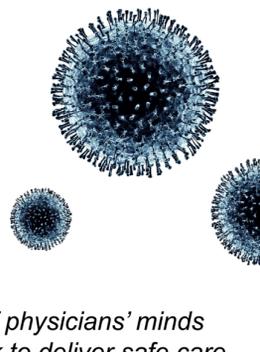


Physicians examine options in a post-COVID-19 era

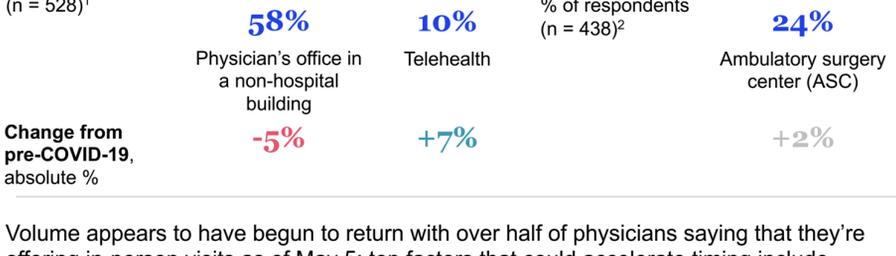
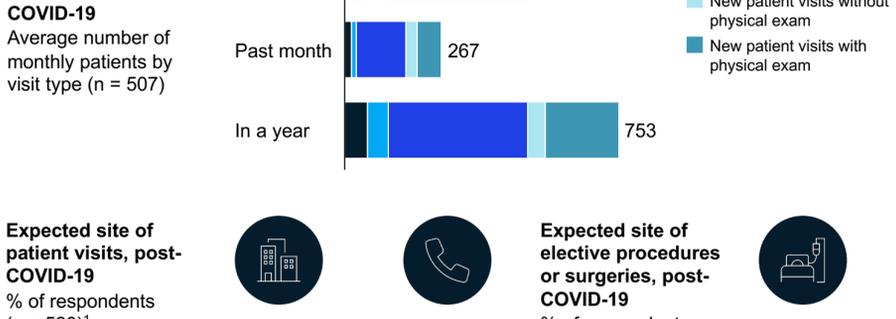
June 12, 2020



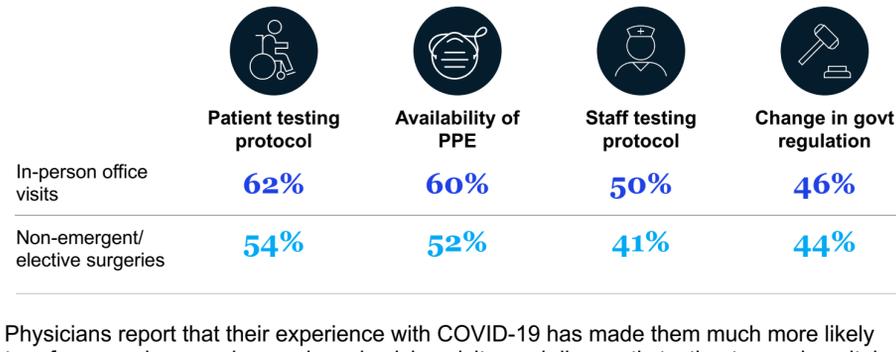
The COVID-19 pandemic continues to be on the forefront of physicians' minds as a humanitarian crisis. As these healthcare providers seek to deliver safe care to patients, they also are examining how to maintain their practices' financial stability. In McKinsey's Physician Survey, conducted in May 2020, physicians said they were now more likely to refer procedures and surgeries, physician visits, and diagnostic testing to non-hospital locations and to shift in-person visits to telehealth. Roughly a fourth of independent physicians say they are now more likely to pursue alignment with a larger organization, preferably another independent physician practice, to obtain financial and operational support. COVID-19 has also increased physicians' feelings of burnout.

Return of volume and shifting sites of care following COVID-19

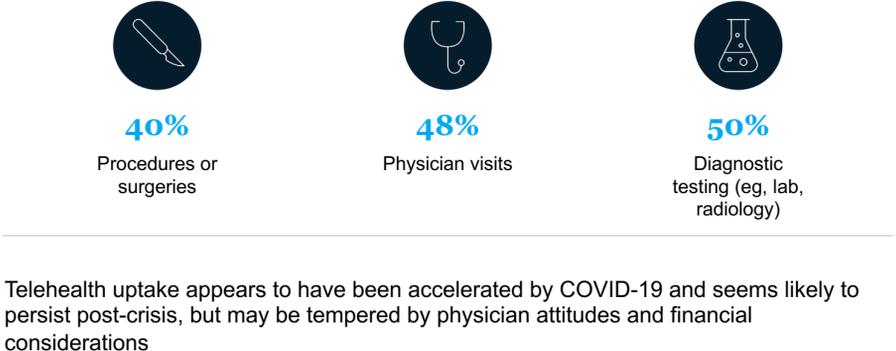
While COVID-19 appeared to dramatically halt elective volume as states shut down, most physicians report expecting to see pre-COVID-19 volumes return within a year to similar sites of care, with the exception of an expected 2X growth in telehealth uptake



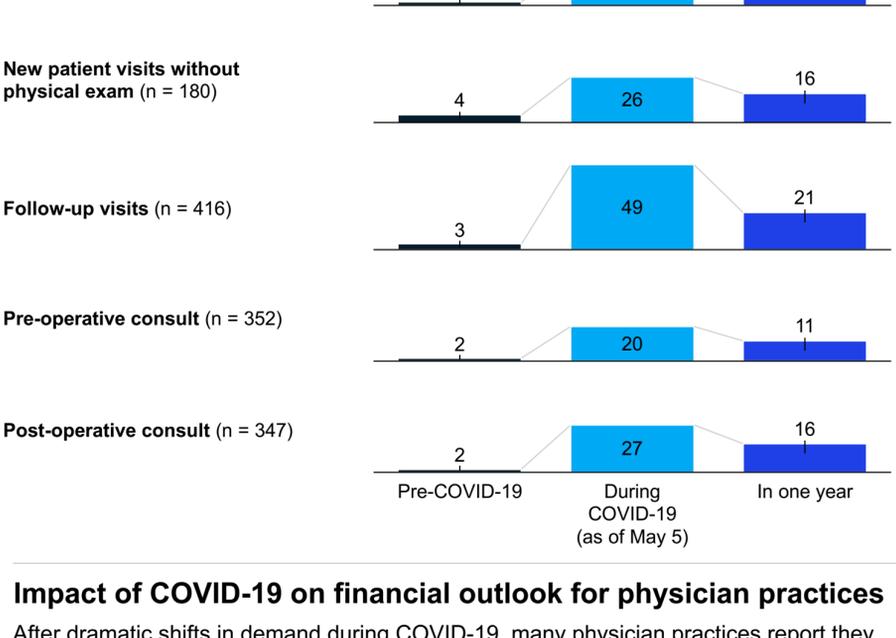
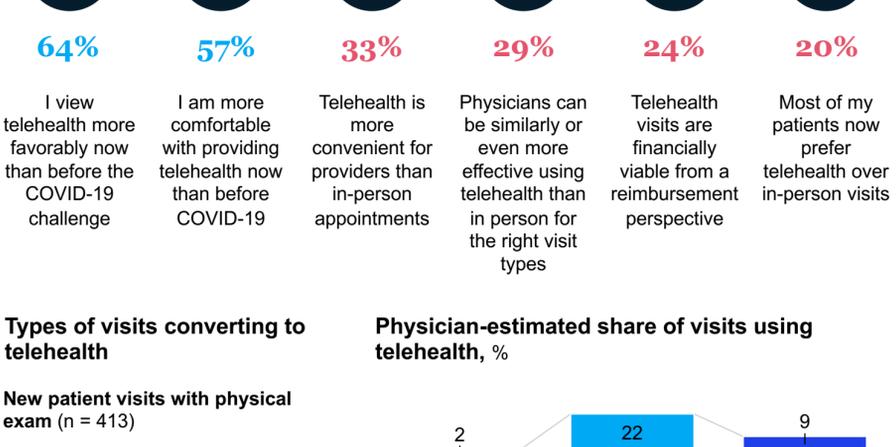
Volume appears to have begun to return with over half of physicians saying that they're offering in-person visits as of May 5; top factors that could accelerate timing include patient testing protocols and the availability of PPE



Physicians report that their experience with COVID-19 has made them much more likely to refer procedures and surgeries, physician visits, and diagnostic testing to non-hospital locations, and to shift in-person visits to telehealth

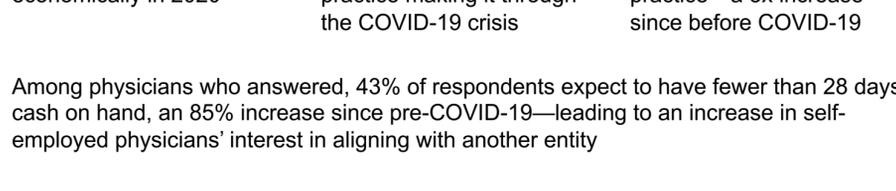


Telehealth uptake appears to have been accelerated by COVID-19 and seems likely to persist post-crisis, but may be tempered by physician attitudes and financial considerations

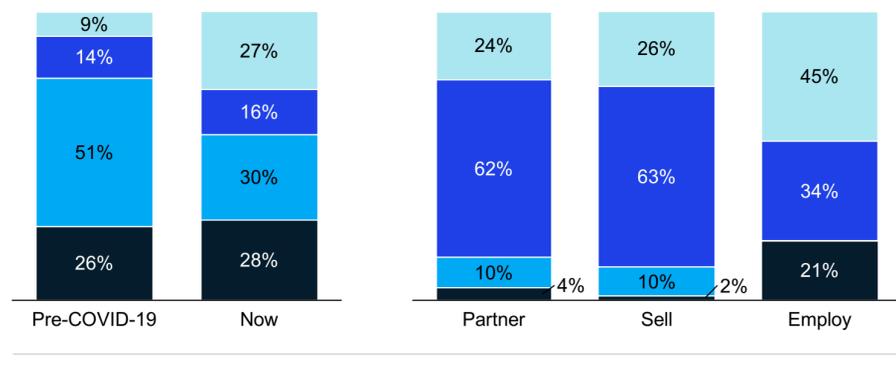


Impact of COVID-19 on financial outlook for physician practices

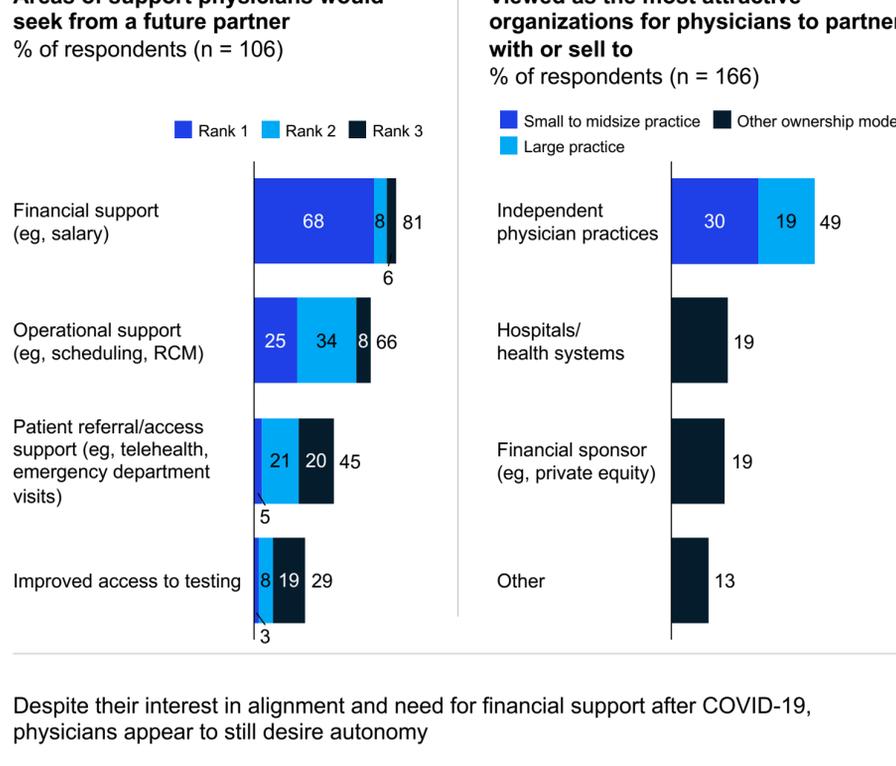
After dramatic shifts in demand during COVID-19, many physician practices report they are struggling financially, which has increased their interest in financial support, partnership, and acquisition



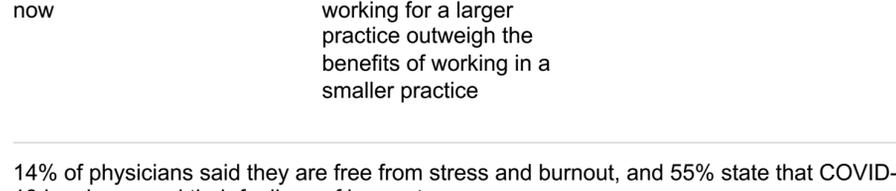
Among physicians who answered, 43% of respondents expect to have fewer than 28 days cash on hand, an 85% increase since pre-COVID-19—leading to an increase in self-employed physicians' interest in aligning with another entity



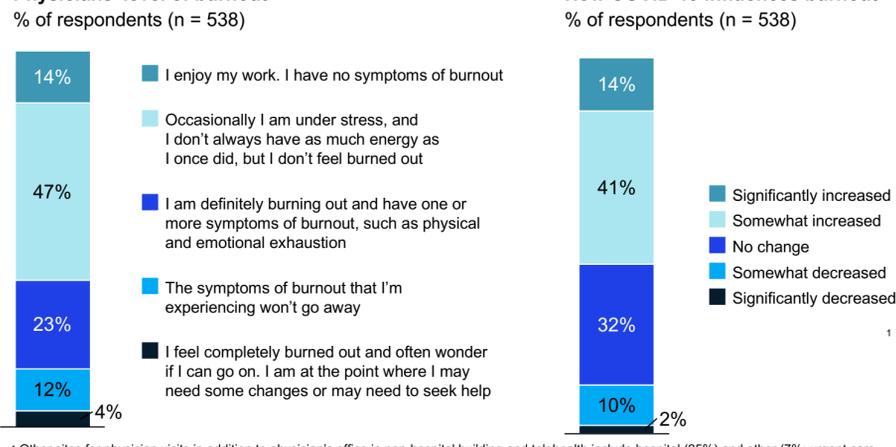
About 25% of independent physicians say they're more likely to pursue a partnership or alignment with a larger organization, primarily for financial stability, with other independent physician practices viewed as the most attractive potential partners by 49% of physicians



Despite their interest in alignment and need for financial support after COVID-19, physicians appear to still desire autonomy



14% of physicians said they are free from stress and burnout, and 55% state that COVID-19 has increased their feelings of burnout



¹ Other sites for physician visits in addition to physician's office in non-hospital building and telehealth include hospital (25%), urgent care center, retail clinic, patient's home). ² Other sites for elective procedures and surgeries in addition to ASCs include hospital (25%), physician's office (38%), other (5%), urgent care center, retail clinic, patient's home).

Source: McKinsey COVID-19 Physician Survey, April 27 to May 5, 2020, n = 538

To understand our clients in understanding the response to COVID-19, McKinsey launched a nationwide online survey to gather insight from US physicians of all non-hospital-based specialties into how COVID-19 is affecting their ability to provide care, financial situation, level of stress, and what support they would be interested in.