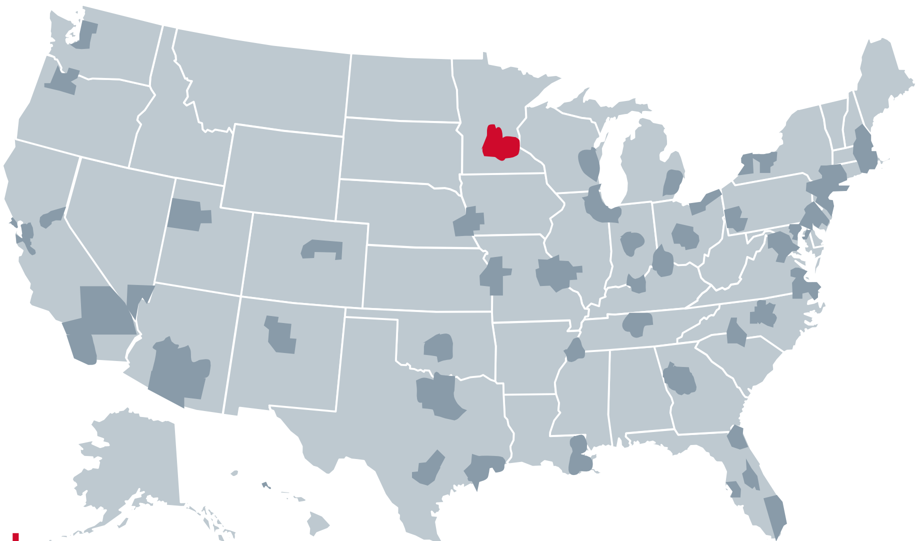
Advisory Board

Market Profile

Published by Health Care Industry Committee

Minneapolis, MN



Counties Covered:

County	State
Anoka County	MN
Carver County	MN
Chisago County	MN
Dakota County	MN
Hennepin County	MN
Isanti County	MN
Le Sueur County	MN
Mille Lacs County	MN
Ramsey County	MN
Scott County	MN
Sherburne County	MN
Sibley County	MN
Washington County	MN
Wright County	MN
Pierce County	WI
St. Croix County	WI

Total Population:

- 3,697,367

Market Summary

- **Overview**: The Minneapolis market is characterized by creative care coordination and cost-containing initiatives for commercial, Medicare, and Medicaid patients.
- **Health Systems**: Health systems in the Minneapolis market are focusing more on cost-containment efforts by redirecting care from emergency departments to outpatient centers. Major players are adding freestanding emergency departments and urgent care centers to accommodate newly insured exchange and Medicaid patients.
- **Insurers**: Payers will continue to collaborate with integrated delivery networks (IDNs) to deliver cost-effective and coordinated care to newly insured patients. HealthPartners, Medica, and UCare have the largest enrollment in Minnesota's individual market.
- **Physicians**: The number of independent physicians is gradually declining as health systems are acquiring or forming affiliations with physician groups. Employed and affiliated physicians participate in a range of accountable care organizations (ACOs) and patient-centered medical homes.
- **Employers**: To reduce financial risk, employers are slowly shifting costs to employees by providing low-cost plans. At the same time, employers are also lending price transparency tools to employees to make more informed health care decisions.
- **Population**: Minneapolis is a predominantly affluent and white market. Low unemployment and uninsured rates reflect a flourishing health care economy.

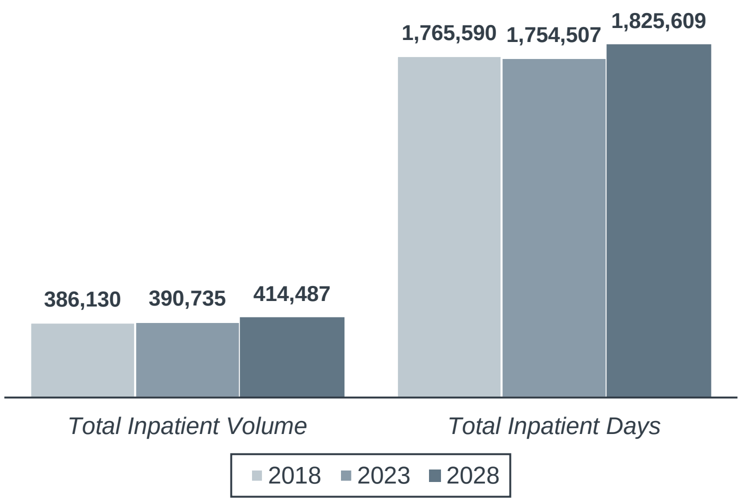
Source: State Health Facts, Market Share and Enrollment of Largest Three Insurers – Individual Market, 2018. Kaiser Family Foundation. Advisory Board research and analysis.

Market Glimpse

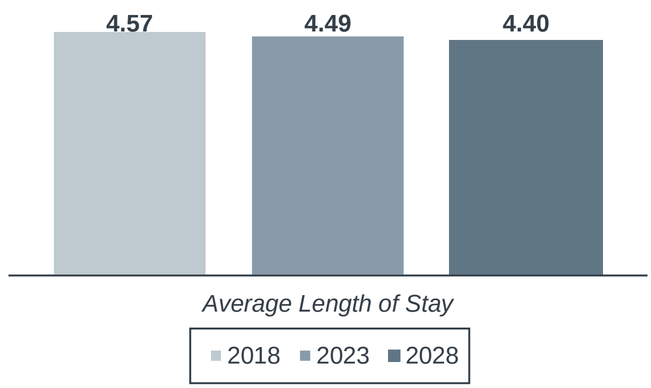
Key Figures

Category	Figure
Acute-Care Hospitals	25
Acute Care Beds	5,141
Number of Clinicians[1]	28,632
Households Count	1,423,021
Median Age	37.0
Median Household Income	$80,105
Per Capita Income	$40,725
Unemployment Rate	3.0%
% of Patients Who Visited a Doctor Last Year	78.7%
Uninsured Rate	Low

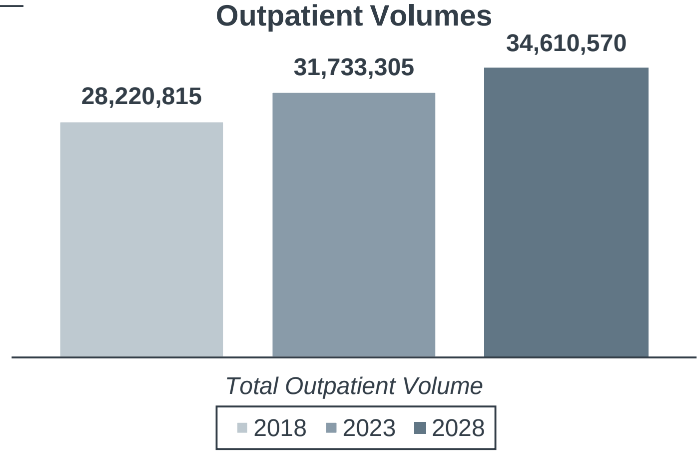
Inpatient Volume and Days



Average Length of Stay



Outpatient Volumes

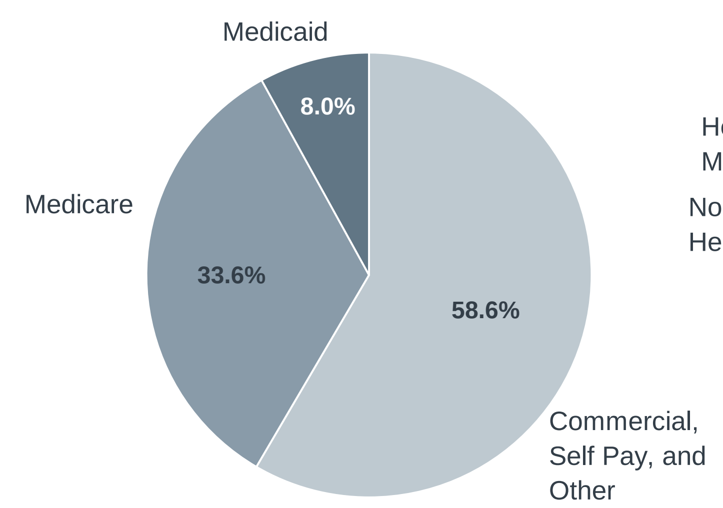


1) Includes primary care physicians, specialists, nurses, advanced practitioners, etc. For a breakdown of clinicians by type, specialty, or sub-specialty, you can use our Clinician Supply Profiler.

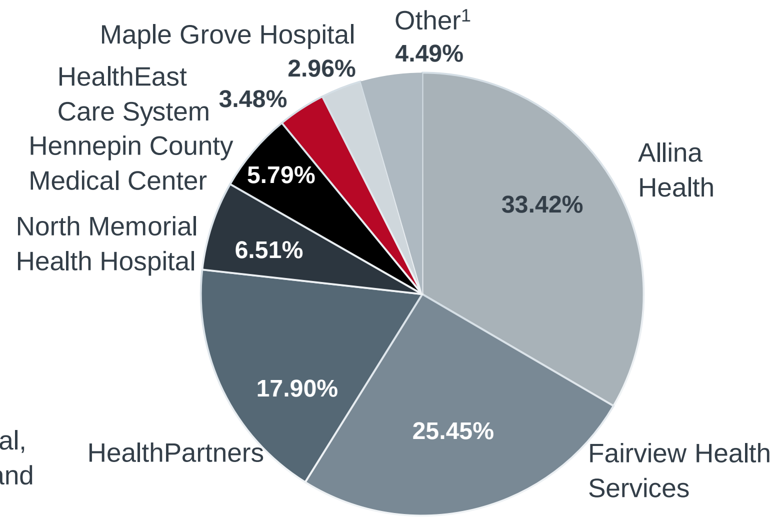
Source: Advisory Board research and analysis.

Overview of Payers, Inpatient Players, Major Ailments

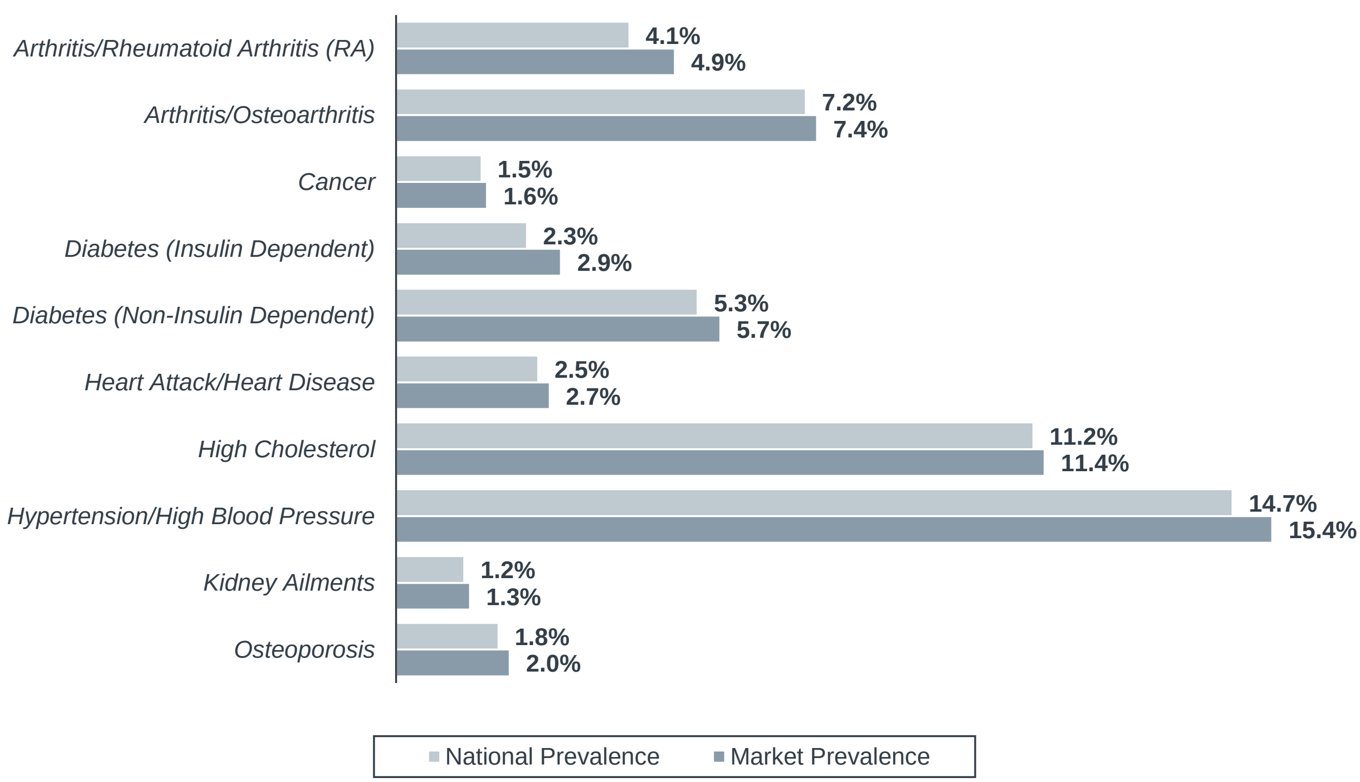
Discharge Mix



Medicare Inpatient Market Share Breakdown



Prevalence of Ailments



1) Northfield Hospital, Ridgeview, Saint Francis Regional Medical Center.

Source: Advisory Board research and analysis.

Population Stratification

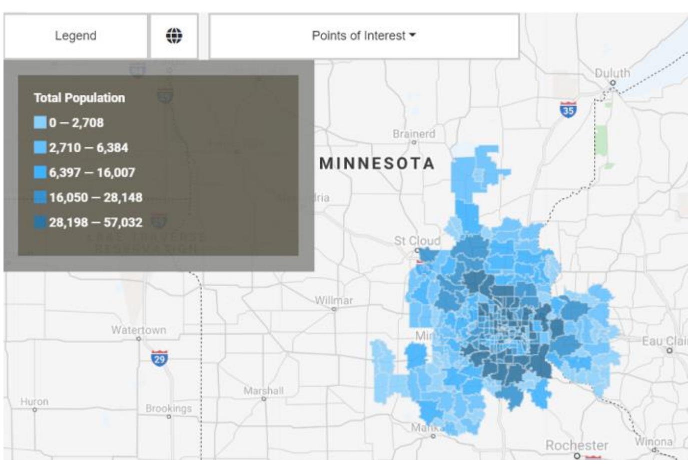
Segmentation by Age

Age Group	% of Population (2018)
0-9	12.9%
10-19	13.0%
20-29	13.3%
30-39	14.2%
40-49	12.6%
50-59	13.7%
60-69	10.9%
70-79	5.8%
80+	3.4%

Outpatient Sites of Care Volume Projections

Site of Care	2018 Volume	2028 Volume
Hospital Outpatient Dept.	2,910,516	3,475,987
ED	1,341,806	1,762,431
Ambulatory Surgery	3,164,048	3,922,295
Physician Office/Clinic	13,340,216	16,204,261
Endoscopy	498,216	620,797
Oncology Center	1,357,914	1,650,628
Sleep Studies	256,286	316,553
Independent Diagnostic Testing	1,188,037	1,401,311
Physical Therapy	1,410,313	1,933,667
Lab	2,586,672	3,250,247
Other	48,604	72,393

Population Density



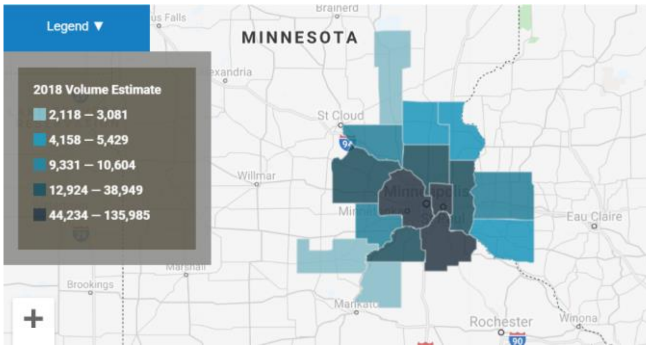
Segmentation by Gender

Gender	Current Population Count (2018)	Projected Population Count (2023)
Male	1,833,097	1,914,973
Female	1,864,277	1,951,478

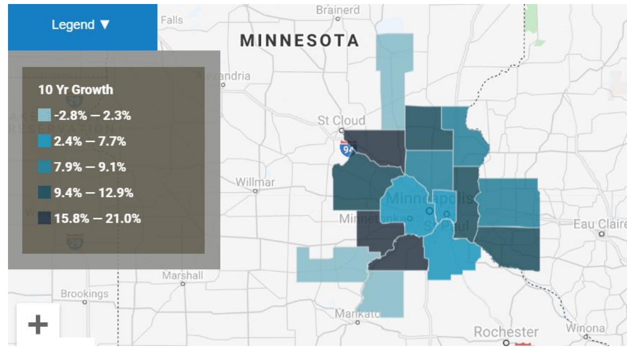
Source: Advisory Board research and analysis.

Inpatient Volume Projections

2018 Inpatient Volumes



2028 Inpatient Volumes (10-Year Growth)



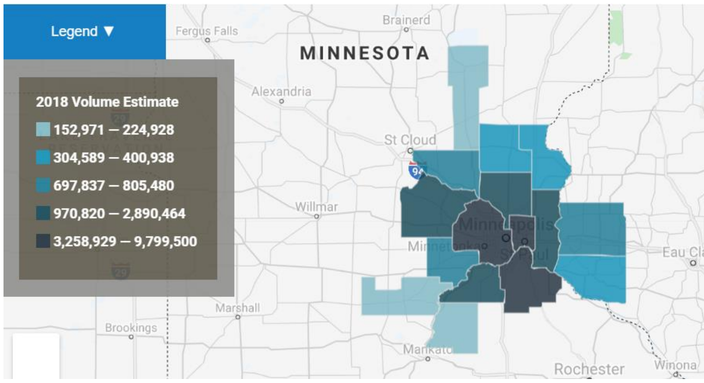
Service Line Volume Projections

Service Line	2018 Volume Estimate	2023 Volume Forecast	2028 Volume Forecast	5 Yr Growth	10 Yr Growth
+ Cardiac Services	38,349	35,050	37,855	-8.6%	-1.3%
+ ENT	3,953	3,733	3,881	-5.6%	-1.8%
+ General Medicine	134,542	143,396	155,982	6.6%	15.9%
+ General Surgery	26,008	26,310	27,637	1.2%	6.3%
+ Gynecology	4,160	3,840	3,876	-7.7%	-6.8%
+ Invalid	840	694	682	-17.3%	-18.8%
+ Neonatology	47,203	47,399	48,099	0.4%	1.9%
+ Neurology	15,624	16,107	17,639	3.1%	12.9%
+ Neurosurgery	2,644	3,037	3,387	14.9%	28.1%
+ Obstetrics	49,150	49,210	50,310	0.1%	2.4%
+ Oncology/Hematology	10,705	10,799	11,423	0.9%	6.7%
+ Ophthalmology	443	403	401	-9.0%	-9.6%
+ Orthopedics	23,501	23,937	25,625	1.9%	9.0%
+ Other Trauma	3,157	3,352	3,705	6.2%	17.4%
+ Rehabilitation (Acute	3,977	2,146	1,769	-46.0%	-55.5%
+ Spine	8,756	8,449	8,610	-3.5%	-1.7%
+ Thoracic Surgery	2,031	2,113	2,182	4.0%	7.4%
+ Urology	4,865	5,164	5,578	6.1%	14.7%
+ Vascular Services	6,222	5,596	5,846	-10.1%	-6.0%

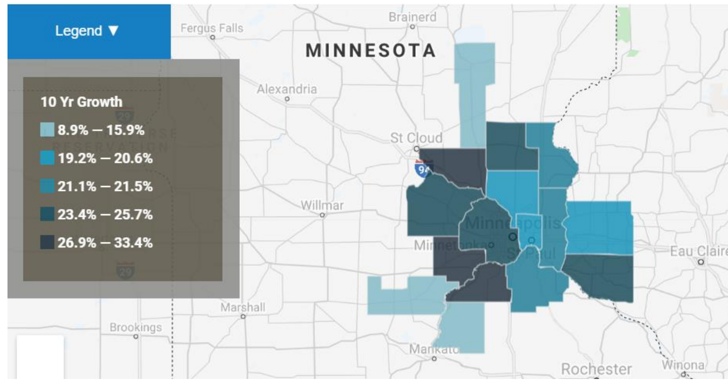
Source: Advisory Board research and analysis.

Outpatient Volume Projections

2018 Outpatient Volumes



2028 Outpatient Volumes (10-Year Growth)



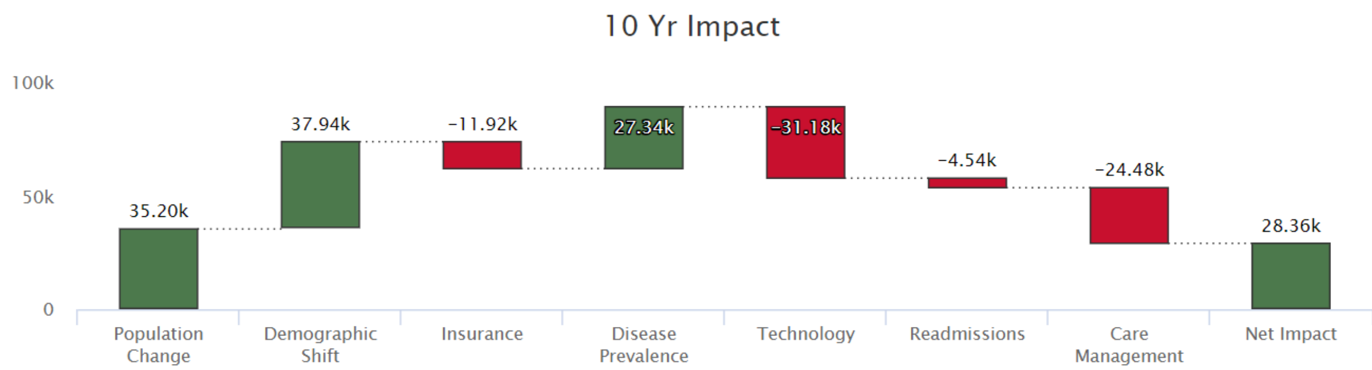
Service Line Volume Projections

Service Line	2018 Volume Estimate	2023 Volume Forecast	2028 Volume Forecast	5 Yr Growth	10 Yr Growth
+ Cardiology	943,098	1,072,336	1,217,881	^ 13.7%	^ 29.1%
+ Cosmetic Procedures	80,304	95,308	98,847	^ 18.7%	^ 23.1%
+ Dermatology	565,996	658,460	738,135	^ 16.3%	^ 30.4%
+ Endocrinology	8,086	11,938	13,380	^ 47.6%	^ 65.5%
+ ENT	337,892	402,603	468,886	^ 19.2%	^ 38.8%
+ Evaluation and Management	10,489,730	11,355,139	12,214,232	^ 8.3%	^ 16.4%
+ Gastroenterology	273,118	333,890	378,483	^ 22.3%	^ 38.6%
+ General Surgery	80,305	93,414	103,146	^ 16.3%	^ 28.4%
+ Gynecology	121,404	126,282	128,785	^ 4.0%	^ 6.1%
+ Lab	3,946,394	4,515,492	4,966,305	^ 14.4%	^ 25.8%
+ Miscellaneous Services	2,016,471	2,371,873	2,591,109	^ 17.6%	^ 28.5%
+ Nephrology	82,832	97,720	111,386	^ 18.0%	^ 34.5%
+ Neurology	159,274	198,727	224,822	^ 24.8%	^ 41.2%
+ Neurosurgery	8,995	11,031	12,777	^ 22.6%	^ 42.0%
+ Obstetrics	54,401	54,205	55,283	v -0.4%	^ 1.6%
+ Oncology	20,211	21,665	22,878	^ 7.2%	^ 13.2%
+ Ophthalmology	827,749	1,006,960	1,154,882	^ 21.7%	^ 39.5%
+ Orthopedics	408,376	519,549	583,698	^ 27.2%	^ 42.9%
+ Pain Management	103,040	126,900	143,766	^ 23.2%	^ 39.5%
+ Physical Therapy/Rehabilitation	2,503,505	2,874,280	3,121,491	^ 14.8%	^ 24.7%
+ Podiatry	150,523	195,131	229,604	^ 29.6%	^ 52.5%
+ Psychiatry	1,346,866	1,481,160	1,526,962	^ 10.0%	^ 13.4%
+ Pulmonology	276,530	329,839	370,630	^ 19.3%	^ 34.0%
+ Radiology	3,015,423	3,290,172	3,571,518	^ 9.1%	^ 18.4%
+ Spine	13,261	16,963	19,112	^ 27.9%	^ 44.1%
+ Thoracic Surgery	2,500	3,387	4,068	^ 35.5%	^ 62.7%
+ Trauma	107,657	114,598	121,436	^ 6.4%	^ 12.8%
+ Urology	153,187	201,644	237,718	^ 31.6%	^ 55.2%
+ Vascular	123,690	152,643	179,351	^ 23.4%	^ 45.0%

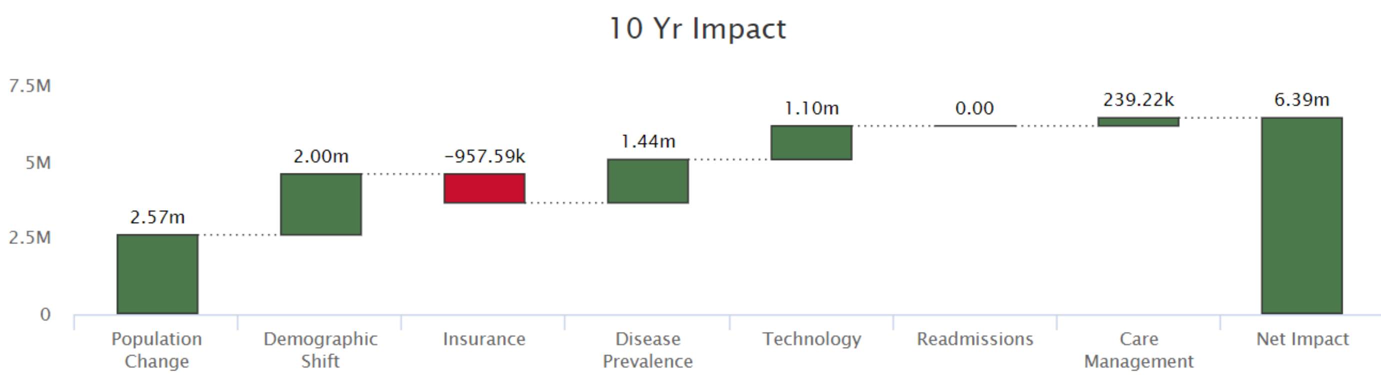
Source: Advisory Board research and analysis.

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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655 New York Avenue NW, Washington DC 20001 | **advisory.com**