



PAI-Avalere Report on Physician Employment Trends and Practice Acquisitions in 2019-20: Key Research Findings

National Physician Employment Trends

48,400 additional physicians left independent practice and became employees of hospitals or other corporate entities, and 22,700 of that growth occurred *after* the onset of Covid-19 (a 12% increase in employment).

- 18,600 additional physicians became *hospital* employees – 11,400 of that growth occurred *after* the onset of Covid-19 (5% increase in hospital employment).
- 29,800 additional physicians became employees of *corporate entities* – 11,300 of that growth occurred *after* the onset of Covid-19 (a **31%** increase in corporate-employed physicians).

By the end of 2020, seven in 10 physicians were employed by hospitals, health systems or corporate entities such as private equity firms or health insurers.

National Medical Practice Acquisitions and Ownership Trends

Hospitals and other corporate entities acquired 20,900 additional physician practices over the two-year period (a 25% increase).

- *Hospitals* acquired 3,200 additional physician practices over the two-year period, resulting in an **8%** increase in hospital-owned practices.
- *Corporate entities* acquired 17,700 additional physician practices over the two-year period, resulting in a **32%** increase in corporate-owned practices.

Regional Physician Employment and Practice Acquisitions Trends

All regions of the country experienced continued growth in physician employment and practice acquisitions throughout the two-year study period that accelerated in the last half of 2020, suggesting a country-wide Covid-19 impact.

- The percentage of hospital or corporate-owned practices increased between **20% and 29%**.
- The percentage of hospital or corporate-employed physicians increased between **9% and 15%**.
- Acquisitions by *corporate entities* grew between **44% and 59%**.
- *Corporate* employment of physicians increased between **19% and 40%**.
- The *Midwest* leads other regions in *hospital* employment at just over **60%**.
- The *South* has the highest percentage of corporate-employed physicians at more than **23%** and experienced the biggest increase in corporate-employment with more than **40%** growth.