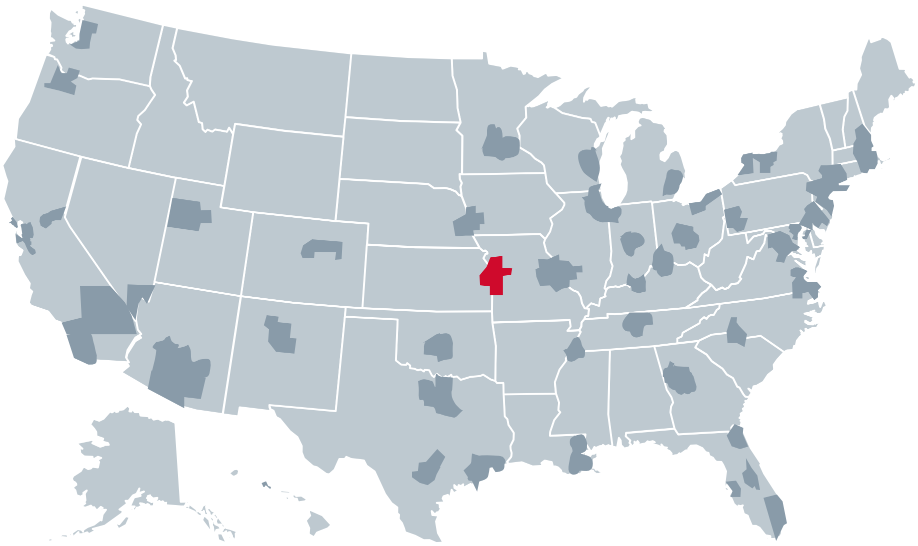
Market Profile

Published by Health Care Industry Committee

Kansas City, MO



Counties Covered:

County	State
Douglas County	KS
Johnson County	KS
Leavenworth County	KS
Linn County	KS
Miami County	KS
Wyandotte County	KS
Bates County	MO
Caldwell County	MO
Cass County	MO
Clay County	MO
Clinton County	MO
Jackson County	MO
Lafayette County	MO
Platte County	MO
Ray County	MO

Total Population:

- 2,285,353

Market Summary

- **Overview**: Kansas City is a steadily growing metropolitan area, with more population growth occurring downtown, rather than suburban areas.
- **Health Systems**: Hospitals in the Kansas City area are slowly consolidating. HCA, St. Luke's Health System, and The University of Kansas Hospital together comprise over 50% of the market, but smaller facilities and systems continue to hold onto their market share.
- **Insurers**: Both Kansas and Missouri use the federally facilitated marketplace. New to the insurance markets are Medica and Oscar.
- **Physicians**: Kansas City's three largest physician groups are affiliated with the three largest health systems. In 2019, Kansas City also became the third test market for Partners in Primary Care, a medical group practice that's putting doctor's offices within Walgreens.
- **Employers**: Three of the largest employers include the federal government, Internal Revenue Service, and city of Kansas City. Cerner Corporation is the second largest company in the area.
- **Population**: Kansas City has a growing and vibrant population, with more younger individuals embracing tech innovation and drawing entrepreneurs to the area. At the same time, Kansas City is bracing for its senior population to nearly double by 2030, prompting questions about whether the metro area is equipped to manage care for older adults.

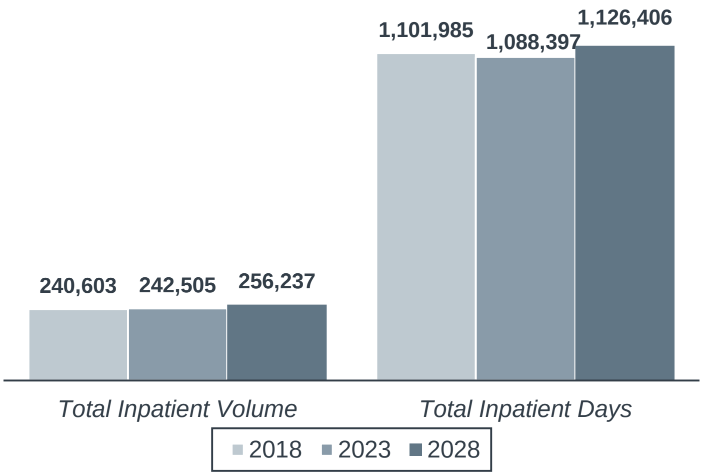
Source: "Kansas City's Top Physician Groups," *Kansas City Business Journal,* May 2019, available at https://www.bizjournals.com/kansascity/subscriber-only/2019/05/17/top-kansas-city-area-physician-groups.html; Evans, Matt, "KC serves as test market for doctor's offices inside Walgreens," *KMBC News,* September 2019, available at https://www.kmbc.com/article/kc-serves-as-test-market-for-doctors-offices-inside-walgreens/29203654; "Major Employers," *Economic Development Corporation of Kansas City,* available at https://edckc.com/workforce-talent/major-employers/; Collins, Leslie, "KC lands in top 10 on best untapped cities for startups list," *Kansas City Business Journal,* October 2019, available at https://www.bizjournals.com/kansascity/news/2019/10/23/kcmo-among-top-untapped-cities-for-startups.html; Margolies, Dan "As KC Area's Population Ages, Who Will Treat the Elderly," *KCUR,* June 2016, available at https://www.kcur.org/post/kc-area-s-population-ages-who-will-treat-elderly#stream/0; Advisory Board research and analysis.

Market Glimpse

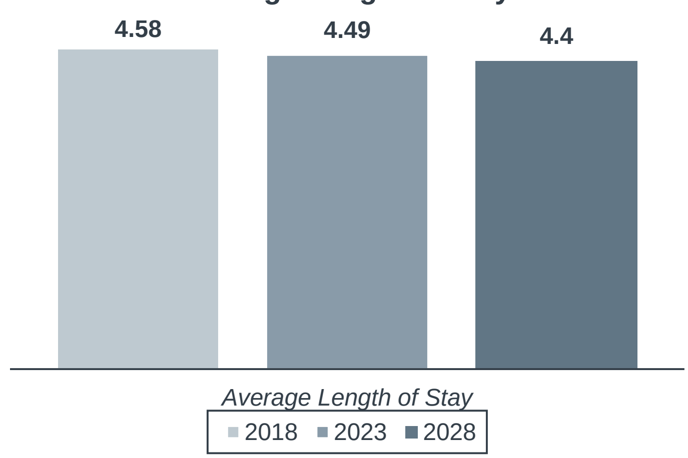
Key Figures

Category	Figure
Acute-Care Hospitals	30
Acute-Care Beds	4,958
Number of Clinicians[1]	16,975
Households Count	914,103
Median Age	36.8
Median Household Income	$68,226
Per Capita Income	$34,578
Patients Who Visited a Doctor in the Past Year	76.7%
Unemployment Rate	3.2%
Uninsured Rate	Moderate

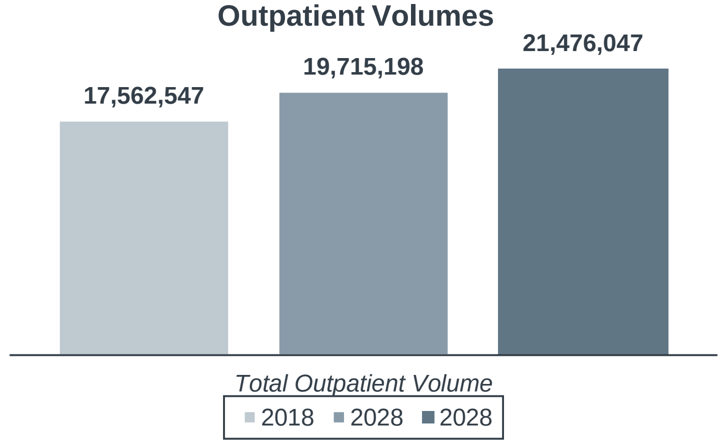
Inpatient Volume and Days



Average Length of Stay



Outpatient Volumes

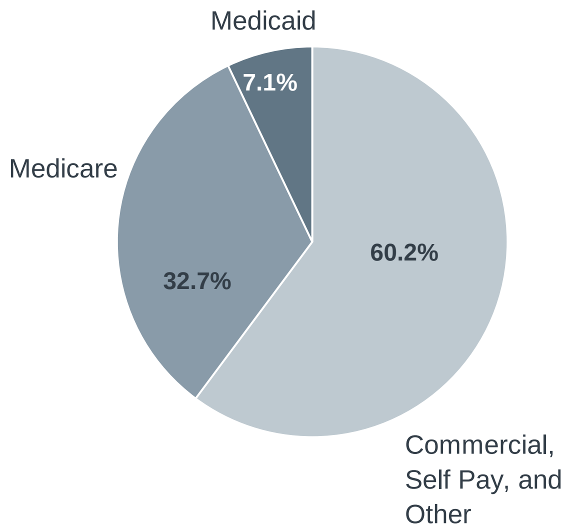


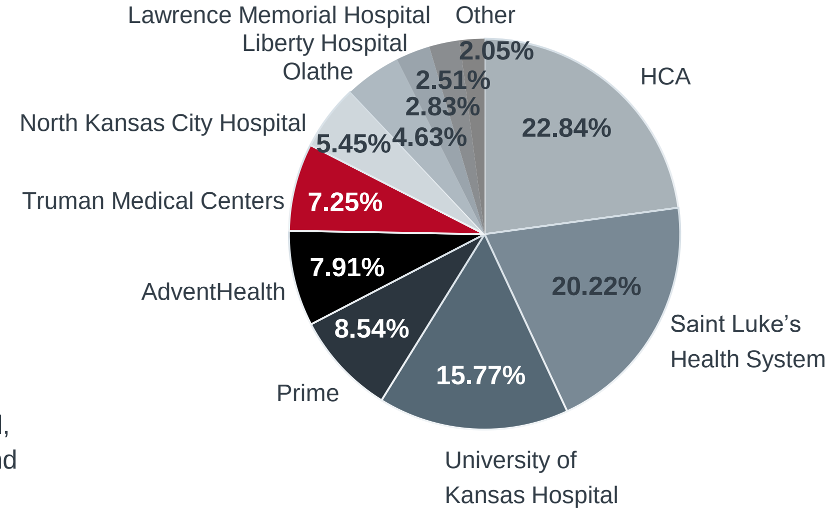
1) Includes primary care physicians, specialists, nurses, advanced practitioners, etc. For a breakdown of clinicians by type, specialty, or sub-specialty, you can use our Clinician Supply Profiler.

Source: Advisory Board research and analysis.

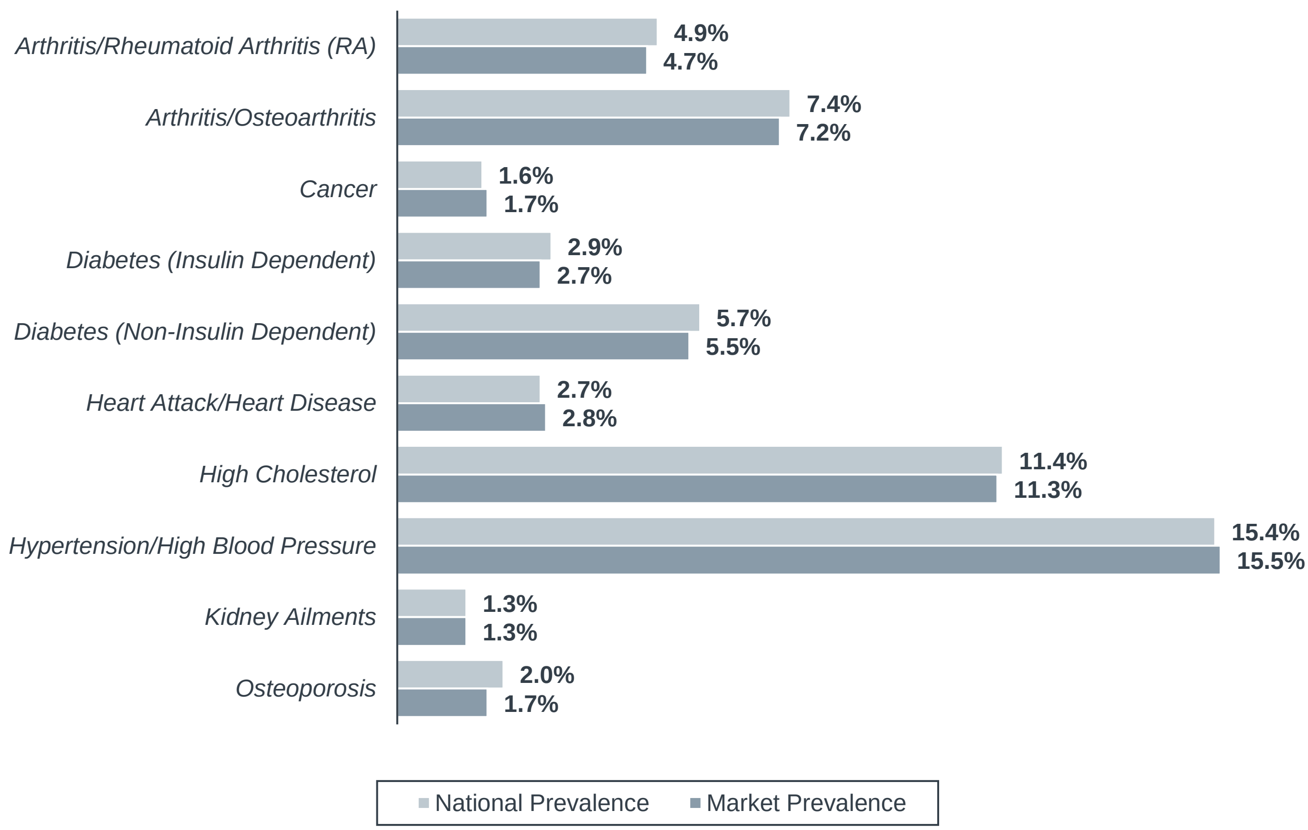
Overview of Payers, Inpatient Players, Major Ailments

Discharge Mix





Prevalence of Ailments



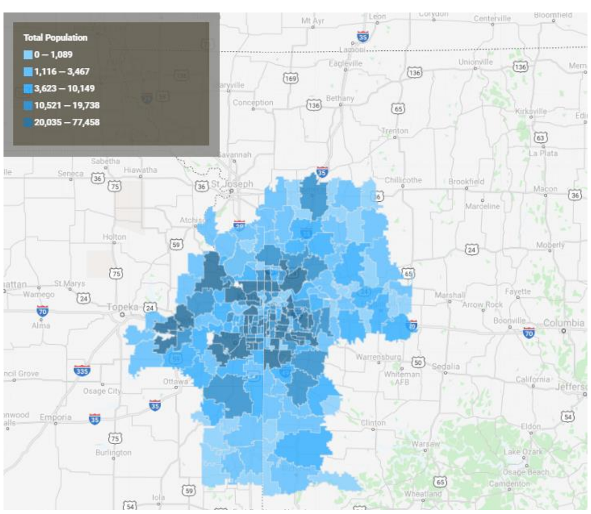
Source: Advisory Board research and analysis.

Population Stratification

Segmentation by Age

Age Group	% of Population in 2018
0-9	13.1%
10-19	13.3%
20-29	13.6%
30-39	13.8%
40-49	12.6%
50-59	13.1%
60-69	11.0%
70-79	6.1%
80+	3.4%

Population Density



Outpatient Sites of Care Volume Projections

Site of Care	2018 Volume	2028 Volume
Hospital Outpatient Department	1,813,061	2,153,230
Emergency Department	841,654	1,090,468
Ambulatory Surgery	1,969,032	2,433,406
Physician Office/Clinic	8,297,334	10,065,559
Endoscopy	309,875	384,659
Oncology Center	845,100	1,024,159
Sleep Studies	159,282	196,330
Independent Diagnostic Testing Facility	740,615	868,881
Physical Therapy	944,690	1,202,762
Lab	1,611,751	2,012,019
Other	30,180	44,573

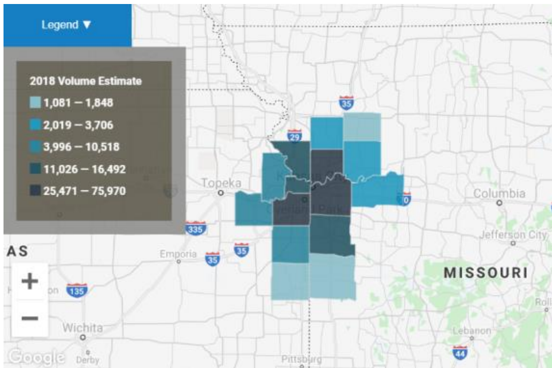
Segmentation by Gender

Gender	Population Count in 2018	Projected Population Count in 2023
Male	1,124,948	1,128,719
Female	1,160,397	1,164,915

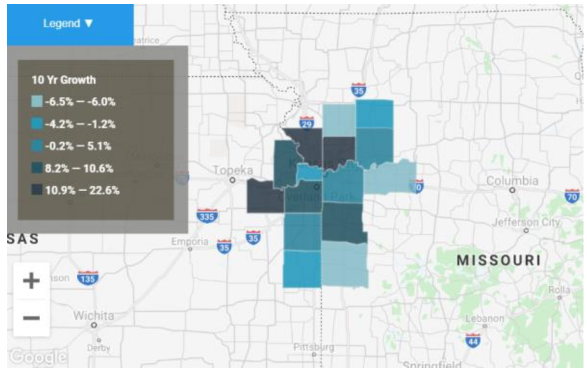
Source: Advisory Board research and analysis.

Inpatient Volume Projections

2018 Inpatient Volumes



2028 Inpatient Volumes (10-Year Growth)



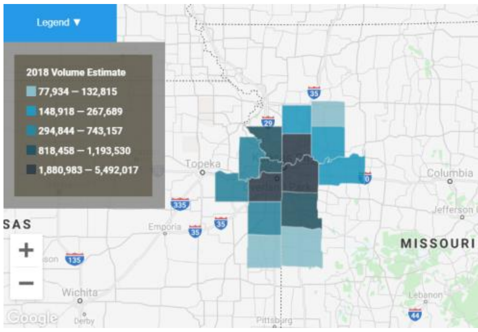
Service Line Volume Projections

Service Line	2018 Volume Estimate	2023 Volume Forecast	2028 Volume Forecast	5 Yr Growth	10 Yr Growth
+ Cardiac Services	24,041	21,656	23,090	-9.9%	-4.0%
+ ENT	2,462	2,317	2,401	-5.9%	-2.5%
+ General Medicine	83,877	88,794	95,996	5.9%	14.4%
+ General Surgery	16,126	16,266	17,058	0.9%	5.8%
+ Gynecology	2,579	2,391	2,425	-7.3%	-6.0%
+ Invalid	524	430	419	-18.0%	-20.1%
+ Neonatology	29,408	29,653	30,195	0.8%	2.7%
+ Neurology	9,778	9,979	10,835	2.1%	10.8%
+ Neurosurgery	1,644	1,879	2,088	14.3%	27.0%
+ Obstetrics	30,319	30,772	31,735	1.5%	4.7%
+ Oncology/Hematology (Medical)	6,696	6,697	7,029	0.0%	5.0%
+ Ophthalmology	276	250	247	-9.4%	-10.4%
+ Orthopedics	14,774	14,864	15,756	0.6%	6.6%
+ Other Trauma	1,975	2,076	2,272	5.1%	15.0%
+ Rehabilitation (Acute Care)	2,508	1,331	1,081	-46.9%	-56.9%
+ Spine	5,440	5,221	5,300	-4.0%	-2.6%
+ Thoracic Surgery	1,270	1,307	1,340	2.9%	5.5%
+ Urology	3,009	3,169	3,406	5.3%	13.2%
+ Vascular Services	3,894	3,453	3,565	-11.3%	-8.5%

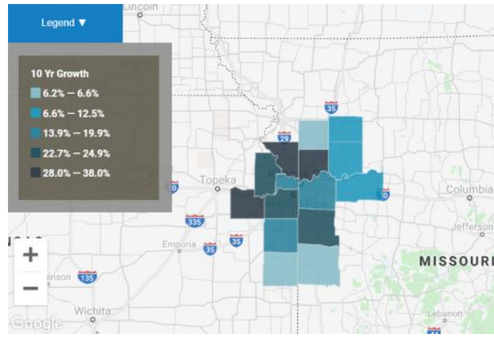
Source: Advisory Board research and analysis.

Outpatient Volume Projections

2018 Outpatient Volumes



2028 Outpatient Volumes (10-Year Growth)



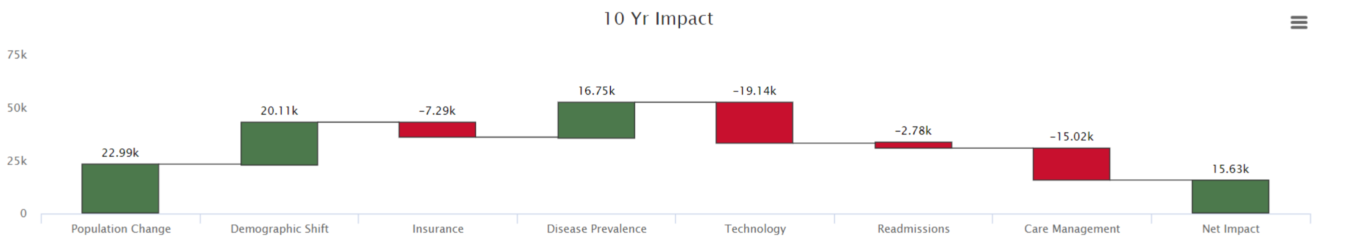
Service Line Volume Projections

Service Line	2018 Volume Estimate	2023 Volume Forecast	2028 Volume Forecast	5 Yr Growth	10 Yr Growth
+ Cardiology	590,161	664,204	747,880	^ 12.5%	^ 26.7%
+ Cosmetic Procedures	49,690	59,111	61,711	^ 19.0%	^ 24.2%
+ Dermatology	351,446	407,483	455,380	^ 15.9%	^ 29.6%
+ Endocrinology	4,983	7,368	8,283	^ 47.8%	^ 66.2%
+ ENT	210,554	250,644	292,129	^ 19.0%	^ 38.7%
+ Evaluation and Management	6,524,907	7,058,450	7,590,067	^ 8.2%	^ 16.3%
+ Gastroenterology	169,988	206,828	233,498	^ 21.7%	^ 37.4%
+ General Surgery	49,787	57,873	63,893	^ 16.2%	^ 28.3%
+ Gynecology	75,378	78,825	80,846	^ 4.6%	^ 7.3%
+ Lab	2,459,972	2,804,262	3,072,810	^ 14.0%	^ 24.9%
+ Miscellaneous Services	1,258,596	1,476,478	1,610,672	^ 17.3%	^ 28.0%
+ Nephrology	51,198	60,161	68,539	^ 17.5%	^ 33.9%
+ Neurology	98,569	123,066	139,447	^ 24.9%	^ 41.5%
+ Neurosurgery	5,547	6,822	7,931	^ 23.0%	^ 43.0%
+ Obstetrics	33,438	33,829	34,895	^ 1.2%	^ 4.4%
+ Oncology	12,531	13,332	14,019	^ 6.4%	^ 11.9%
+ Ophthalmology	523,875	629,224	712,955	^ 20.1%	^ 36.1%
+ Orthopedics	254,091	322,721	362,174	^ 27.0%	^ 42.5%
+ Pain Management	64,127	78,794	89,099	^ 22.9%	^ 38.9%
+ Physical Therapy/Rehabilitation	1,542,673	1,778,768	1,942,571	^ 15.3%	^ 25.9%
+ Podiatry	96,120	122,124	140,999	^ 27.1%	^ 46.7%
+ Psychiatry	829,548	918,789	954,877	^ 10.8%	^ 15.1%
+ Pulmonology	172,360	205,250	230,431	^ 19.1%	^ 33.7%
+ Radiology	1,882,842	2,047,745	2,215,890	^ 8.8%	^ 17.7%
+ Spine	8,254	10,535	11,841	^ 27.6%	^ 43.5%
+ Thoracic Surgery	1,577	2,104	2,492	^ 33.4%	^ 58.0%
+ Trauma	67,195	71,159	75,069	^ 5.9%	^ 11.7%
+ Urology	95,399	124,320	145,232	^ 30.3%	^ 52.2%
+ Vascular	77,769	94,932	110,419	^ 22.1%	^ 42.0%

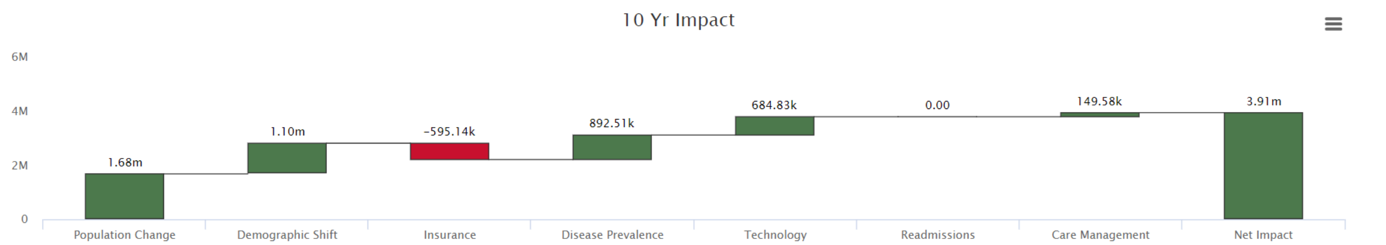
Source: Advisory Board research and analysis.

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.

Advisory Board

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