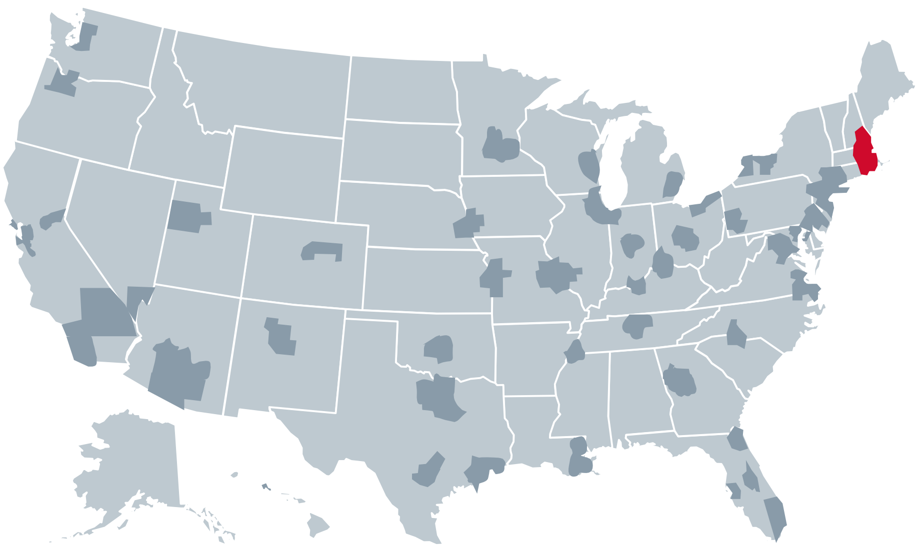
Boston, MA



Counties Covered:

County	State
Windham County	CT
Bristol County	MA
Essex County	MA
Middlesex County	MA
Norfolk County	MA
Plymouth County	MA
Suffolk County	MA
Worcester County	MA
Rockingham County	NH
Strafford County	NH
Bristol County	RI
Kent County	RI
Newport County	RI
Providence County	RI
Washington County	RI

Total Population: 7,433,562

Market Summary

- **Overview**: Considered a leader in health care delivery reform and clinical integration, the Boston-Providence market is home to some of the nation's top hospitals and health systems. Moving into 2019, providers in the Boston area will be prioritizing population health, reducing physician burnout, and incorporating new technologies.
- **Health Systems**: The market is fairly fragmented, with a group of several systems controlling share. These include Partners HealthCare – the dominant system – CareGroup, Steward Health Care System, Lahey Health, Lifespan, and Wellforce.
- **Insurers**: The MassHealth ACOs, which cover over 800,000 patients, are pushing health systems towards population-based care and addressing social determinants of health.
- **Physicians**: The majority of physicians in the market are employed by a large health system. Affiliation plays a huge role in reimbursement, as different systems receive vastly different rates for the same services. Moving into 2019 and beyond, health systems are prioritizing physician wellness and focusing on limiting burnout.
- **Employers**: Massachusetts employers pay some of the highest premiums in the country, and are under pressure from the state to encourage consumer shopping and discourage unnecessary utilization.
- **Population**: The Boston-Providence market boasts the lowest uninsured rate in the nation at 2.8% and an unemployment rate under the national average, at 3.2%.

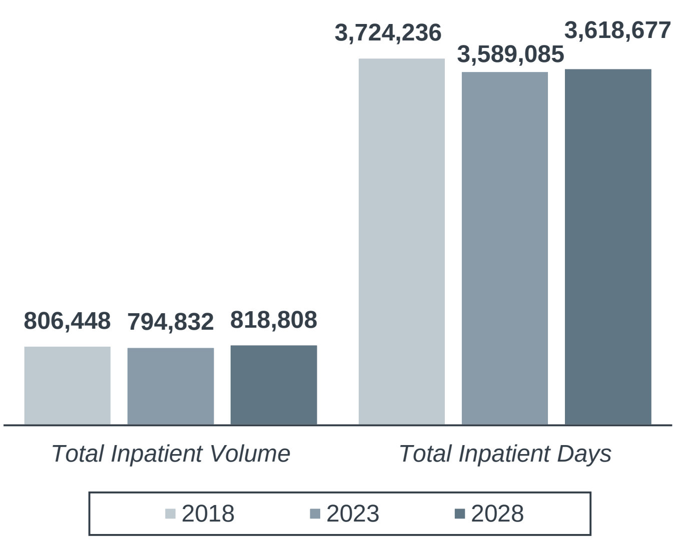
Source: Massachusetts Medical Society, "What's Coming in 2019? Seven Key Practice Trends for Massachusetts," Bissan Biary, December 2018, available at: http://www.massmed.org/News-and-Publications/Vital-Signs/What-s-Coming-in-2019--Seven-Key-Practice-Trends-for-Massachusetts/#.XNmOmI5Kg2w; Massachusetts Health Policy Commission, "2018 Annual Health Care Cost Trends Report," 2019, available at: https://www.mass.gov/files/documents/2019/02/20/2018%20Cost%20Trends%20Report.pdf; Advisory Board research and analysis.

Market Glimpse

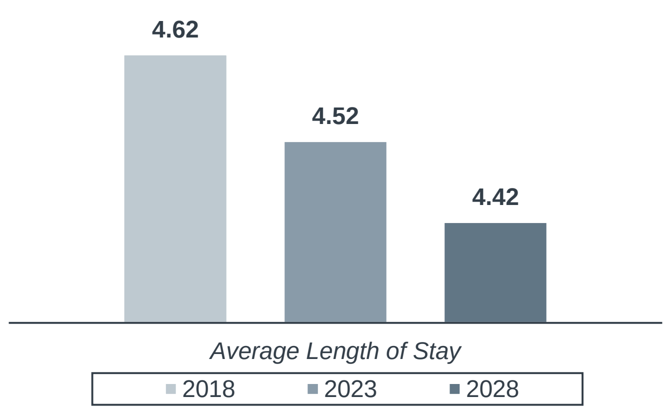
Key Figures

Category	Figure
Acute-Care Hospitals	68
Acute-Care Beds	14,040
Number of Clinicians[1]	31,883
Households Count	2,882,775
Median Age	39
Median Household Income	$84,992
Per Capita Income	$43,404
Patients Who Visited a Doctor in the Past Year	79.4%
Unemployment Rate	3.0%
Uninsured Rate	Low

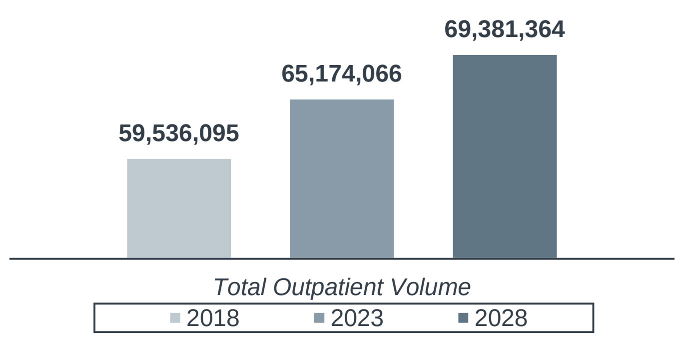
Inpatient Volume and Days



Average Length of Stay



Outpatient Volumes

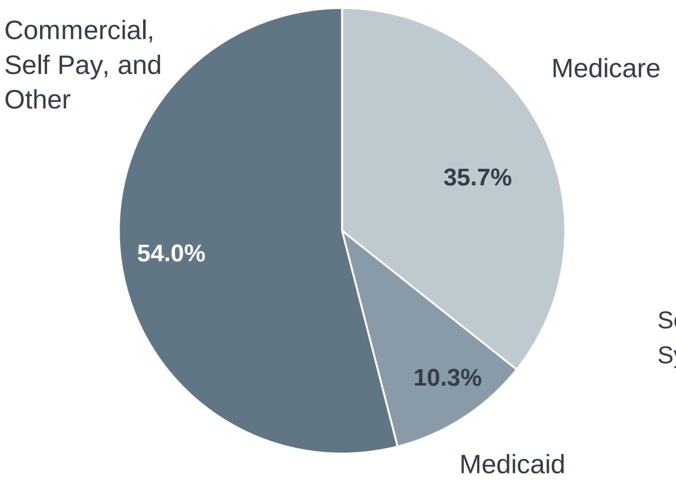


1) Includes primary care physicians, specialists, nurses, advanced practitioners, etc. For a breakdown of clinicians by type, specialty, or sub-specialty, you can use our Clinician Supply Profiler

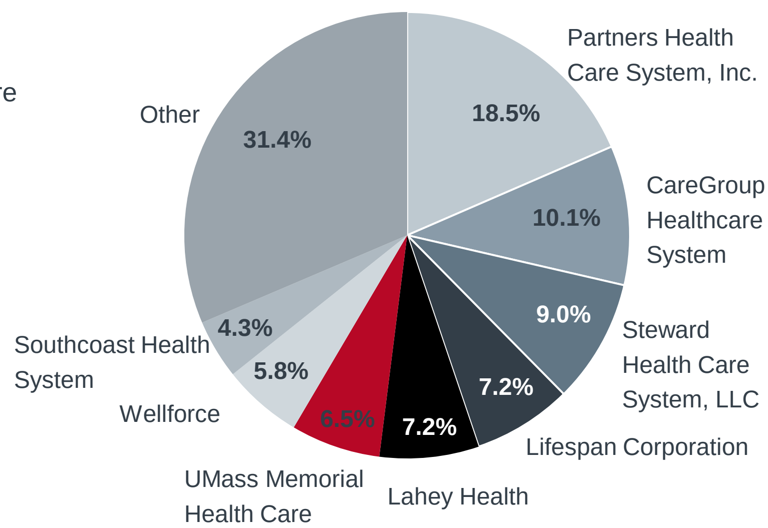
Source: U.S. Census Bureau; Advisory Board research and analysis.

Overview of Payers, Inpatient Players, Major Ailments

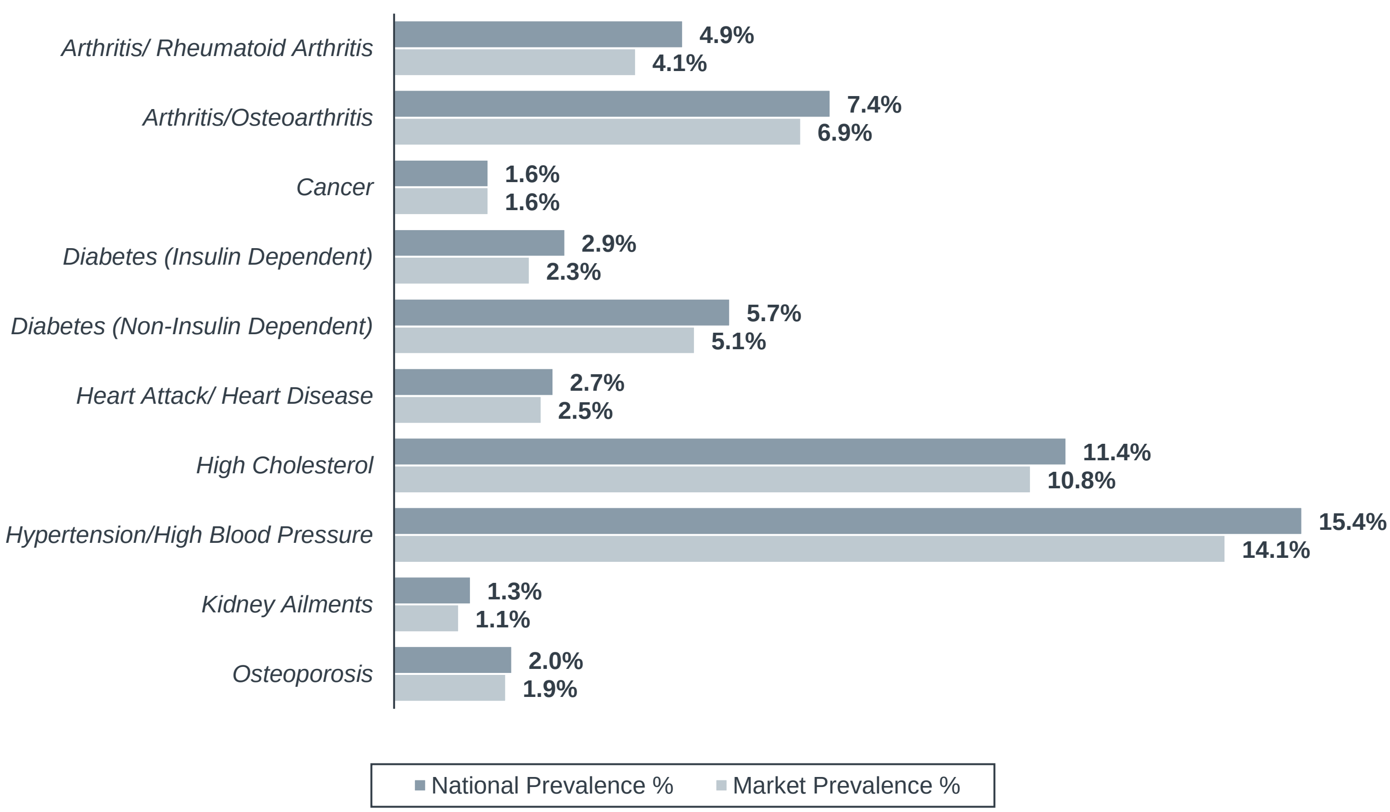
Discharge Mix



Inpatient Market Share Breakdown



Prevalence of Ailments



Source: Advisory Board research and analysis.

Population Stratification

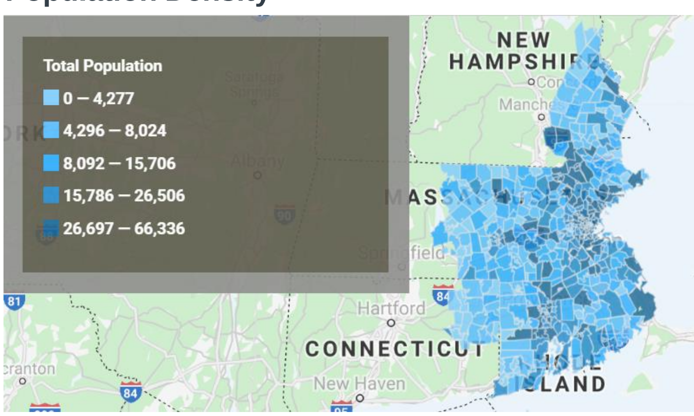
Segmentation by Age

Age Group	% of Population in 2018
0-9	10.7%
10-19	12.3%
20-29	14.3%
30-39	13.4%
40-49	12.6%
50-59	14.3%
60-69	11.6%
70-79	6.7%
80+	4.1%

Outpatient Sites of Care Volume Projections

Site of Care	2018 Volume	2028 Volume
Hospital Outpatient Department	6,240,132	7,033,420
Emergency Department	2,884,446	3,566,883
Ambulatory Surgery	6,658,780	7,848,238
Physician Office/Clinic	27,908,087	32,327,097
Endoscopy	1,053,768	1,245,357
Oncology Center	2,855,576	3,301,454
Sleep Studies	536,995	631,176
Physical Therapy	3,189,517	3,855,439
Lab	5,567,925	6,597,718
Other	105,534	147,036

Population Density



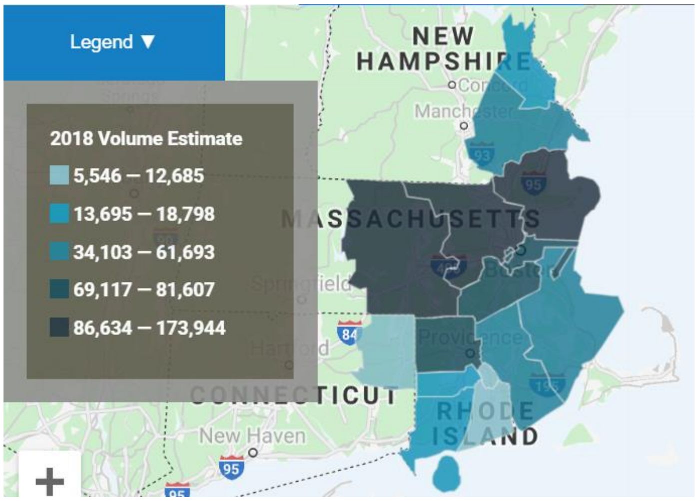
Segmentation by Gender

Gender	Population Count in 2018	Projected Population Count in 2023
Male	3,620,958	3,705,747
Female	3,812,650	3,903,351

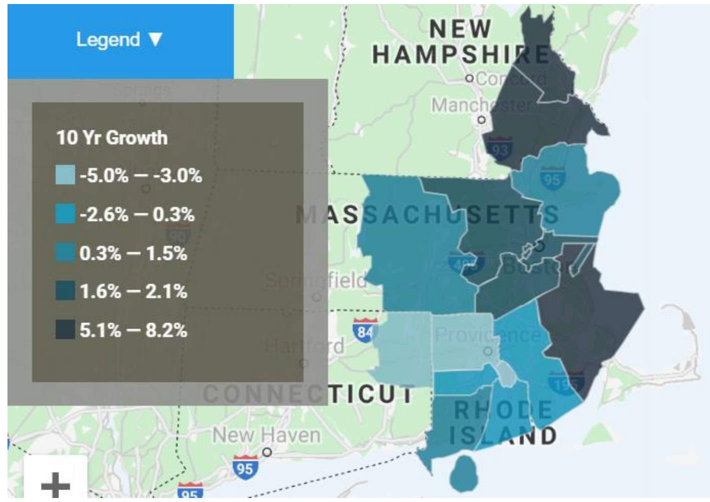
Source: Advisory Board research and analysis.

Inpatient Volume Projections

2018 Inpatient Volumes



2028 Inpatient Volumes (10-Year Growth)



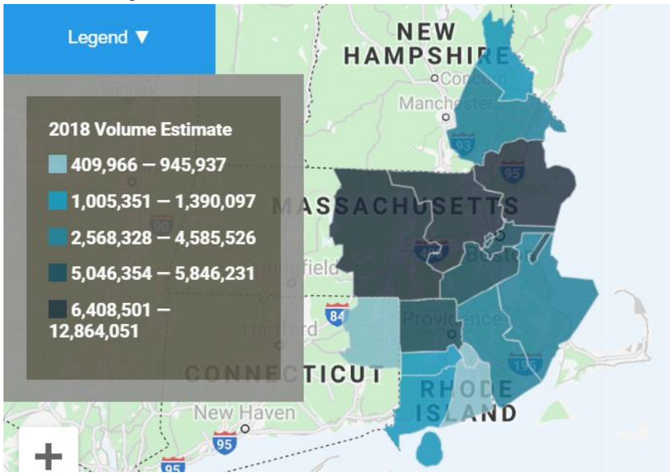
Service Line Volume Projections

Service Line	2018 Volume Estimate	2023 Volume Forecast	2028 Volume Forecast	5 Yr Growth	10 Yr Growth
+ Cardiac Services	86,399	75,459	77,968	-12.7%	-9.8%
+ ENT	8,262	7,633	7,735	-7.6%	-6.4%
+ General Medicine	293,083	301,880	317,395	3.0%	8.3%
+ General Surgery	55,831	54,775	55,881	-1.9%	0.1%
+ Gynecology	8,797	7,920	7,892	-10.0%	-10.3%
+ Invalid	1,848	1,474	1,395	-20.2%	-24.5%
+ Neonatology	80,955	81,364	82,589	0.5%	2.0%
+ Neurology	34,476	34,130	36,004	-1.0%	4.4%
+ Neurosurgery	5,668	6,305	6,818	11.2%	20.3%
+ Obstetrics	102,508	102,578	102,265	0.1%	-0.2%
+ Oncology/Hematology (Medical)	23,235	22,666	23,161	-2.4%	-0.3%
+ Ophthalmology	944	835	806	-11.5%	-14.6%
+ Orthopedics	52,568	51,398	52,893	-2.2%	0.6%
+ Other Trauma	6,951	7,107	7,566	2.2%	8.9%
+ Rehabilitation (Acute Care)	9,009	4,637	3,652	-48.5%	-59.5%
+ Spine	19,027	17,718	17,471	-6.9%	-8.2%
+ Thoracic Surgery	4,461	4,461	4,440	0.0%	-0.5%
+ Urology	10,505	10,741	11,214	2.2%	6.8%
+ Vascular Services	1,923	1,749	1,663	-9.0%	-13.5%

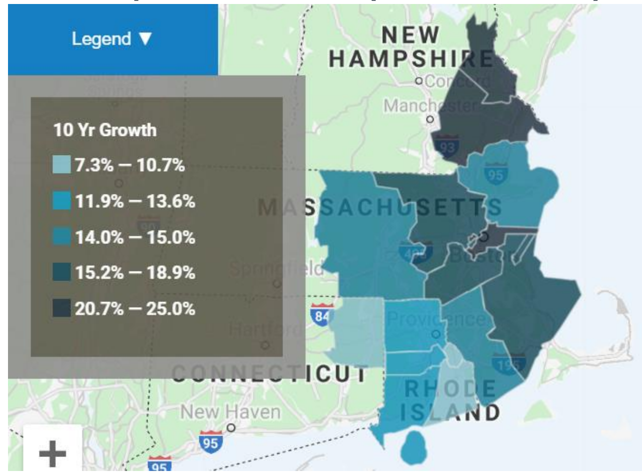
Source: Advisory Board research and analysis.

Outpatient Volume Projections

2018 Outpatient Volumes



2028 Outpatient Volumes (10-Year Growth)



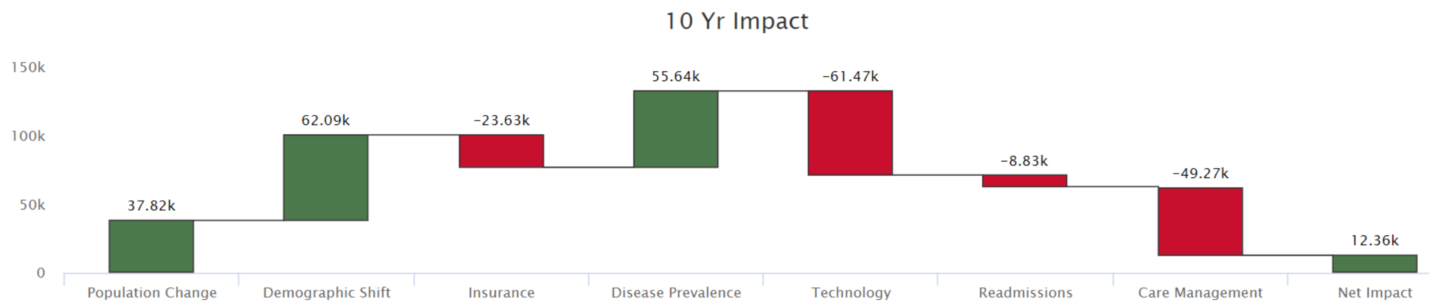
Service Line Volume Projections

Service Line	2018 Volume Estimate	2023 Volume Forecast	2028 Volume Forecast	5 Yr Growth	10 Yr Growth
+ Cardiology	2,090,800	2,281,777	2,492,662	^ 9.1%	^ 19.2%
+ Cosmetic Procedures	168,323	195,043	199,789	^ 15.9%	^ 18.7%
+ Dermatology	1,209,898	1,365,111	1,485,937	^ 12.8%	^ 22.8%
+ Endocrinology	17,158	24,643	26,916	^ 43.6%	^ 56.9%
+ ENT	667,647	778,060	889,243	^ 16.5%	^ 33.2%
+ Evaluation and Management	21,804,001	23,042,071	24,261,930	^ 5.7%	^ 11.3%
+ Gastroenterology	597,608	704,588	771,524	^ 17.9%	^ 29.1%
+ General Surgery	171,697	194,093	208,971	^ 13.0%	^ 21.7%
+ Gynecology	257,296	262,783	263,846	^ 2.1%	^ 2.5%
+ Lab	8,513,579	9,450,333	10,092,161	^ 11.0%	^ 18.5%
+ Miscellaneous Services	4,153,780	4,766,346	5,100,921	^ 14.7%	^ 22.8%
+ Nephrology	179,421	204,486	225,510	^ 14.0%	^ 25.7%
+ Neurology	332,597	403,901	447,011	^ 21.4%	^ 34.4%
+ Neurosurgery	18,820	22,529	25,581	^ 19.7%	^ 35.9%
+ Obstetrics	111,415	112,037	112,411	^ 0.6%	^ 0.9%
+ Oncology	44,068	45,436	46,230	^ 3.1%	^ 4.9%
+ Ophthalmology	1,840,182	2,150,515	2,373,016	^ 16.9%	^ 29.0%
+ Orthopedics	873,803	1,079,550	1,180,675	^ 23.5%	^ 35.1%
+ Pain Management	223,439	266,506	293,556	^ 19.3%	^ 31.4%
+ Physical Therapy/Rehabilitation	5,226,640	5,864,006	6,251,522	^ 12.2%	^ 19.6%
+ Podiatry	352,227	433,118	484,127	^ 23.0%	^ 37.4%
+ Psychiatry	2,738,033	2,951,611	3,012,656	^ 7.8%	^ 10.0%
+ Pulmonology	567,616	660,318	727,178	^ 16.3%	^ 28.1%
+ Radiology	6,505,386	6,888,302	7,269,227	^ 5.9%	^ 11.7%
+ Spine	28,476	35,403	38,805	^ 24.3%	^ 36.3%
+ Thoracic Surgery	5,611	7,267	8,359	^ 29.5%	^ 49.0%
+ Trauma	228,023	235,698	242,904	^ 3.4%	^ 6.5%
+ Urology	332,628	421,685	479,243	^ 26.8%	^ 44.1%
+ Vascular	275,892	326,848	369,453	^ 18.5%	^ 33.9%

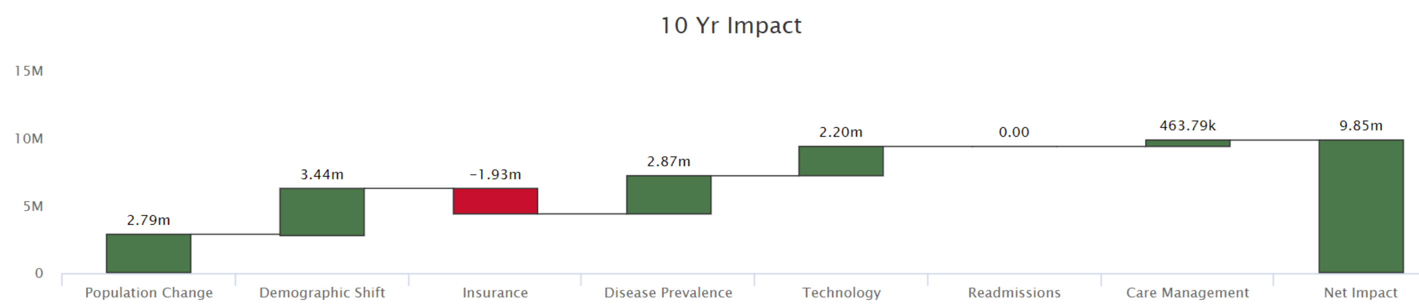
Source: Advisory Board research and analysis.

Volume Growth Drivers

2018-2028, Factors Influencing Inpatient Procedure Growth



2018-2028, Factors Influencing Outpatient Procedure Growth



- **Population Change:** Considers changes in total population of the market
- **Demographic Shift:** Considers changes in major demographic factors, such as age and gender
- **Insurance:** Considers insurance market factors, such as coverage expansion, increased cost-sharing, and payer scrutiny of medical necessity
- **Disease Prevalence:** Considers the growing population of chronic and multi-morbid patients
- **Technology:** Considers the role technology plays in changing demand and shifting site of care
- **Readmissions:** Considers the ongoing focus on driving down avoidable readmissions
- **Care Management:** Considers investments in care management designed to reduce inpatient utilization

Source: Advisory Board research and analysis.

This Advisory Board resource is part of a series of Market Profiles offered to health care industry members through the Health Care Industry Committee. We have used information and data from Advisory Board's Market Scenario Planner, Clinician Supply Profiler, and Demographic Profiler alongside US government databases including CMS Medicare Cost Reports. Please note that CMS Medicare Cost Reports data are submitted by individual facilities and are thus prone to some degree of inaccuracy due to inconsistent reporting practices and user error. The specific fiscal year reporting period for each provider varies slightly, but all data represent a single-year period for each provider.

These profiles are aimed to help suppliers and service firms better understand provider customers and patients in various markets.

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