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Jessica L. Bailey-Wheaton, Esq., Editor
Todd A. Zigrang MBA, MHA, CVA, ASA, FACHE, Publisher

Valuation of Internal Medicine Services: Introduction

Internal medicine is the largest specialty among active physicians in the U.S., comprising 120,171 physicians of 938,980 total active physicians in the U.S. in 2019.[1] The strain on the healthcare delivery system as a result of the COVID-19 pandemic (and the resulting financial impact on independent practices[2]) and the continued increase in demand for healthcare services by the aging Baby Boomer population, may serve to spur more transactions in this space (related to internal medicine practices as well as internist employment agreements and professional services arrangements). Consequently, an understanding of the reimbursement, regulatory, competitive, and technological environments in which internal medicine providers operate, and the impact of these forces on the value of internal medicine services, is timely. This first installment in a five-part series will introduce the internal medicine specialty.

The discipline of internal medicine focuses on adult care in diagnosis, treating chronic illness, promoting health, and preventing disease.[3] Internists handle a wide range of issues across many organ systems and also are equipped to treat patients dealing with multiple acute, chronic illnesses.[4] Internal medicine physicians can either be designated as a Doctor of Medicine (MD) or Doctor of Osteopathic Medicine (DO). MDs generally practice allopathic medicine, while DOs practice osteopathic medicine.[5] While allopathic medicine is characterized by treatment through traditional, science-based means, osteopathic medicine is focused on holistic care and includes a focus on osteopathic manipulative medicine to bolster natural functions and healing.[6] In fact, the influence of structure on function is one key concept for osteopathic physicians.[7] Besides their philosophies, MDs and DOs also differentiate themselves through training and certification.

All aspiring internists, whether MDs or DOs, take the Medical College Admissions Test (MCAT), spend four years earning their medical degree, complete a residency, and obtain their license from the same state boards.[8] In 2019, there were 26,641 medical school graduates; of these, approximately 25% graduated from osteopathic medical schools.[9] This number has grown in recent years, up from nearly 15% in 2002, the first year that this differentiation between MDs and DOs was tracked.[10] The growing proportion, and sheer number, of students pursuing the DO track exhibits the increasing popularity of this degree.[11]

Following medical school, all internal medicine graduates enter three years of categorical residency training.[12] The training of internal medicine physicians focuses specifically on treatment related to adults, although physicians may decide to also study internal medicine pediatrics to include a wider age range of patients in their practice.[13] Internists are trained in both inpatient and outpatient settings, including at least one year in the hospital and many months in critical care settings.[14] Training programs also typically require training in cardiology, hematology-oncology, and gastroenterology.[15] Graduates may then decide to work in an office or in a hospital, with about 50% of recent internal medicine graduates planning to work in the latter setting.[16]

Once the residency is successfully completed, internists are "board eligible," meaning they are able to become board certified and work in general internal medicine. At this juncture, a physician can choose to practice general internal medicine without obtaining further certification, become board certified and commence practicing medicine, or become board certified and continue on for one to three years of fellowship training in a sub-specialty of internal medicine.[17] Internists can become certified through the American Board of Internal Medicine (ABIM) or through the American Osteopathic Board of Internal Medicine (AOBIM). Both certifications include general internal medicine and subspecialties.[18] Common internal medicine subspecialties include cardiology, endocrinology, gastroenterology, hematology, oncology, infectious diseases, nephrology, pulmonary care, critical care, and rheumatology.[19] More physicians in internal medicine are entering these subspecialties. From 1951 to 1960, only 7% of internal medicine residents chose to enter a subspecialty, but between 2011 and 2015, this proportion had increased dramatically, to 88%.[20]

While not technically considered a subspecialty by either the American College of Physicians or the ACGME, a growing internal medicine career path is that of "hospitalist," i.e., an internist who focuses their practice on care in the hospital setting.[21] As of 2016, more than 50,000 hospitalists were actively practicing in the U.S., most of whom are general internal medicine physicians.[22] The term "hospitalist" was first coined in 1996, and the profession evolved out of a changing and evolving reimbursement landscape, including managed care for

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private insurance and diagnosis-related group (DRG) payments from Medicare.[23] These changes created a need and financial incentive for hospitals to reduce costs while improving or maintaining quality of care and patient satisfaction.[24] As the number of hospitalists began to grow, the evidence became clear that this new specialization within internal medicine could fulfill all of these factors for hospitals.[25] At the same time, the community-based primary care physicians, who had traditionally provided nonprocedural inpatient care in hospitals, began to back out of these roles, especially as care became more complex and financial incentives failed to follow.[26] Evidence for hospitalists' important roles in improving outcomes while reducing the length of stays and costs mounted, and hospitals consequently began to increasingly rely on, and offer incentives to, hospitalists to fill the role of primary care provider for their patients.[27] A large pool of trained general internists eager to move out of office-based primary care internal medicine also fostered quick growth in this sector.[28] By 2016, hospitalist was the largest internal medicine subsector, with approximately 75% of U.S. hospitals employing hospitalists.[29] Further, a 2015 survey found that nearly 50% of recent internal medicine graduates planned to work as hospitalists,[30] indicating that the role of this subsector is likely only to grow with increasing emphasis on value-based reimbursement (VBR) in recent years.[31]

No matter a physician's chosen educational pathway, internal medicine providers are an increasingly important piece of the healthcare system that can help bridge the gap between the supply and demand for healthcare services, especially for the aging Baby Boomer population and the growing number of patients with multiple, complex chronic illnesses.

Future installments in this internal medicine series will discuss: (1) the regulatory environment; (2) the reimbursement environment; (3) the competitive environment; and, (4) the technological environment, in which internal medicine providers operate.

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Todd A. Zigrang, MBA, MHA, CVA, ASA, FACHE, is the President of HEALTH CAPITAL CONSULTANTS (HCC), where he focuses on the areas of valuation and financial analysis for hospitals, physician practices, and other healthcare enterprises. Mr. Zigrang has over 25 years of experience providing valuation, financial, transaction and strategic advisory services nationwide in over 2,000 transactions and joint ventures. Mr. Zigrang is also considered an expert in the field of healthcare compensation for physicians, executives and other professionals.

Mr. Zigrang is the co-author of "*The Adviser's Guide to Healthcare – 2nd Edition*" [2015 – AICPA], numerous chapters in legal treatises and anthologies, and peer-reviewed and industry articles such as: *The Accountant's Business Manual* (AICPA); *Valuing Professional Practices and Licenses* (Aspen Publishers); *Valuation Strategies; Business Appraisal Practice*; and, *NACVA QuickRead*. In addition to his contributions as an author, Mr. Zigrang has served as faculty before professional and trade associations such as the American Society of Appraisers (ASA); American Health Lawyers Associate (AHLA); the American Bar Association (ABA); the National Association of Certified Valuators and Analysts (NACVA); Physician Hospitals of America (PHA); the Institute of Business Appraisers (IBA); the Healthcare Financial Management Association (HFMA); and, the CPA Leadership Institute.

Mr. Zigrang holds a Master of Science in Health Administration (MHA) and a Master of Business Administration (MBA) from the University of Missouri at Columbia. He is a Fellow of the American College of Healthcare Executives (FACHE) and holds the Accredited Senior Appraiser (ASA) designation from the American Society of Appraisers, where he has served as President of the St. Louis Chapter, and is current Chair of the ASA Healthcare Special Interest Group (HSIG).

Jessica L. Bailey-Wheaton, Esq., is Senior Vice President and General Counsel of HCC, where she conducts project management and consulting services related to the impact of both federal and state regulations on healthcare exempt organization transactions, and provides research services necessary to support certified opinions of value related to the Fair Market Value and Commercial Reasonableness of transactions related to healthcare enterprises, assets, and services.

She serves on the editorial boards of NACVA's The Value Examiner and of the American Health Lawyers Association's (AHLA's) Journal of Health & Life Sciences Law. Additionally, she is the current Chair of the American Bar Association's (ABA) Young Lawyers Division (YLD) Health Law Committee and the YLD Liaison for the ABA Health Law Section's Membership Committee. She has previously presented before the ABA, NACVA, and the National Society of Certified Healthcare Business Consultants (NSCHBC).

Ms. Bailey-Wheaton is a member of the Missouri and Illinois Bars and holds a J.D., with a concentration in Health Law, from Saint Louis University School of Law, where she served as Fall Managing Editor for the Journal of Health Law & Policy.

Daniel J. Chen, MSF, CVA, focuses on developing Fair Market Value and Commercial Reasonableness opinions related to healthcare enterprises, assets, and services. In addition he prepares, reviews and analyzes forecasted and pro forma financial statements to determine the most probable future net economic benefit related to healthcare enterprises, assets, and services and applies utilization demand and reimbursement trends to project professional medical revenue streams and ancillary services and technical component (ASTC) revenue streams. Mr. Chen holds the Certified Valuation Analyst (CVA) designation from NACVA.

Janvi R. Shah, MSF, serves as Senior Financial Analyst of HCC. Mrs. Shah holds a M.S. in Finance from Washington University Saint Louis. She develops fair market value and commercial reasonableness opinions related to healthcare enterprises, assets, and services. In addition he prepares, reviews and analyzes forecasted and pro forma financial statements to determine the most probable future net economic benefit related to healthcare enterprises, assets, and services and applies utilization demand and reimbursement trends to project professional medical revenue streams and ancillary services and technical component (ASTC) revenue streams.

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