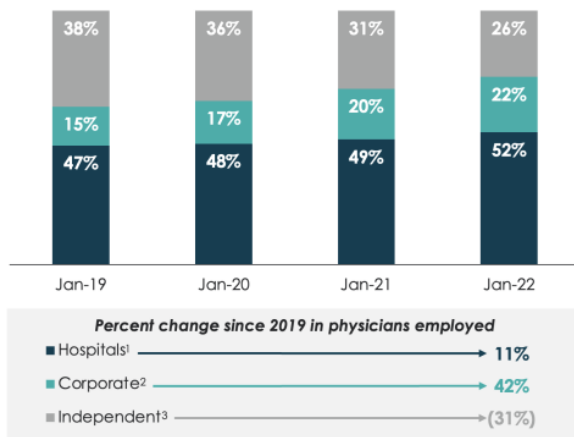


Non-hospital physician employment rose sharply during pandemic

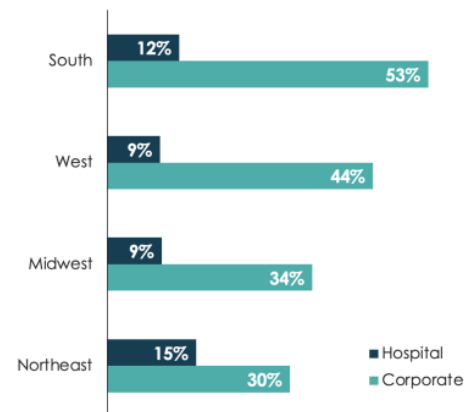
While hospitals, payers, and private equity firms have long been competing to acquire independent physician groups, **the COVID pandemic spurred a marked acceleration of the physician employment trend, with non-hospital corporate entities leading the charge.** The graphic below uses [data](#) released by consulting firm Avalere Health and the nonprofit Physicians Advocacy Institute to show that **nearly three quarters of American physicians were employed by a larger entity as of January 2022**, up from 62 percent just three years prior. **While hospitals employ a majority of those physicians**, corporate entities (a group that includes payers, private equity groups, and non-provider umbrella organizations) have been increasing their physician rolls at a much faster rate. **Corporate entities employed over 40 percent more physicians in 2022 than in 2019**, and in the southern part of the country—a hotspot for growth of Medicare Advantage—corporate physician employment grew by over 50 percent. We expect the move away from private practice, accelerated by the pandemic, will only continue as physicians seek financial returns, secure a path to retirement, and look to access capital for necessary investments to help grow and manage the increasing complexities of running a practice.

Nearly Three Quarters of Physicians Now Employed, Driven by Spike in Non-Hospital Corporate Employment Corporate Employment Arrangements Grew Especially Quickly in the South and West Regions

Percentage of US Physicians by Employment Arrangement



Percentage Increase in Physician Employment, by Region and Type of Employer, Jan. 2019-2022



1. Parent organization is an integrated delivery network (IDN), which must include at least one acute care hospital and one non-acute entity.
 2. Parent organization is not an IDN; category includes insurers, private equity firms, and umbrella corporate entities owning multiple physician groups.
 3. No external parent corporate organization.

Source: Physicians Advocacy Institute. "COVID-19's Impact On Acquisitions of Physician Practices and Physician Employment 2019-2021". Apr. 2022. Gist Healthcare analysis.