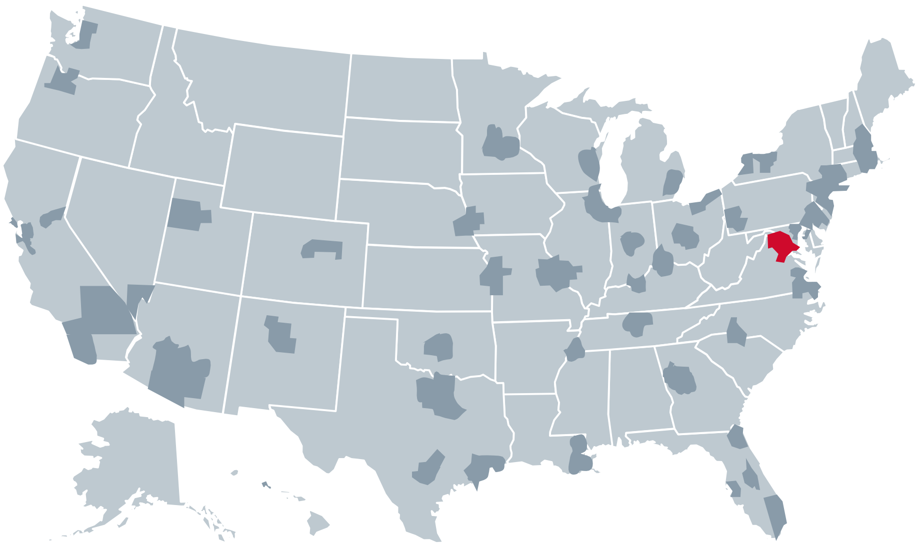
Health Care Industry Committee

Market Profile

Washington, DC



Counties Covered:

County	State
District of Columbia	DC
Calvert	MD
Charles	MD
Frederick	MD
Montgomery	MD
Prince George's	MD
Alexandria City	VA
Arlington	VA
Clarke	VA
Culpeper	VA
Fairfax City	VA
Fairfax County	VA
Falls Church City	VA
Fauquier	VA
Fredericksburg City	VA
Loudoun	VA
Manassas City	VA
Manassas Park City	VA
Prince William	VA
Rappahannock	VA
Spotsylvania	VA
Stafford	VA
Warren	VA
Jefferson	WV

Total Population:

- 6,368,524

Market Summary

- **Overview**: The DC metro area continues to be a national center for patient care and hub for biomedical research. The presence of major health agencies like the Department of Health and Human Services and the Food and Drug Administration also results in DC having significant impact on health care policy.
- **Health Systems**: Inova Health System, MedStar Health, and Trinity Health System hold almost half of the DC metro market, while the remaining half of the market is split across 10+ systems. Some independent hospitals are partnering with national brands to distinguish their specialty care services.
- **Insurers**: DC's uninsured rate is one of the lowest in the country. Coverage in the individual and small-group markets is only available through DC Health Link, the state-run exchange. DC as also enacted an individual mandate that took effect as of January 2019.
- **Physicians**: The DC area is home to several large physician groups that are often affiliated with (rather than owned by) local health systems. Common specialties include internal medicine, psychiatry, radiology, pediatrics, and obstetrics & gynecology.
- **Employers**: The federal and DC governments are dominant employers in the area. Other large employers include Medstar Health, Marriott International, and INOVA Health.
- **Population**: The greater DC area's residents are among the most affluent in the country, though median income and poverty rates mask wide disparities across the region.

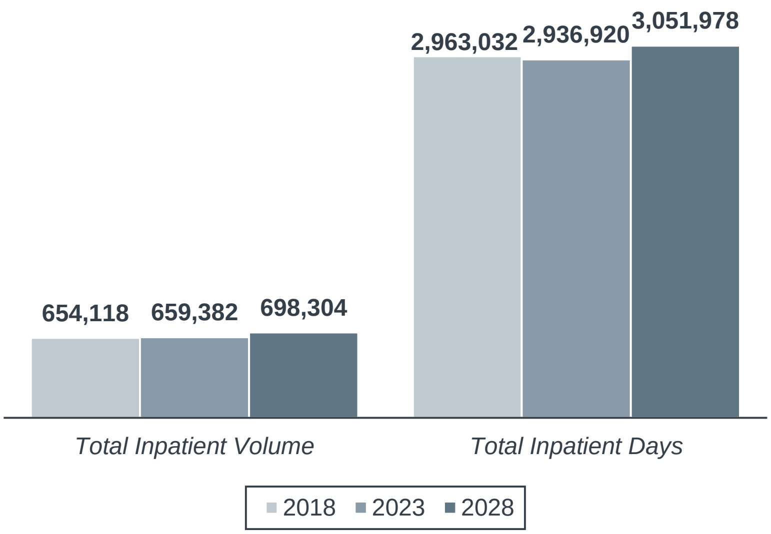
Source: United States Census Bureau; "Health Care and Life Sciences" *DC's Economic Strategy,* available at http://dceconomicstrategy.com/coresectors/health-care-life-sciences/; "DC health insurance marketplace: history and news of the state's exchange," *Healthinsurance.org,* available at https://www.healthinsurance.org/dc-state-health-insurance-exchange/; "Washington, DC Physicians Boost the District's Economy," *Medical Society of the District of Columbia,* available at https://www.msdc.org/page/MedicineinDC?; Advisory Board research and analysis.

Market Glimpse

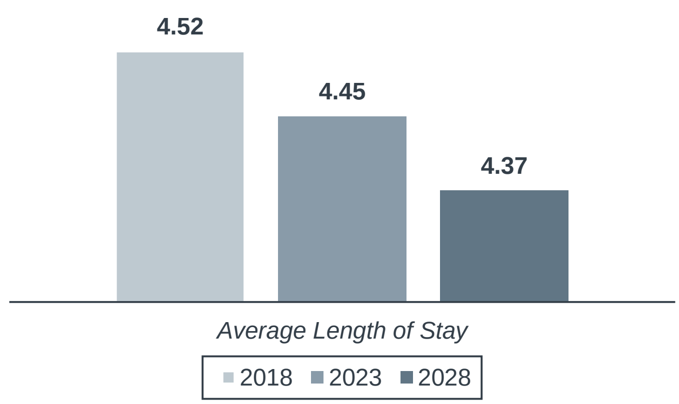
Key Figures

Category	Figure
Acute-Care Hospitals	33
Acute-Care Beds	7,218
Number of Clinicians[1]	42,673
Households Count	2,326,990
Median Age	36.8
Median Household Income	$106,140
Per Capita Income	$49,321
Patients Who Visited a Doctor in the Past Year	76.9%
Unemployment Rate	3.4%
Uninsured Rate	Low

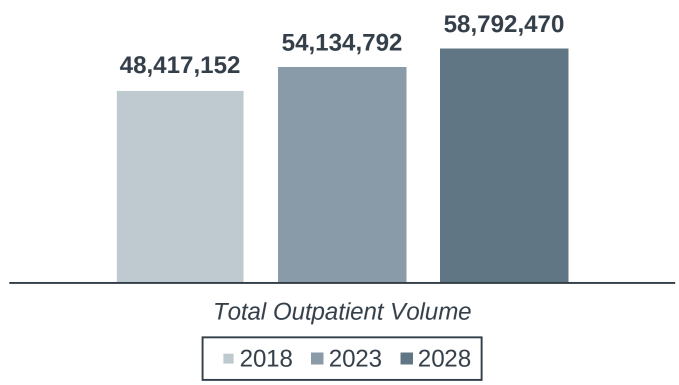
Inpatient Volume and Days



Average Length of Stay



Outpatient Volumes

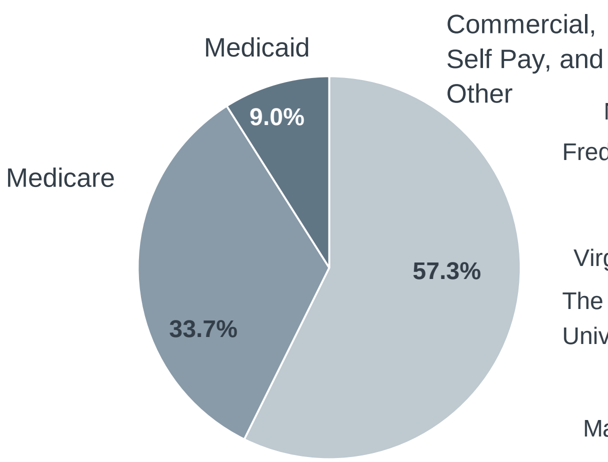


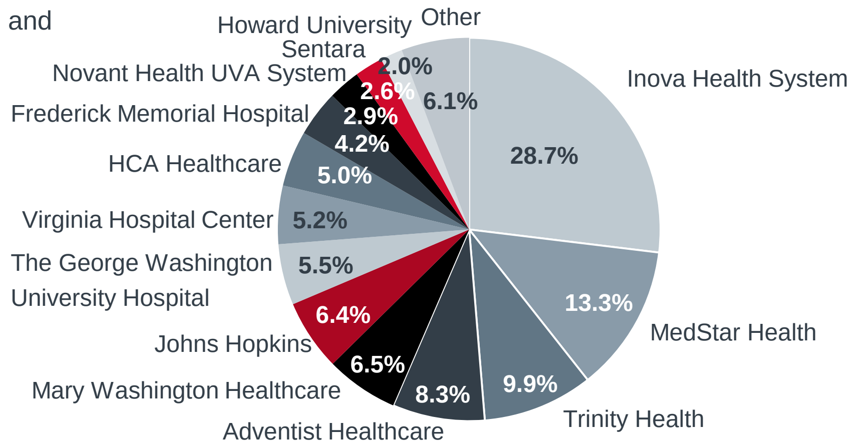
1) Includes primary care physicians, specialists, nurses, advanced practitioners, etc. For a breakdown of clinicians by type, specialty, or sub-specialty, you can use our Clinician Supply Profiler

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

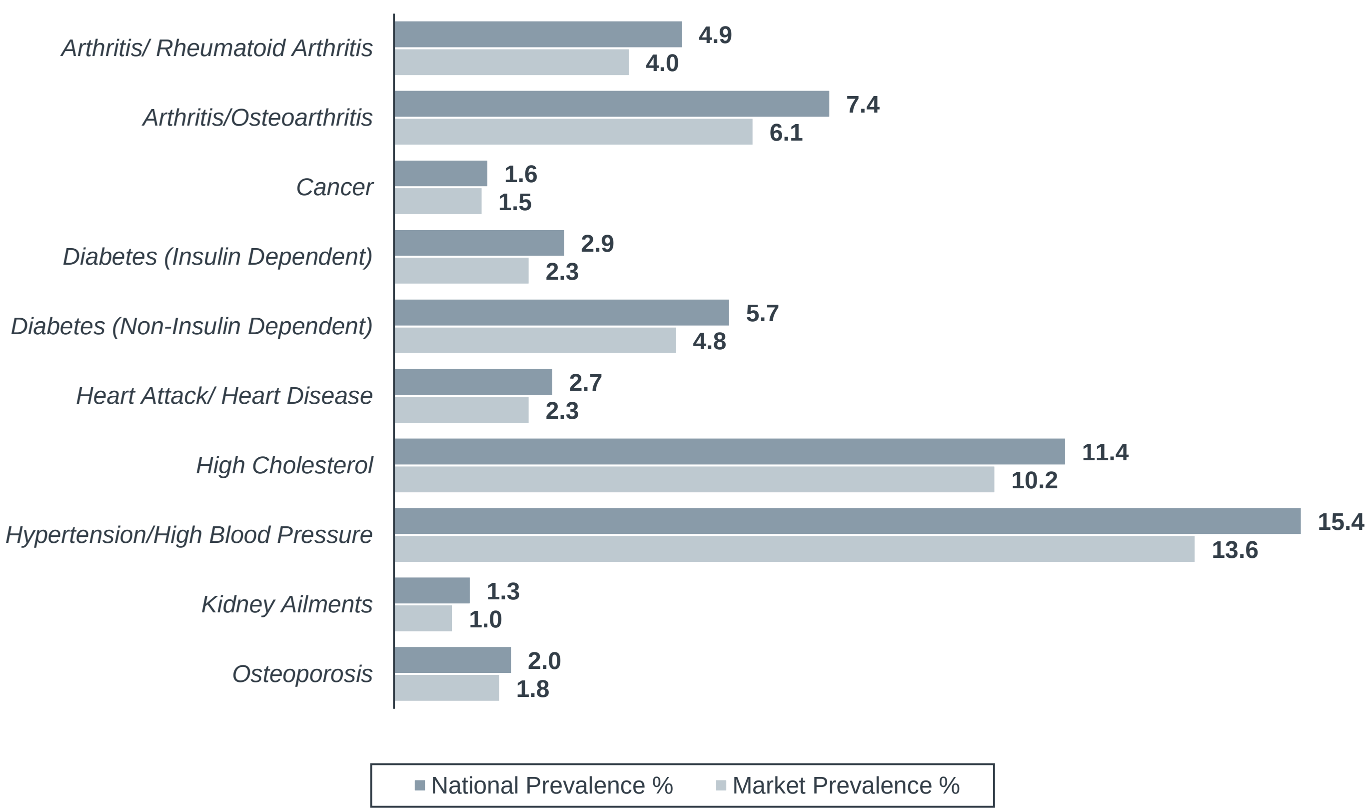
Overview of Payers, Inpatient Players, Major Ailments

Discharge Mix





Prevalence of Ailments



Source: Advisory Board research and analysis.

Population Stratification

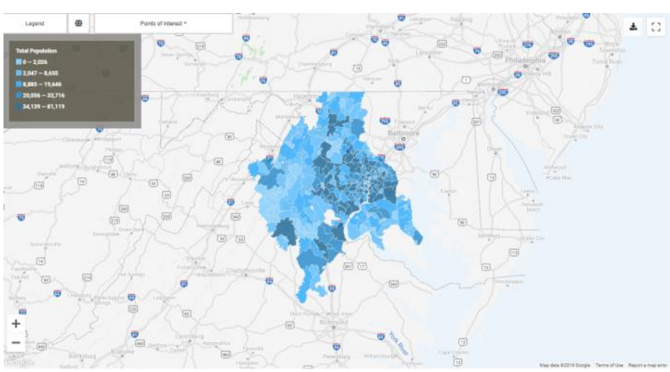
Segmentation by Age

Age Group	% of Population in 2018
0-9	12.3%
10-19	12.0%
20-29	13.4%
30-39	14.9%
40-49	13.7%
50-59	13.7%
60-69	10.5%
70-79	5.9%
80+	3.6%

Outpatient Sites of Care Volume Projections

Site of Care	2018 Volume	2028 Volume
Hospital Outpatient Department	4,975,839	5,876,957
Emergency Department	2,264,316	3,939,856
Ambulatory Surgery	5,424,022	6,660,170
Physician Office/Clinic	22,954,202	22,617,074
Endoscopy	851,455	1,050,755
Oncology Center	2,328,314	2,803,148
Sleep Studies	439,240	493,944
Independent Diagnostic Testing Facility	2,033,287	2,370,748
Physical Therapy	2,654,413	3,047,151
Lab	4,410,756	5,016,915
Other	81,307	120,796

Population Density



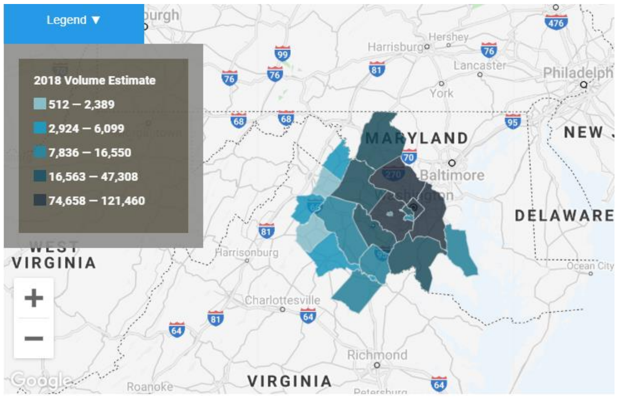
Segmentation by Gender

Gender	Population Count in 2018	Projected Population Count in 2023
Male	3,111,619	3,247,315
Female	3,256,912	3,397,651

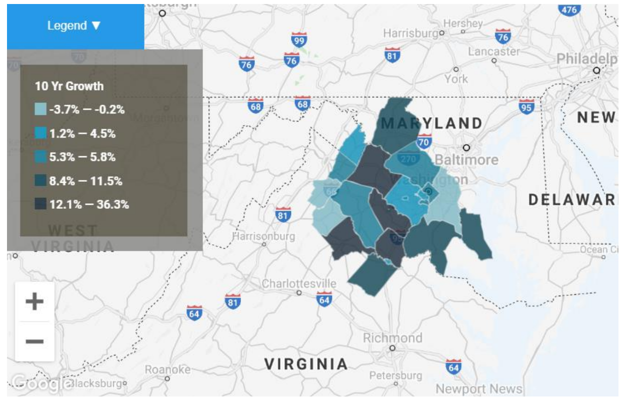
Source: Advisory Board research and analysis.

Inpatient Volume Projections

2018 Inpatient Volumes



2028 Inpatient Volumes (10-Year Growth)



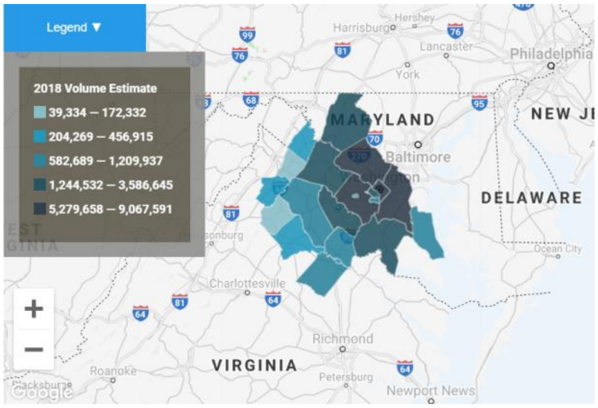
Service Line Volume Projections

Service Line	2018 Volume Estimate	2023 Volume Forecast	2028 Volume Forecast	5 Yr Growth	10 Yr Growth
+ Cardiac Services	62,318	56,756	61,143	-8.9%	-1.9%
+ ENT	6,702	6,296	6,533	-6.1%	-2.5%
+ General Medicine	225,473	239,284	259,588	6.1%	15.1%
+ General Surgery	44,251	44,551	46,695	0.7%	5.5%
+ Gynecology	7,547	6,883	6,885	-8.8%	-8.8%
+ Invalid	1,397	1,149	1,126	-17.7%	-19.4%
+ Neonatology	81,690	82,115	83,588	0.5%	2.3%
+ Neurology	25,892	26,625	29,092	2.8%	12.4%
+ Neurosurgery	4,465	5,105	5,682	14.3%	27.3%
+ Obstetrics	89,216	88,539	90,732	-0.8%	1.7%
+ Oncology/Hematology (Medical)	17,857	17,924	18,927	0.4%	6.0%
+ Ophthalmology	749	678	672	-9.4%	-10.2%
+ Orthopedics	38,585	39,235	42,039	1.7%	9.0%
+ Other Trauma	5,206	5,509	6,076	5.8%	16.7%
+ Rehabilitation (Acute Care)	6,453	3,469	2,852	-46.2%	-55.8%
+ Spine	14,732	14,151	14,395	-3.9%	-2.3%
+ Thoracic Surgery	3,365	3,484	3,596	3.5%	6.9%
+ Urology	8,073	8,547	9,218	5.9%	14.2%
+ Vascular Services	10,149	9,084	9,465	-10.5%	-6.7%

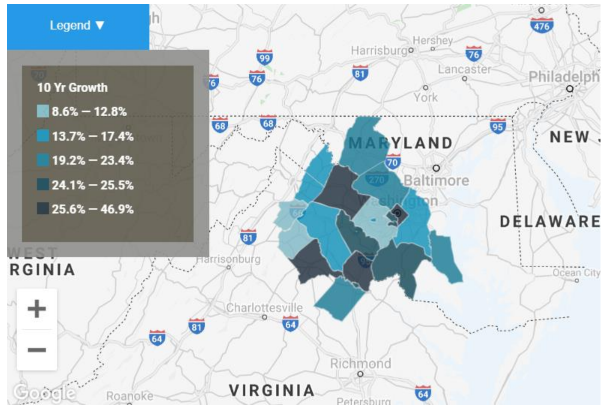
Source: Advisory Board research and analysis.

Outpatient Volume Projections

2018 Outpatient Volumes



2028 Outpatient Volumes (10-Year Growth)



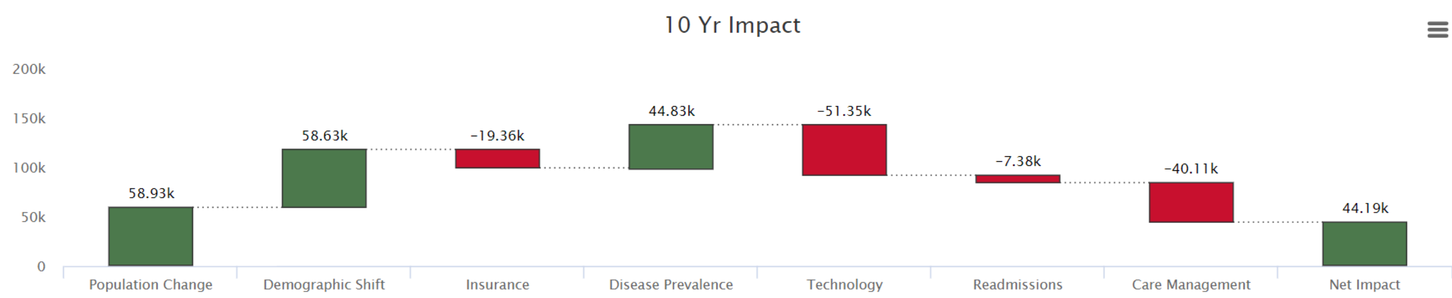
Service Line Volume Projections

Service Line	2018 Volume Estimate	2023 Volume Forecast	2028 Volume Forecast	5 Yr Growth	10 Yr Growth
+ Cardiology	1,562,717	1,768,433	1,998,622	^ 13.2%	^ 27.9%
+ Cosmetic Procedures	143,713	168,692	174,388	^ 17.4%	^ 21.3%
+ Dermatology	959,702	1,109,898	1,238,325	^ 15.7%	^ 29.0%
+ Endocrinology	13,915	20,480	22,906	^ 47.2%	^ 64.6%
+ ENT	577,854	688,081	801,375	^ 19.1%	^ 38.7%
+ Evaluation and Management	18,044,684	19,429,988	20,825,846	^ 7.7%	^ 15.4%
+ Gastroenterology	459,715	559,572	631,644	^ 21.7%	^ 37.4%
+ General Surgery	138,806	160,152	175,715	^ 15.4%	^ 26.6%
+ Gynecology	219,009	225,110	228,411	^ 2.8%	^ 4.3%
+ Lab	6,720,902	7,636,006	8,356,243	^ 13.6%	^ 24.3%
+ Miscellaneous Services	3,451,011	4,047,547	4,408,078	^ 17.3%	^ 27.7%
+ Nephrology	138,825	163,780	186,690	^ 18.0%	^ 34.5%
+ Neurology	274,535	340,882	383,835	^ 24.2%	^ 39.8%
+ Neurosurgery	15,662	19,096	22,046	^ 21.9%	^ 40.8%
+ Obstetrics	99,443	98,169	100,226	v -1.3%	^ 0.8%
+ Oncology	33,745	36,073	37,994	^ 6.9%	^ 12.6%
+ Ophthalmology	1,364,945	1,652,356	1,885,574	^ 21.1%	^ 38.1%
+ Orthopedics	697,591	884,139	989,410	^ 26.7%	^ 41.8%
+ Pain Management	176,687	216,074	243,049	^ 22.3%	^ 37.6%
+ Physical Therapy/Rehabilitation	4,382,535	5,006,465	5,419,678	^ 14.2%	^ 23.7%
+ Podiatry	241,083	312,417	366,707	^ 29.6%	^ 52.1%
+ Psychiatry	2,392,181	2,617,038	2,691,762	^ 9.4%	^ 12.5%
+ Pulmonology	473,807	562,904	631,008	^ 18.8%	^ 33.2%
+ Radiology	5,166,871	5,601,221	6,048,330	^ 8.4%	^ 17.1%
+ Spine	22,726	28,814	32,257	^ 26.8%	^ 41.9%
+ Thoracic Surgery	4,094	5,503	6,570	^ 34.4%	^ 60.5%
+ Trauma	180,775	191,905	202,937	^ 6.2%	^ 12.3%
+ Urology	254,037	331,866	388,429	^ 30.6%	^ 52.9%
+ Vascular	205,585	252,134	294,413	^ 22.6%	^ 43.2%

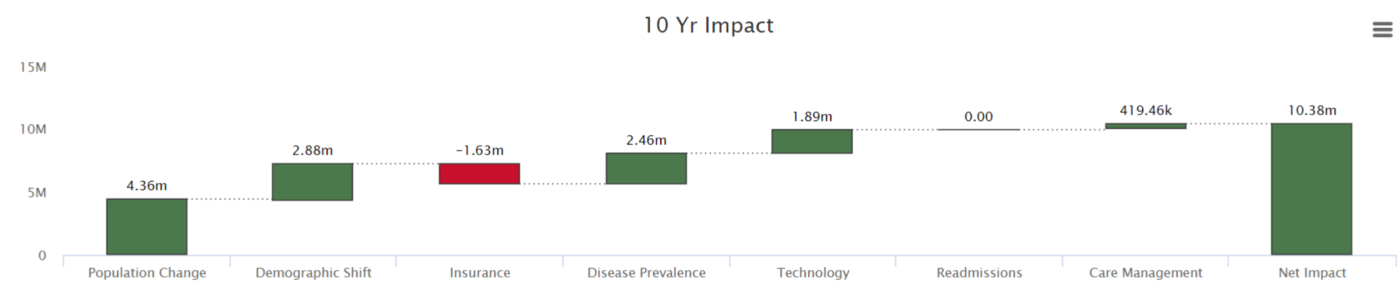
Source: Advisory Board research and analysis.

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.

Advisory Board

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