
~ 1/4 of practices do not receive Part A payments for laboratory services provided or do not get to negotiate their Part A payments

Q25 - For Part A services provided to Medicare recipients, which of the following best describes your practice's current experience at one or more of your contracted hospitals? (Choose all that apply) (n=189)



At least 54% of practices bill for PC of CP for all or some insurers

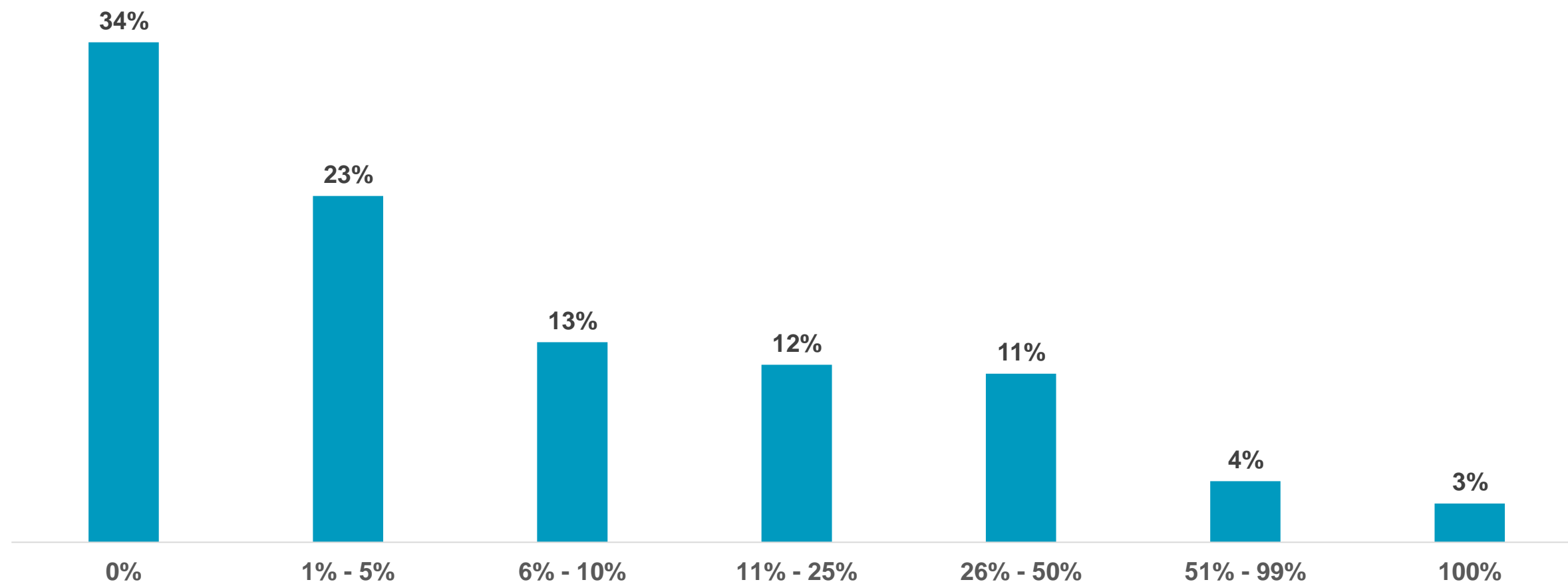
Does your practice directly bill insurers other than Medicare for the professional component of clinical pathology (PC of CP) services? (n=295)



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PC of CP accounted for $\leq 10\%$ of 2020 practice revenues for more about two-thirds of respondents

Approximately what percent of your practice's 2020 total revenues came from payments for the professional component of clinical pathology services? (n=194)



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Open Discussion

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- **CAP Value-Based Business Toolkits**
 - Information: <https://www.cap.org/member-resources/practice-management/value-based-business-toolkits>

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Next steps

- Next session
 - January 11, 2022 – 2nd Tuesday of the month
- Two requests
 - Please complete survey
 - Consider volunteering to lead a future session and share your experience



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