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## Exploring the Economic Impact of COVID-19 on Physician Practices

Announcer:

You're listening to Perspectives with the AMA on ReachMD, produced in partnership with the American Medical Association.

Here's your host, Dr. Matt Birnholz.

Dr. Birnholz:

The economic impact of the COVID-19 pandemic on healthcare settings continues to manifest through reductions in patient volume and revenue along with higher practice costs, but to what extent are these impacts being seen, and among how many practices nationwide? Those are some of the details coming out of a recent survey just released by the American Medical Association, and the results are not to be missed.

Welcome to *Perspectives with the AMA* on ReachMD. I'm Dr. Matt Birnholz, and joining me to walk through the findings of this survey and what they mean for health policy moving forward is Dr. Susan R. Bailey, President of the American Medical Association.

Dr. Bailey, welcome to the program.

Dr. Bailey:

Thanks for having me.

Dr. Birnholz:

Great to have you with us. So, before we dive into the results, Dr. Bailey, why did the AMA decide to conduct this survey?

Dr. Bailey:

Since the start of the COVID-19 pandemic, we know that physician practices have faced and adapted to a number of challenges, some of which you just mentioned, but definitely, the number of patients visiting their physicians in person dropped dramatically at the start of the pandemic, and many practices began to rely more heavily on telehealth to see patients. Some practices received federal financial assistance, and I'll go into more details on each of these points, but the key issue at hand remains that, as the pandemic stretches on, the viability of physician practices continues to be under threat. So that's why we conducted the survey, to determine the precise impact of COVID-19 across physician practices, which is necessary to identify the key changes needed in health policy to preserve our healthcare system and, most importantly, patient access to care.

Dr. Birnholz:

Yeah, Dr. Bailey, absolutely critical, and that precision is so important for us to get a better bead on this situation as we've seen it play out as a narrative on our side as well. But what about the survey mechanics themselves? How many physicians did you survey, and when did you conduct it?

Dr. Bailey:

We started in mid-July and surveyed through August of 2020. We surveyed a sample of 3,500 physicians drawn from a global research panel, and the sample was drawn to match the physician population by age, gender, specialty, census division. The physicians that we surveyed had to meet the following criteria. They had to provide at least 20 hours of patient care per week prior to the pandemic, they had to be working in the US, not employed by the Federal Government, and had finished their residency training. And we asked them 40 different questions. It was a web-based survey.

Dr. Birnholz:

So, with that background in mind, Dr. Bailey, let's move in on the survey results. What were some of the key findings?

Dr. Bailey:

Well, the most striking finding is that over 80% of physicians surveyed said that practice revenue was still lower at the end of the summer than it was in February when the pandemic began, and the average drop in revenue was over 30%, so, for most practices, particularly small practices, that is a big deal.

Dr. Birnholz:

Yeah, absolutely a big deal and really sobering findings to put it lightly. But as I understand it, telehealth coverage and payment were both expanded during the pandemic. So, did that help practices make up ground and be able to see more patients?

Dr. Bailey:

Yes, and the AMA strongly advocated for this, but even with the expansion of telehealth, it didn't make up for the reduced in-person patient visits. It's kept some of us going. My own practice went from 0–100% telemedicine in less than a week last March, but in the summer, over 80% of physicians were still providing fewer in-person visits than they did before the pandemic. And when telehealth was being used the most during the pandemic, weekly telehealth visits were almost 5 times higher than they were before the pandemic—no surprise—and at the time of the survey in the summer, weekly telehealth visits were still almost 3 times higher. In fact, 68% of physicians were using telehealth on a weekly basis in the summer compared to only 20% before the pandemic, and many of us now have a hybrid of in-person and virtual office visits. That seems to be maintaining things. But despite this increase in the use of telehealth, almost 70% of physicians were still providing fewer total visits, so that's including both in person and telehealth together, at the time of the survey than they were pre-pandemic. So, yes, telehealth did help practices in being able to see patients, but it did not increase patient volume to pre-pandemic levels. Practices are still seeing markedly fewer patients in the summer than pre-pandemic. The average total number of visits fell from 101 to 72 visits per week.

Dr. Birnholz:

For those just joining us, you're listening to *Perspectives with the AMA* on ReachMD. I'm Dr. Matt Birnholz, and today I'm speaking with the President of the American Medical Association, Dr. Susan R. Bailey, about the AMA's recent survey examining the economic tolls of COVID-19 to physician practices.

Dr. Birnholz:

So, Dr. Bailey, let's come back to this survey from another angle which factors in on the increased use and associated cost was personal protective equipment, or PPE. What did your survey find out about that?

Dr. Bailey:

Oh, such an important issue. Of course, new safety recommendations require the use of more PPE in seeing patients, and of course, that's a significant expense. Spending on PPE was up at least 75% in the summer from pre-pandemic levels for a quarter of practice owners, and PPE is still hard to get, especially for smaller practices that just don't have the purchasing power or the vendor relationships to compete with larger health systems in the marketplace. Over a third of physicians, 36%, said that acquiring PPE was very or extremely difficult, even in the summer, and the difficulties were more acute for smaller practices and those that were physician-owned. Now, my own single-specialty practice, we had 1 box of N95 masks, 10 masks, that were left over from the H1N1 pandemic 10 years ago, and we weren't able to obtain any more masks for weeks, and many small practices in my state are still depending on their county medical societies and state medical associations to get them PPE.

Dr. Birnholz:

Yeah, that's a highly familiar story, Dr. Bailey, coming out of your own practice that I'm sure many of our listeners heard and thought "That sounds an awful lot like what I experienced back in March and April in my practice," if not even today. It's a situation that is not only difficult to sustain; it might be unsustainable over time. But why don't we weigh these various costs against the financial relief measures that came into play from the Federal Government about a month or 2 after the start of the pandemic? Did that relief help practices at all?

Dr. Bailey:

Oh yes. Between the Coronavirus Aid Relief and Economic Security, or the CARES Act, that passed Congress with overwhelming bipartisan support, which was signed into law by the President at the end of March, as well as the Small Business Administration Paycheck Protection Program, which came along in April, there was significant federal financial assistance available to practices, and it was very much appreciated. The vast majority of practice owners said that these programs, which also included the Medicare accelerated Advanced Payment Program, were very or extremely helpful, but the core revenue issues these programs were intended to address still remain: decreased patient volume.

Dr. Birnholz:

So, what I hear you saying is, Dr. Bailey, these programs were helpful but not enough, and maybe nowhere near enough in some cases.

Meanwhile, the pandemic continues to slow down practices both in terms of decreased revenue and increased costs. So, with all that in mind, Dr. Bailey, my last question to you is, what is your organization advocating for now to help practices get through this?

Dr. Bailey:

Well, while those initial relief programs we discussed were helpful to the practices that applied, it appears that the road to recovery, especially for smaller physician-owned practices, is still going to be very difficult. More economic relief is really needed. The patient numbers have not returned to baseline, as we've discussed, and I'm aware of physicians in my community who don't think they'll be able to revive their practices and are closing up and retiring early. Economic studies have repeatedly shown in the past that a single physician practice generates revenue to a community, and a large percentage of everyday, needed medical care is given by these small practices, so it's a medical, it's an economic and an emotional loss to a community whenever a practice has to close.

Now, one example of economic relief that's been provided since the spring is that there have been helpful revisions to the Medicare Accelerated and Advance Payments Program. The AMA successfully advocated for these changes, which include postponing the recoupment of disbursed funds, reducing the per-claim recoupment amount, as well as lowering the interest rate, so the AMA is continuing to work with Congress for additional COVID-19 relief. We need more funding for the HHS Public Health Emergency Fund, we need more money for the Paycheck Protection Program for small businesses, and we need to extend relief from the Medicare sequester and Medicare payment cuts which were planned to offset improved payments for office visits services through at least next year, through 2021. And in addition, The AMA Specialty Society RVS Update Committee and National Specialty Societies have developed a code, which has been proved by the CPT editorial panel, that will help physicians get payment for additional supply costs associated with caring for patients during the COVID-19 public health emergency. The AMA is committed to science- and evidence-based treatment and prevention for COVID-19 patients and will continue working with all appropriate federal agencies and distributing the most accurate information available.

Dr. Birnholz:

Well, Dr. Bailey, I could honestly keep you here for another hour, but based on the insights from this survey, I think there is a fair amount of work to be done yet ahead, and I look forward to hearing the updates from your corner and the corner of the AMA. So, with those thoughts in mind, I very much want to thank AMA President, Dr. Susan R. Bailey, for walking us through the AMA's recent survey on the economic impacts of COVID-19 on physician practices.

Dr. Bailey, it was great having you on the program. Thanks so much.

Dr. Bailey:

Thank you for having me.

Announcer:

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