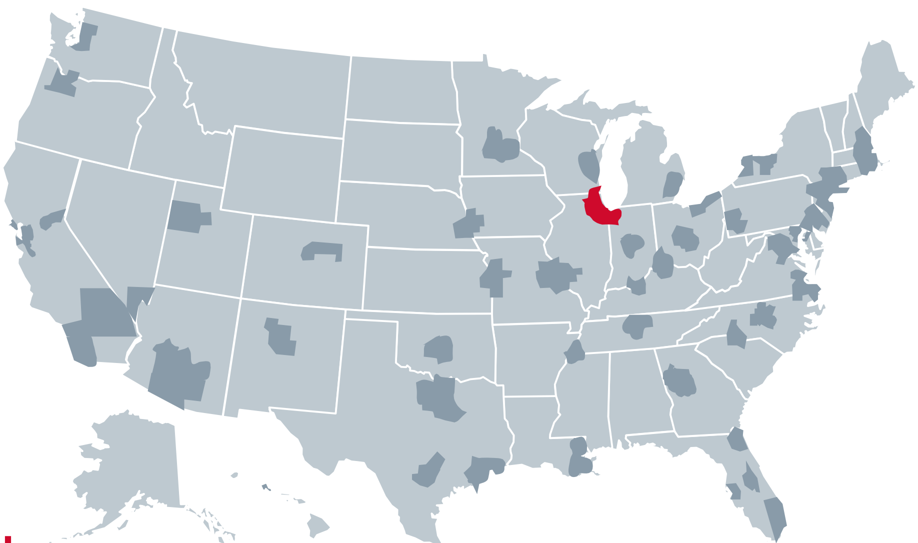
Chicago



Counties Covered:

County	State
Cook County	IL
DeKalb County	IL
DuPage County	IL
Grundy County	IL
Kane County	IL
Kendall County	IL
Lake County	IL
McHenry County	IL
Will County	IL
Jasper County	IN
Lake County	IN
Newton County	IN
Porter County	IN
Kenosha County	WI

Total Population:

- 9,683,959

Market Summary

- **Overview**: The Chicago market is defined by full-fledged mergers and affiliations among providers to form clinically integrated care networks.
- **Health Systems**: The Chicago market has seen sizable mergers between Midwestern providers, particularly across state lines. St. Louis-based Ascension acquired Chicago's Presence Health and now operates as a joint venture with Adventist Midwest called Amita Health. Amita Health has ~19% market share. Advocate Health Care completed their merger with Milwaukee-based Aurora Health Care and has ~11% market share.
- **Insurers**: Approximately 67% of the population are insured through commercial and self-pay. Health Care Service Corp's Blue Cross and Blue Shield Illinois remains the prominent managed care organization (MCO) in the market with nearly about 64% of the commercial market share at the end of 2017.[1]
- **Physicians**: Health systems are aggressively acquiring and clinically integrating independent physician practices to manage population health effectively. Some independent and community-hospital-affiliated groups are collaborating with health systems through novel arrangements that allow for some degree of autonomy.
- **Employers**: Employers in the Chicago market are instrumental in designing benefits and adopt outcomes-based wellness programs. Employers are particularly concerned about ways in which they can cover specialty drugs.
- **Population**: The Chicago market is racially and ethnically diverse, due to an influx of immigrants, especially from Mexico and Eastern Europe. Health disparities are stark between whites and minorities, such as Blacks and Hispanics.

Source: Chicago Tribune, 3/12/19, Think health insurance is too costly? The parent of blue Cross Blue Shield of Illinois made $4.1B last year, https://www.chicagotribune.com/business/ct-biz-blue-cross-triples-profit-20190312-story.html; Advisory Board research and analysis

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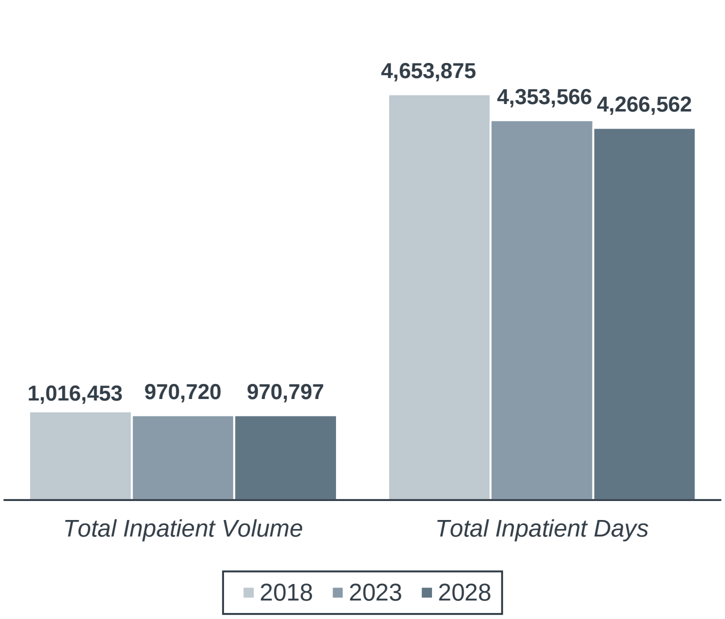
Market Glimpse

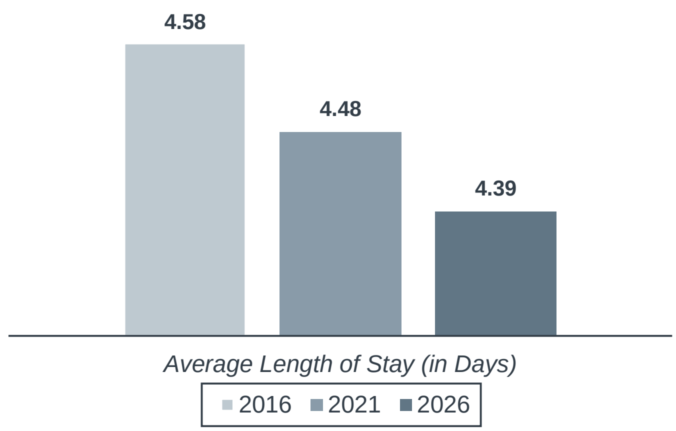
Key Figures

Category	Figure
Acute-Care Hospitals	78
Acute-Care Beds	18,168
Number of Clinicians[1]	69,872
Households Count	3,683,488
Median Age	37.0
Median Household Income	$73,876
Per Capita Income	$37,984
Patients Who Visited a Doctor in the Past Year	77.1%
Unemployment Rate	5.0%
Uninsured Rate	Low

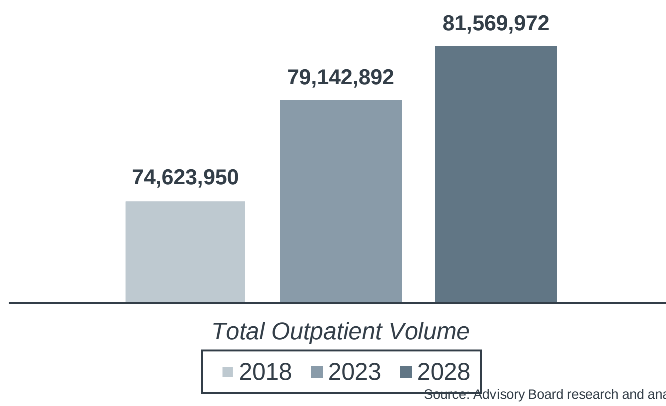
Inpatient Volume and Days



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: Advisory Board research and analysis.

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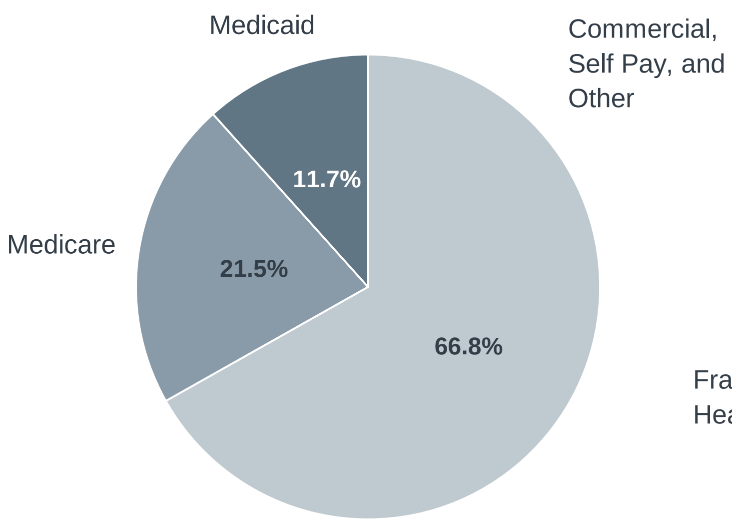
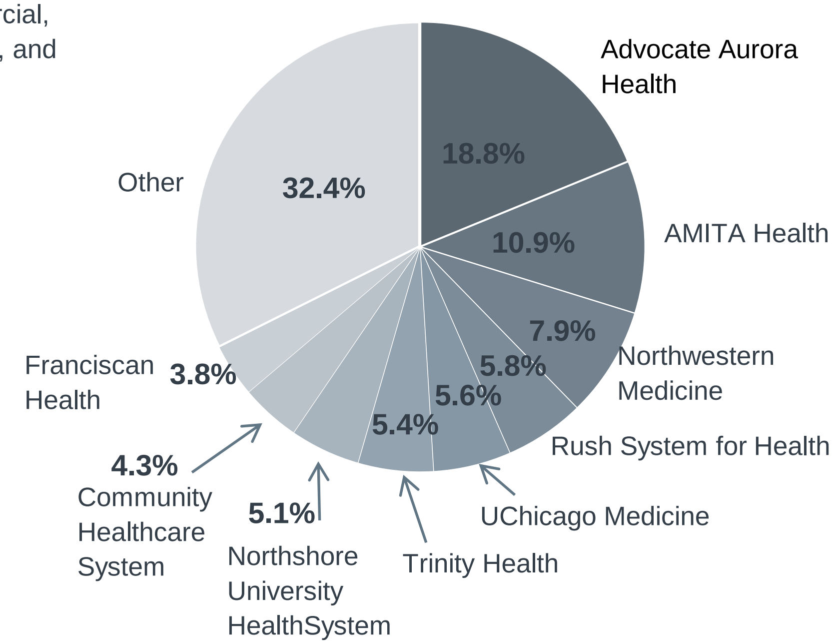
Overview of Payers, Inpatient Players, Major Ailments

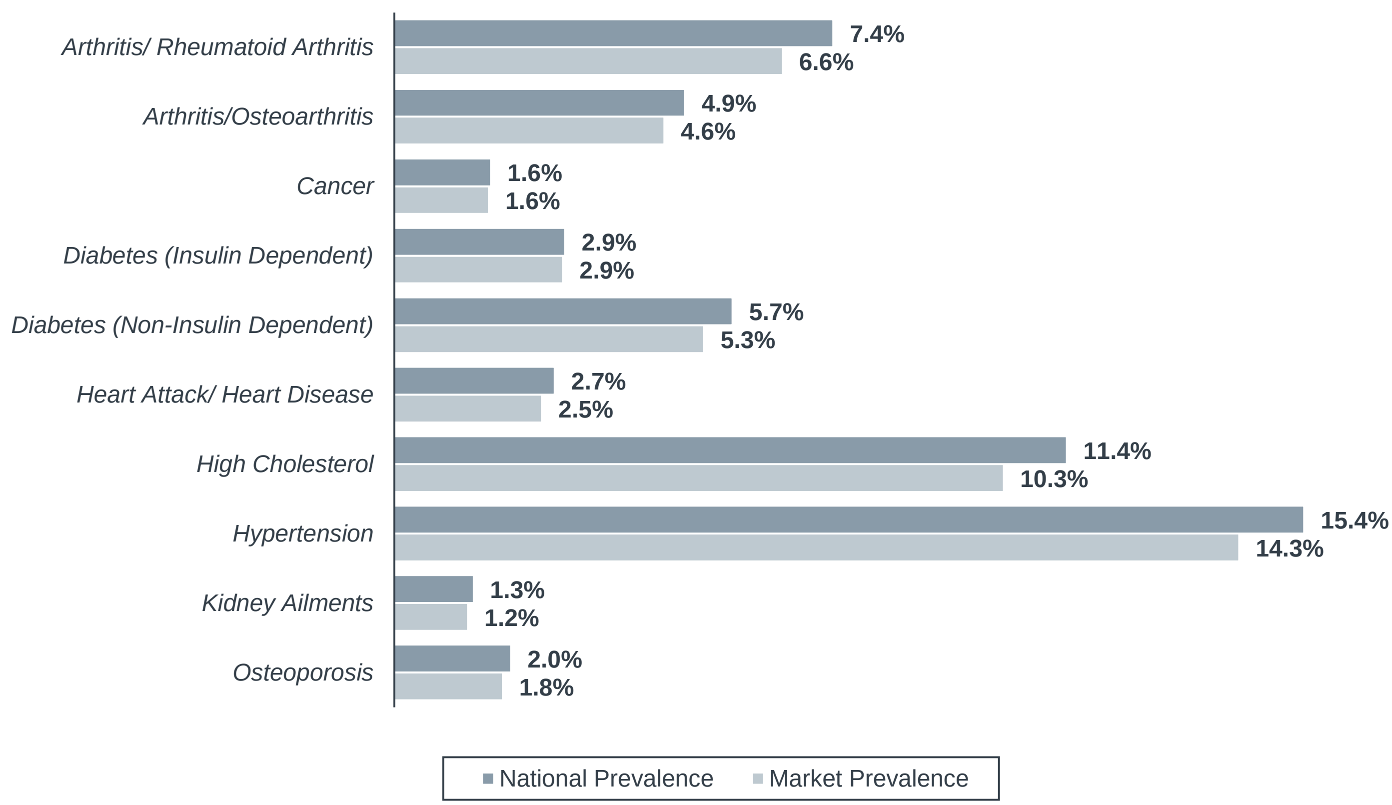
Discharge Mix



Inpatient Market Share Breakdown



Prevalence of Ailments



Source: Advisory Board research and analysis.

Population Stratification

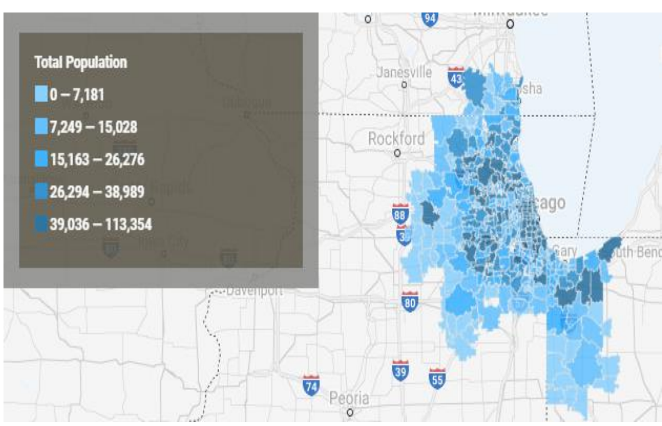
Segmentation by Age

Age Group	% of Population (2018)
0-9	12.3%
10-19	13.1%
20-29	13.9%
30-39	13.9%
40-49	13.1%
50-59	13.4%
60-69	10.9%
70-79	5.9%
80+	3.4%

Outpatient Sites of Care Volume Estimates

Site of Care	2018 Volume	2028 Volume
Hospital Outpatient Dept.	7,715,344	8,195,507
ED	3,557,701	4,121,572
Ambulatory Surgery	8,358,395	9,240,055
Physician Office/Clinic	35,240,942	38,204,094
Endoscopy	1,315,411	1,461,841
Oncology Center	3,586,265	3,887,888
Sleep Studies	675,852	745,612
Advanced Imaging	3,149,331	3,302,711
Physical Therapy	4,039,534	4,587,229
Lab	6,857,113	7,653,696
Other	128,063	169,767

Population Density



Segmentation by Gender

Gender	Current Population Count (2018)	Projected Population Count (2023)
Male	4,747,122	4,697,558
Female	4,936,854	4,882,674

Source: Advisory Board research and analysis.

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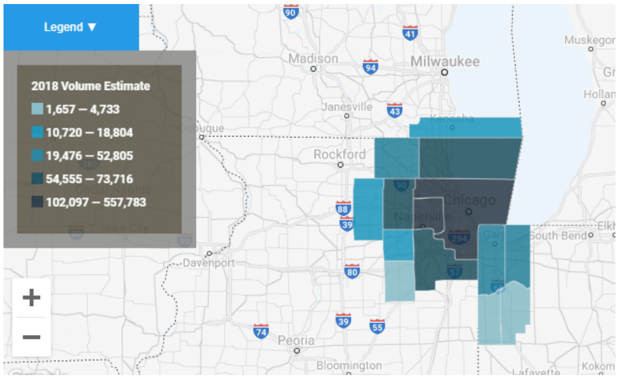
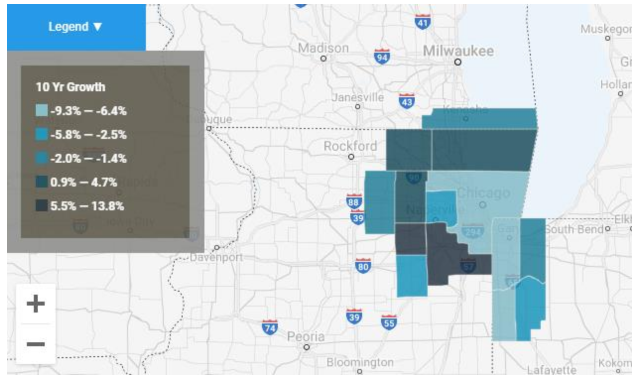
Inpatient Volume Projections

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	101,218	86,470	87,483	-14.6%	-13.6%
+ ENT	10,391	9,257	9,079	-10.9%	-12.6%
+ General Medicine	355,818	356,472	364,606	0.2%	2.5%
+ General Surgery	68,713	65,594	65,098	-4.5%	-5.3%
+ Gynecology	11,208	9,773	9,346	-12.8%	-16.6%
+ Invalid	2,223	1,724	1,589	-22.4%	-28.5%
+ Neonatology	118,747	114,244	110,999	-3.8%	-6.5%
+ Neurology	41,329	39,941	41,073	-3.4%	-0.6%
+ Neurosurgery	6,974	7,546	7,944	8.2%	13.9%
+ Obstetrics	131,615	126,081	121,676	-4.2%	-7.6%
+ Oncology/Hematology (Medical)	28,284	26,786	26,644	-5.3%	-5.8%
+ Ophthalmology	1,169	1,002	938	-14.3%	-19.8%
+ Orthopedics	62,317	59,487	59,844	-4.5%	-4.0%
+ Other Trauma	8,352	8,299	8,584	-0.6%	2.8%
+ Rehabilitation (Acute Care)	10,546	5,306	4,089	-49.7%	-61.2%
+ Spine	23,110	21,008	20,216	-9.1%	-12.5%
+ Thoracic Surgery	5,358	5,234	5,096	-2.3%	-4.9%
+ Urology	12,710	12,713	12,969	0.0%	2.0%
+ Vascular Services	16,373	13,783	13,525	-15.8%	-17.4%

Source: Advisory Board research and analysis.

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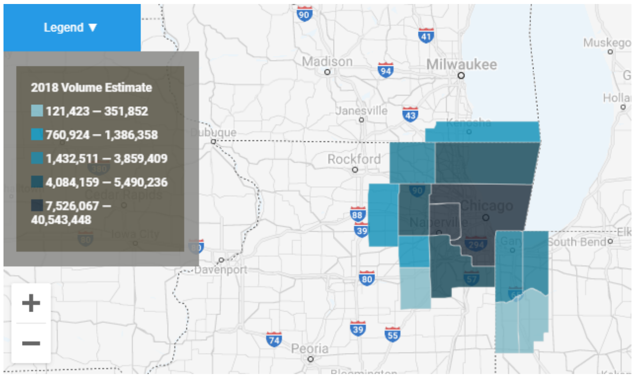
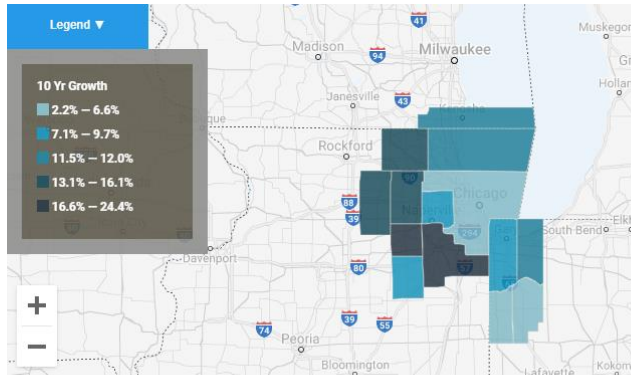
Outpatient Volume Projections

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	2,495,673	2,660,226	2,840,483	^ 6.6%	^ 13.8%
+ Cosmetic Procedures	215,099	240,670	237,078	^ 11.9%	^ 10.2%
+ Dermatology	1,494,745	1,636,702	1,730,590	^ 9.5%	^ 15.8%
+ Endocrinology	21,320	29,837	31,739	^ 39.9%	^ 48.9%
+ ENT	878,025	989,118	1,093,413	^ 12.7%	^ 24.5%
+ Evaluation and Management	27,666,454	28,272,780	28,768,841	^ 2.2%	^ 4.0%
+ Gastroenterology	722,353	832,525	890,643	^ 15.3%	^ 23.3%
+ General Surgery	213,092	233,920	244,184	^ 9.8%	^ 14.6%
+ Gynecology	326,599	321,721	311,138	v -1.5%	v -4.7%
+ Lab	10,463,545	11,273,245	11,688,077	^ 7.7%	^ 11.7%
+ Miscellaneous Services	5,299,320	5,886,908	6,087,137	^ 11.1%	^ 14.9%
+ Nephrology	217,733	242,632	262,036	^ 11.4%	^ 20.3%
+ Neurology	419,718	494,983	530,494	^ 17.9%	^ 26.4%
+ Neurosurgery	23,785	27,614	30,345	^ 16.1%	^ 27.6%
+ Obstetrics	144,960	138,797	134,573	v -4.3%	v -7.2%
+ Oncology	53,102	53,606	53,514	^ 1.0%	^ 0.8%
+ Ophthalmology	2,201,296	2,504,025	2,693,848	^ 13.8%	^ 22.4%
+ Orthopedics	1,082,791	1,299,310	1,379,526	^ 20.0%	^ 27.4%
+ Pain Management	273,987	318,085	340,314	^ 16.1%	^ 24.2%
+ Physical Therapy/Rehabilitation	6,628,252	7,210,559	7,434,891	^ 8.8%	^ 12.2%
+ Podiatry	403,684	485,085	530,707	^ 20.2%	^ 31.5%
+ Psychiatry	3,572,412	3,718,677	3,642,047	^ 4.1%	^ 1.9%
+ Pulmonology	726,671	817,816	870,306	^ 12.5%	^ 19.8%
+ Radiology	8,023,574	8,243,069	8,436,151	^ 2.7%	^ 5.1%
+ Spine	35,187	42,417	45,104	^ 20.5%	^ 28.2%
+ Thoracic Surgery	6,625	8,379	9,429	^ 26.5%	^ 42.3%
+ Trauma	283,479	283,807	283,533	^ 0.1%	^ 0.0%
+ Urology	401,745	496,353	550,609	^ 23.5%	^ 37.1%
+ Vascular	328,726	380,028	419,223	^ 15.6%	^ 27.5%

Source: Advisory Board research and analysis.

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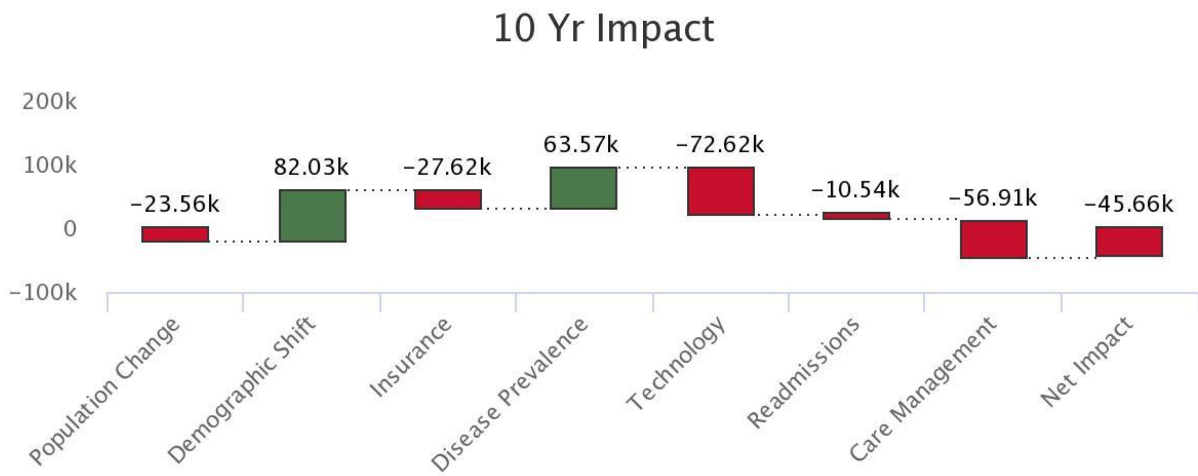
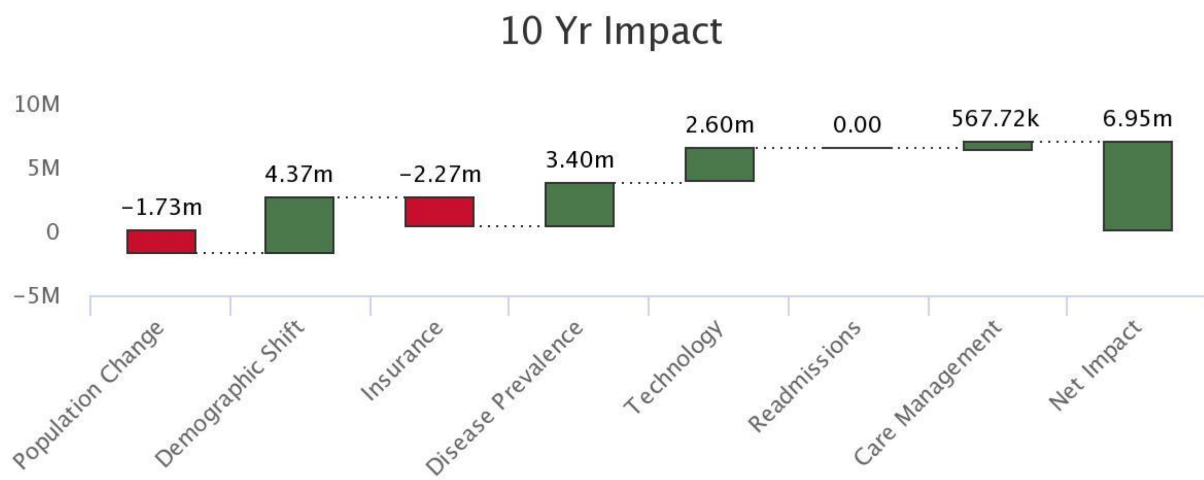
Volume Growth Drivers

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.

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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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