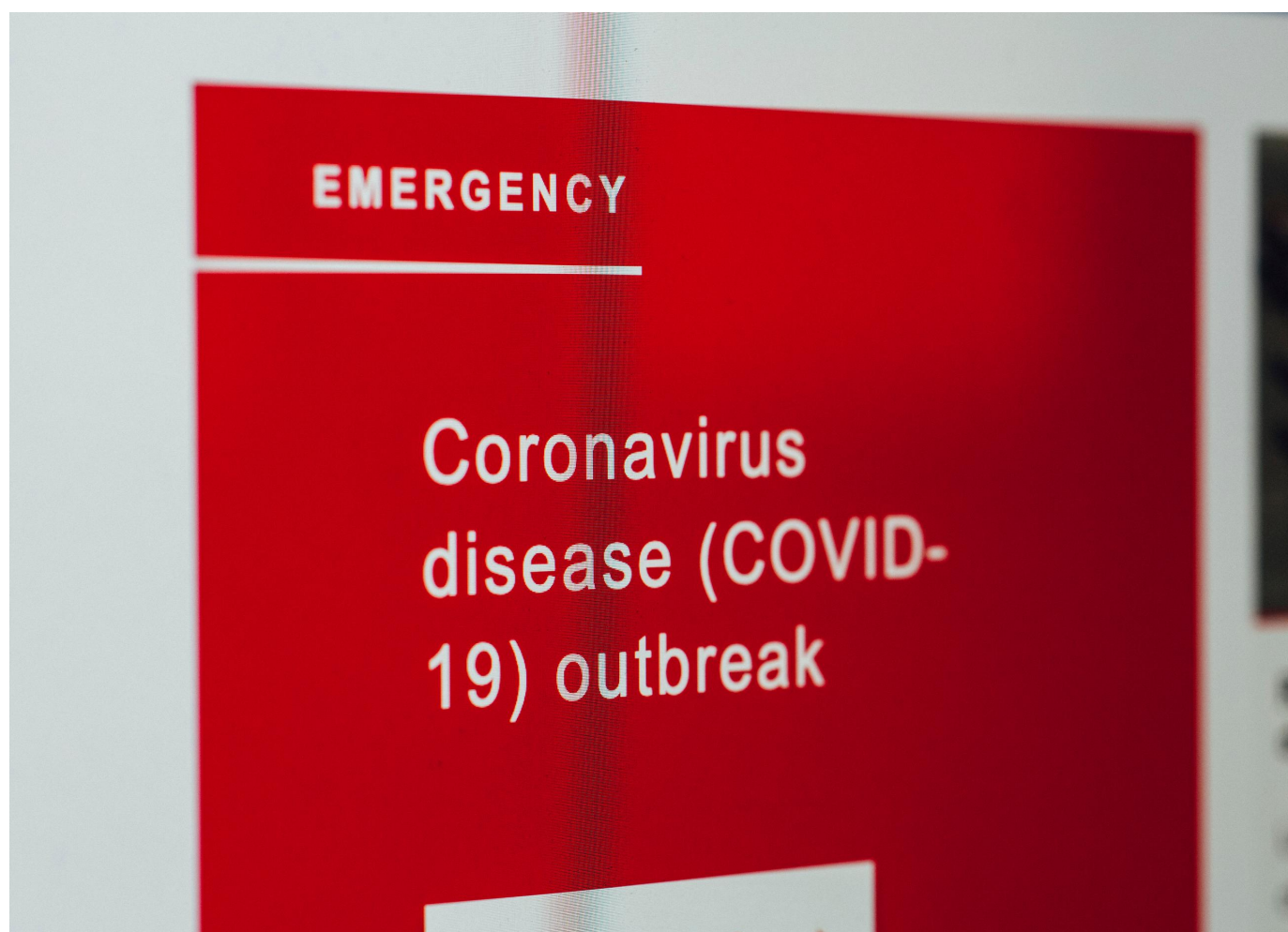


SURVEY REPORT

COVID-19 IMPACT ON ALABAMA MEDICAL PRACTICES

CONDUCTED SPRING/SUMMER 2020



Protecting Patients. Promoting Physicians.

A WORD FROM OUR PRESIDENT

In a span of just a few months, the coronavirus pandemic has changed the way we function as a society and has fundamentally altered our healthcare delivery system. It has exacerbated weaknesses in the infrastructure of health care and exposed limitations in current policies at a time when costs are rising and access to care is dwindling.

Whether in a hospital, surgery center, or in the clinic, COVID-19 has drastically changed the care we as physicians provide care for our patients.



This pandemic has also made telehealth more important than ever, enabling access to care to patients whose needs can be met remotely. While telemedicine has saved lives, helped reduce the spread of the virus, and enabled physicians to care for patients in a time when they might have otherwise been unable to, it is not a "silver bullet" for health systems and should not be viewed as a total replacement for in-person care.

Still, the expansion of telemedicine during this time has been a valuable tool for patients and physicians alike. As illustrated by this survey report, the steep declines in patient volume and subsequent reductions in practice revenues has left many practices struggling to keep their doors open; the threat of closing a practice has become a reality for many and now endangers businesses, jobs, and the communities they serve.

We cannot allow this virus to decimate our already strained healthcare system. Supporting those who care for us is needed now more than ever.

A handwritten signature in black ink, appearing to read "John S. Meigs, Jr.", written in a cursive style.

John S. Meigs, Jr. M.D.

President of the Medical Association

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The Medical Association of the State of Alabama is the professional association for some 7,000 physicians of all specialties in Alabama. The Association exists to serve, lead, and unite physicians in promoting the highest quality of health care for the people of Alabama through advocacy, information, and education.

To better assess the impact of COVID-19 on the delivery of medical care to patients as well as the health of medical practices the Medical Association of the State Alabama, alongside the American Medical Association, conducted a survey of Alabama medical practices. Those findings are presented here, along with specific policy proposals.

PRE-COVID PHYSICIAN ECONOMIC IMPACT

101K

Total Jobs Supported

Each Alabama physician supports an avg. of 11.7 jobs in their community.

\$16.7B

Total Economic Output

Each Alabama physician produces an avg. of \$1.9 million in economic output.

\$7.3B

Total Wages & Benefits

Each Alabama physician supports an avg. of \$839,103 in wages and benefits.

\$565M

Total Tax Revenue

Each Alabama physician provides an avg. of \$64,816 in tax revenue annually.

1. **More than 70%** of respondents said COVID-19 has had a severe impact on their practice finances.

70%

**SEVERELY IMPACTED
BY COVID-19**

2. **Nearly 60%** said lack of patient volume reduced their practice revenues by at least 50%.

59%

**PRACTICE REVENUE
CUT IN HALF**

3. **More than 71%** are concerned about the potential liability from lack of PPE and cancelled or delayed procedures.

71%

**CONCERNED ABOUT
LIABILITY & LAWSUITS**

4. **More than 71%** are likely to continue telemedicine if payment parity remains in effect.

71%

**REIMBURSEMENT KEY
TO TELEMEDICINE**

In order for businesses and medical practices to remain open, they must have - and maintain - an adequate amount of personal protective equipment (PPE) and cleaning supplies. Additionally, access to reagents and swabs is a major factor to improving current turnaround times for test results.

Resolving these supply chain issues is critical to not only protecting employees and the public when entering businesses, but also to ensure Alabamians do not continue to postpone medical care, routine treatments, and vaccinations.



81%

Say adequate medical supplies and PPE is a significant barrier to remaining open

68%

Say they need PPE and cleaning supplies more than any other medical resource right now

"The current supply chain for PPE and other medical equipment is horrible and is jeopardizing the welfare and safety of our staff and our patients."

PEDIATRICIAN IN SELMA

COVID-19 has had a profound impact on medical practices. Prior to the pandemic, profit margins for practices were shrinking, and the current situation is only making this worse. In fact, 35% of practices believe they might only last 3 months at current revenue levels.

Despite these dire circumstances, practices statewide adapted to ensure patients could still get the care they needed by investing heavily in telehealth platforms, redesigning office layouts, and updating cleaning and safety protocols, all at significant expense.



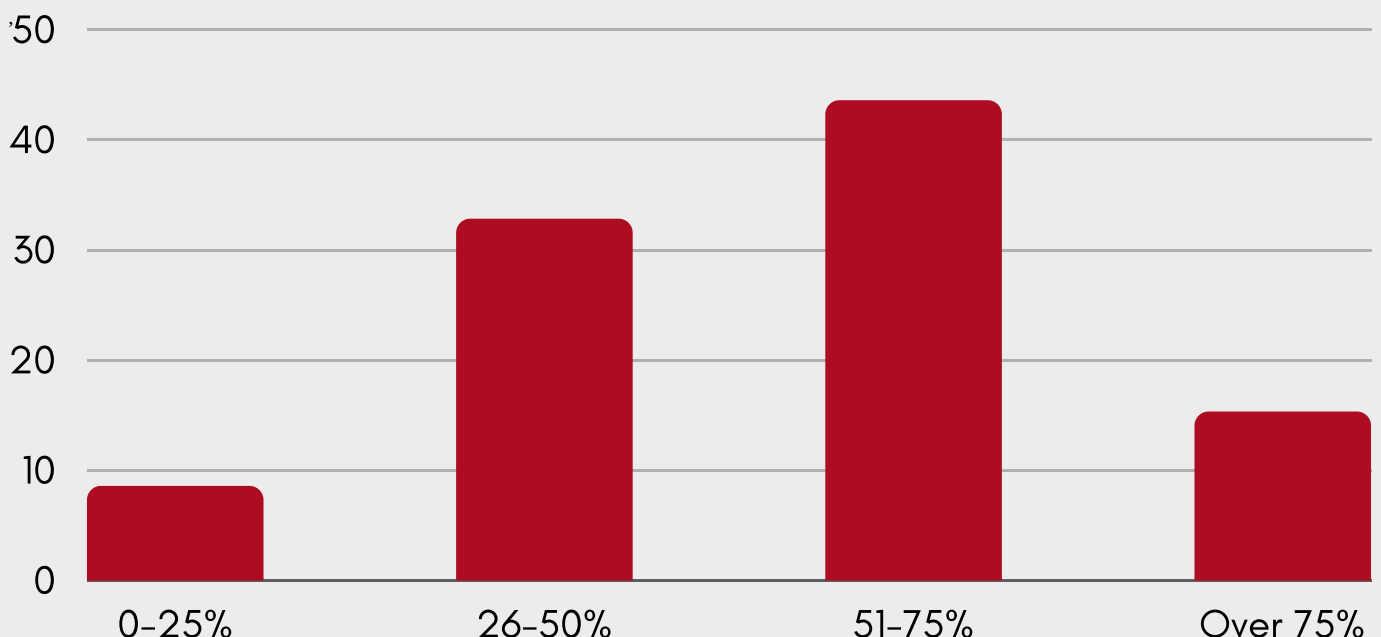
\$12,833

**Less Revenue.
More Expenses.**

On top of declines in revenue, practices have also incurred an average of \$12,833 in expenses for PPE, cleaning supplies, or tablets or laptops.

PERCENT OF REVENUE DECLINE

Due to the dramatic decline of in-person visits and elective procedures, nearly 60% reported a decrease in revenue by 50%.



80% Concerned about the financial viability of their practice.

36% Experienced staff layoffs or furloughs with revenue decline.

79% Continued to remain open for patients despite challenges.

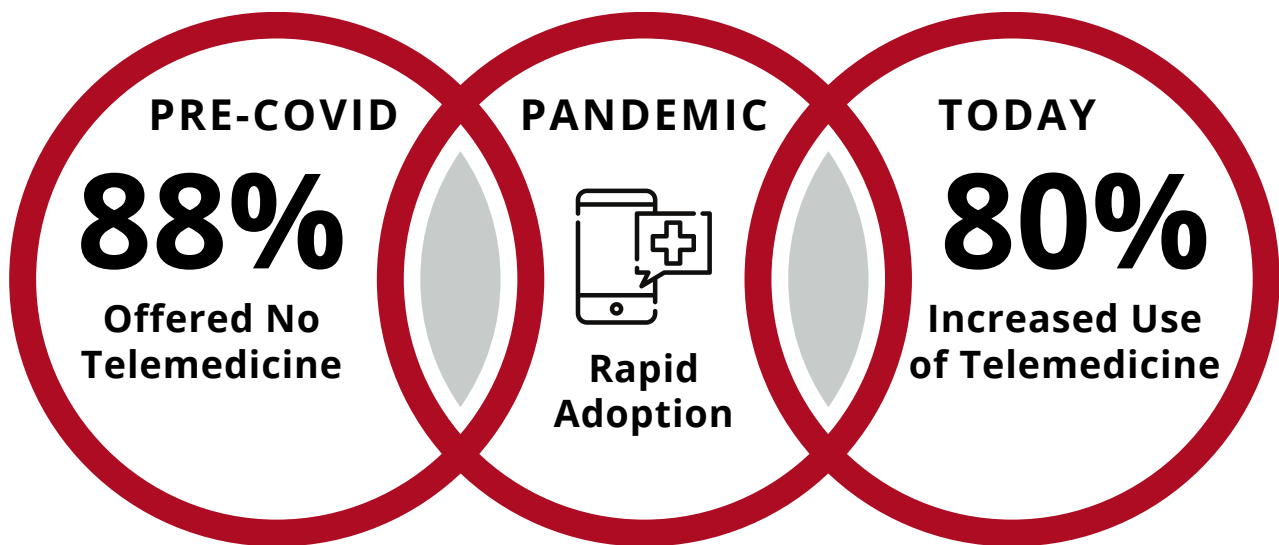
"Physician practices have been hit hard due to patient volume declines, cost of additional PPE, and staff concerns for possible infection even when taking precautions. Indeed, this is a difficult time for health practices and financial markets."

FAMILY PHYSICIAN IN
MONTGOMERY

"Currently, we are only seeing a quarter to half of our usual load. While I do my best to keep my patients and staff safe, I don't want to see my practice fail. I have been in private practice for 22 years now and these are the leanest times I have ever seen."

OB-GYN IN MOBILE

Significantly driving the rapid adoption of telemedicine statewide was the drastic expansion of services previously not covered by public and private payors. For telemedicine to become a permanent offering in Alabama healthcare, medical practices say that reimbursement at parity rates and access to reliable internet are vital to ensure their continued utilization of this technology.



71%

would likely continue utilizing telemedicine service if reimbursement rates remain unchanged.

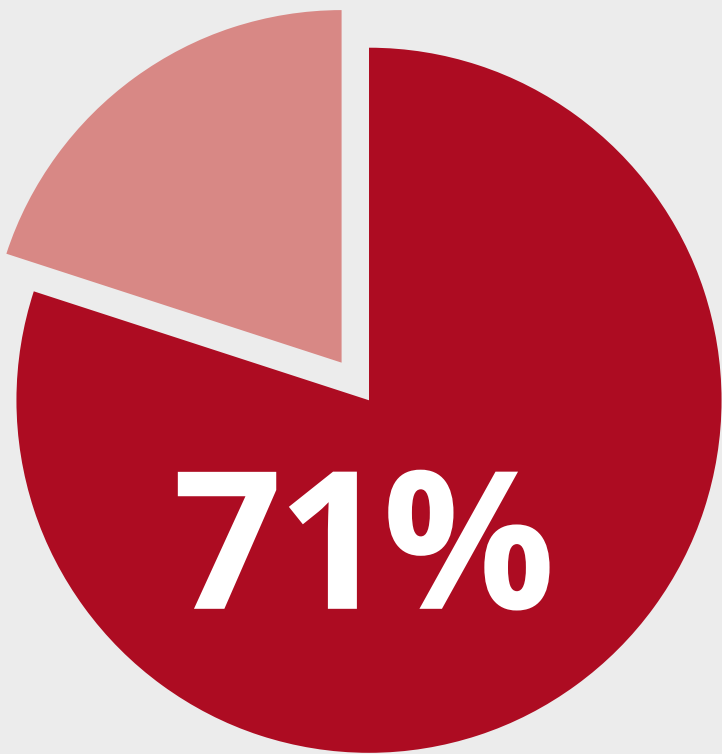
"Telemedicine allowed us to continue providing care while the office was completely closed. Reimbursement parity and more capabilities are very important as we move forward."

FAMILY PHYSICIAN IN HOUSTON COUNTY

"My biggest concern is that insurance payors in this state (BCBS, Viva, Medicaid) will abandon telehealth this summer. We cannot go back to that antiquated way of doing medicine."

ALLERGY & ASTHMA PHYSICIAN IN BHAM

Lack of PPE, medical supplies, and the ability to conduct widespread testing, combined with prohibiting elective procedures, not only hurt revenues, they also delayed care for many patients. These circumstances were far beyond the control of physicians, nurses and other allied health personnel but could nonetheless lead to negative outcomes for some patients. Not surprisingly, medical practices' concerns over potential litigation stemming from the pandemic is high.



**Significant
Concern Over
the Potential
Lawsuits &
Liability Arising
from COVID-19**

More than 71% of physicians are concerned about their potential liability from lack of PPE and cancelled or delayed procedures.

PUBLIC HEALTH PRIORITIES

While COVID-19 has drastically changed our daily routines, there are less visibly apparent impacts to individual mental and physical health we may not fully grasp yet as a society that - the longer the pandemic continues - the worse these underlying issues may become. Moving forward, Alabamians' exercising personal responsibility on an individual basis will collectively be the single-most effective COVID-19 mitigation tool in our arsenal. If we all do our part, we can help return our lives to some semblance of "normal" sooner - and save lives in the process.

To expedite a return to "normal" for Alabamians as soon as possible, the Medical Association recommends:

01 DON'T NEGLECT ROUTINE MEDICAL CARE

Absent advice from their physician to the contrary, people should keep scheduled appointments and medical visits to ensure their health is appropriately managed and new conditions are identified early.

02 DON'T NEGLECT MENTAL HEALTH

Access to mental health is a crisis in and of itself, and the pandemic has increased thoughts of anxiety, hopelessness, depression and suicide. Like physical health, mental health should not be ignored.

03 EXERCISE PERSONAL RESPONSIBILITY

Practice social distancing, avoid large gatherings, wash your hands regularly, and wear face coverings in public to protect you and your neighbor.

PUBLIC POLICY PROPOSALS

Medical practices are keystone businesses to this state and uniquely improve both the health and economies of the communities they serve. Medical practices and their employees have continued to care for patients, with some taking great personal risk to do so. Still, many practices continue to struggle financially, ultimately putting patients at risk of losing a trusted relationship with their physician and communities at risk of losing their vital partner.

To ensure Alabama medical practices have the ability to weather this pandemic and keep their doors open, the Medical Association recommends:

01 FUNDING FOR COVID EXPENSES

Creation of a simple process for practices to be reimbursed for COVID-19 related expenses. Medical practices purchased equipment and supplies to remain open and should not be asked to shoulder these extraordinary expenses alone.

02 EXPAND PPE & TESTING AVAILABILITY

The limited supply and inflated prices of PPE and testing supplies has stymied our response to the pandemic. To remain open, current supply chain problems with PPE, cleaning equipment, and testing supplies must be addressed.

03 ENSURE TELEMEDICINE ACCESS REMAINS

Continued reimbursement of telemedicine services expanded during the pandemic is critical. As is increasing telemedicine access for all Alabamians through broadband expansion.

04 ENACT "SAFE HARBOR" LEGISLATION

"Safe harbor" legislation is necessary to protect medical practices from COVID-related lawsuits beyond their control. Until such legislation is enacted, the State of Emergency should continue in order to maintain the appropriate protections Gov. Ivey put in place via Executive Order.

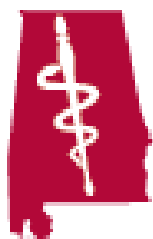
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EMERGENCY

**Coronavirus
disease (COVID-
19) outbreak**



MEDICAL ASSOCIATION
OF THE STATE OF ALABAMA®

Protecting Patients. Promoting Physicians.