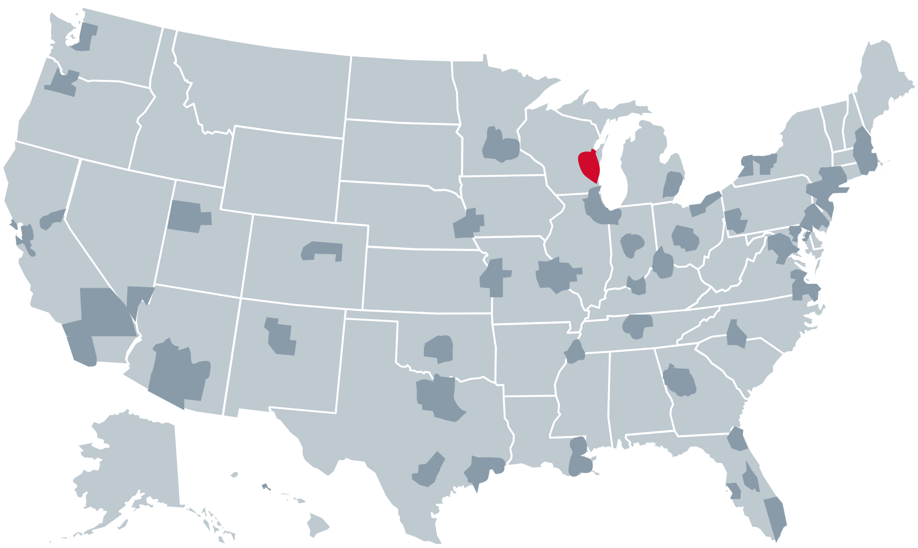
Advisory Board

Market Profile

Published by Health Care Industry Committee

Milwaukee, WI



Counties Covered:

County	State
Dodge	WI
Milwaukee	WI
Ozaukee	WI
Racine	WI
Washington	WI
Waukesha	WI

Total Population:

- 2,065,257

Market Summary

- **Overview**: The Milwaukee market is highly consolidated. While large systems have made strides towards improving population health through ACOs, health care prices are still well above national average.
- **Health Systems**: Advocate-Aurora, Ascension, and Froedtert and Medical College of Wisconsin are in a three-way race for the Milwaukee market. A 2019 report pointed to Milwaukee as a prime example of the recent hospital consolidation trend. Advocate Aurora's three ACOs are some of the largest in the nation and have achieved considerable savings year over year.
- **Insurers**: Going into 2020, individuals in Wisconsin will have more choices (five, up from three in 2017) to shop on the insurance marketplace, a sign that the market is stabilizing after a few years of turmoil.
- **Physicians**: All of the largest physician groups are aligned with the major health systems in the area.
- **Employers**: Beyond the area's three largest health systems, Milwaukee's largest employers include Kroger Co., Kohl's, Quad/Graphics, and GE Healthcare.
- **Population**: Milwaukee's population has declined over the last several years, in contrast to other cities of its size. Milwaukee County is more racially and ethnically diverse than other parts of Wisconsin.

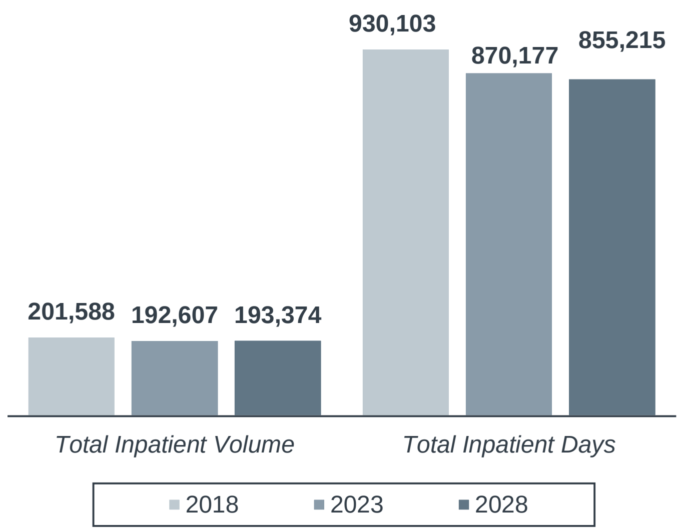
Source: Porter, Steven, "Eroding Competition: Nearly 3 in 4 Healthcare Markets Highly Concentrated," *Health Leaders,* September 2019, available at https://www.healthleadersmedia.com/strategy/eroding-competition-nearly-3-4-healthcare-markets-highly-concentrated; Boulton, Guy, "Health care prices in the Milwaukee area overall are 17 percent above national average," *Milwaukee Journal Sentinel,* November 2018, available at https://www.jsonline.com/story/money/business/health-care/2018/11/08/health-care-prices-milwaukee-green-bay-well-above-national-average/1889248002/ ; "Advocate Aurora Health's ACOs Save Taxpayers $61 Million Through Key Medicare Program," *Aurora Health Care,* October 2019, available at https://www.aurorahealthcare.org/media-center/news-releases/Advocate-Aurora-Healths-ACOs-Save-Taxpayers-61-Million-through-Key-Medicare-Program; Boulton, Guy, "Wisconsin consumers will have more choices for health insurance next year under Affordable Care Act," *Milwaukee Journal Sentinel,* October 2019, available at https://www.jsonline.com/story/money/business/health-care/2019/10/10/aca-marketplaces-wisconsin-have-more-options-next-year/3935186002/; "Leading Industries," *Choose Milwaukee,* available at http://www.choosemilwaukee.com/index.php?src=gendocs&ref=LeadingIndustries&category=OpenforBusiness; Hess, Corrinne, Wisconsin's Population Growing, While Milwaukee's Continues to Decline," *Wisconsin Public Radio,* May 2019, available at https://www.wpr.org/wisconsins-population-growing-while-milwaukees-continues-decline; Advisory Board research and analysis.

Market Glimpse

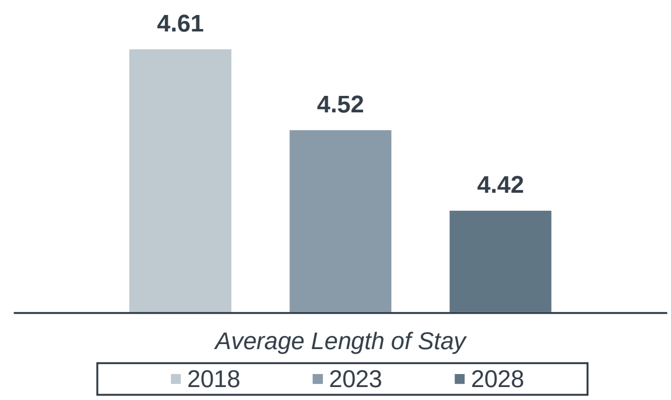
Key Figures

Category	Figure
Acute-Care Hospitals	24
Acute-Care Beds	4,020
Number of Clinicians[1]	15,190
Households Count	1,900,989
Median Age	38
Median Household Income	$65,089
Per Capita Income	$35,968
Patients Who Visited a Doctor in the Past Year	77.0%
Unemployment Rate	3.3%
Uninsured Rate	Low

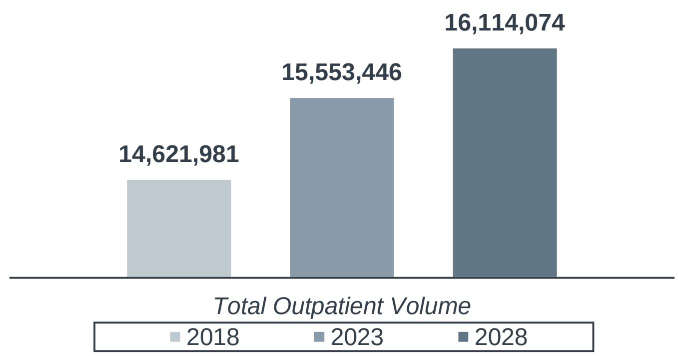
Inpatient Volume and Days



Average Length of Stay



Outpatient Volumes

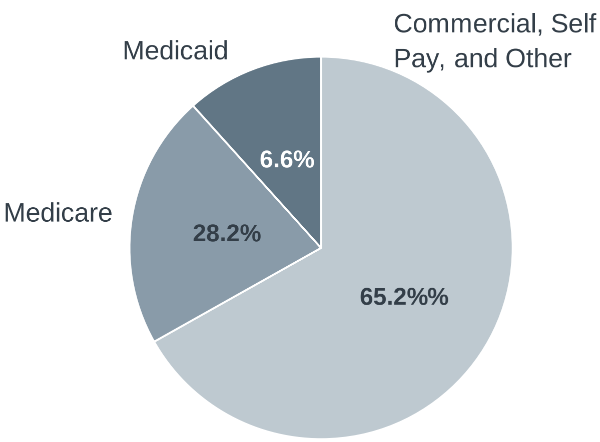


1) Includes primary care physicians, specialists, nurses, advanced practitioners, etc. For a breakdown of clinicians by type, specialty, or sub-specialty, you can use our Clinician Supply Profiler

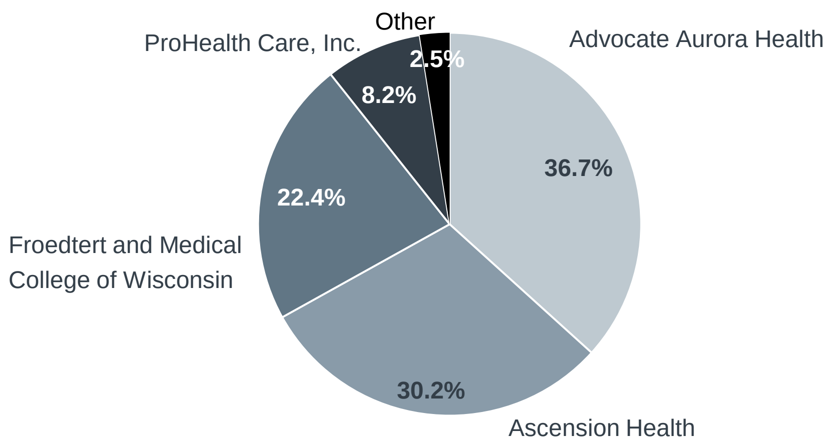
Source: U.S. Census Bureau; Advisory Board research and analysis.

Overview of Payers, Inpatient Players, Major Ailments

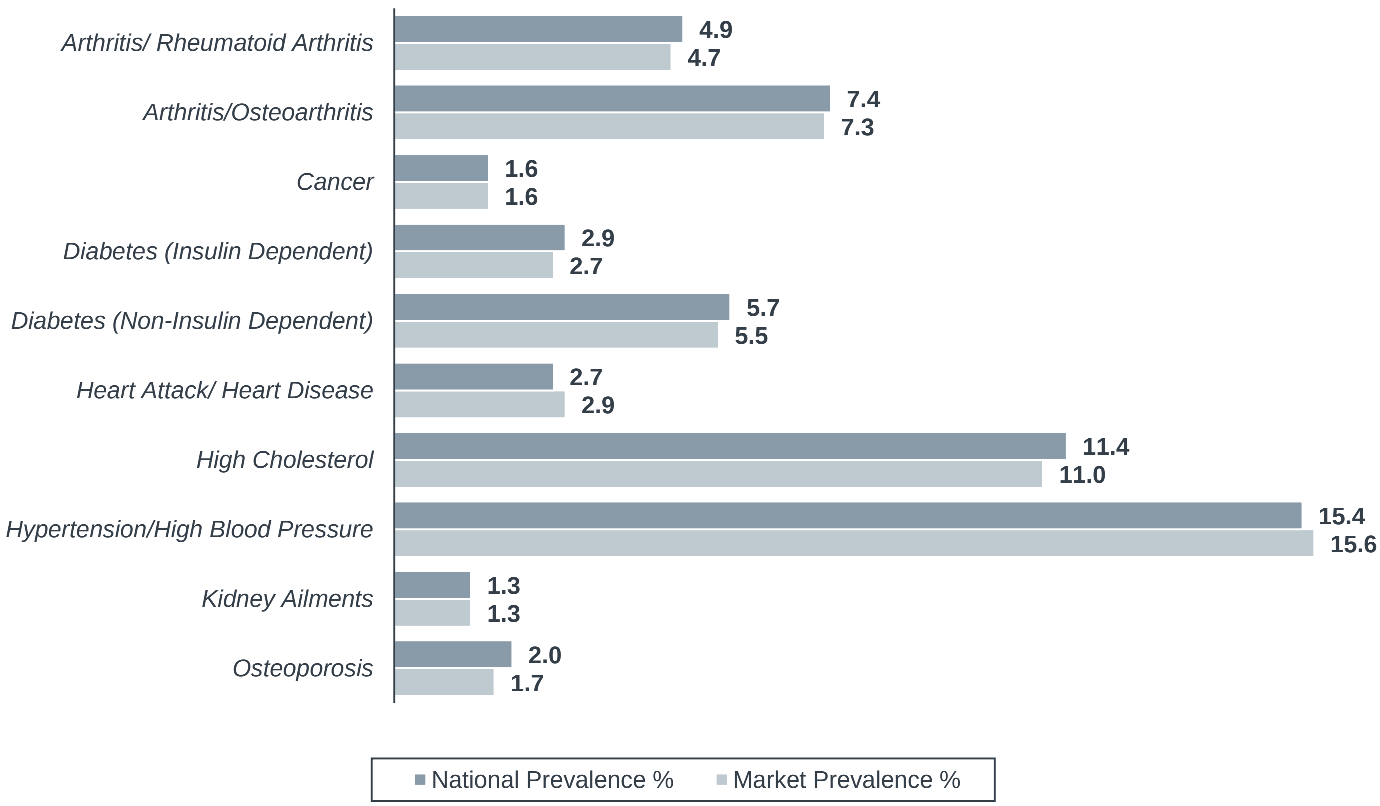
Discharge Mix



Inpatient Medicare Market Share Breakdown



Prevalence of Ailments



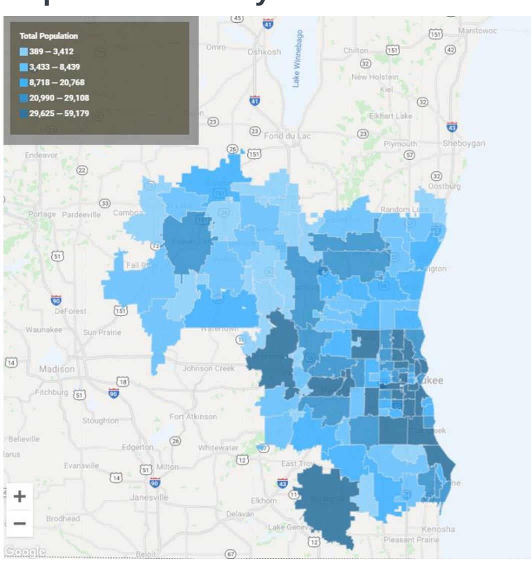
Source: Advisory Board research and analysis.

Population Stratification

Segmentation by Age

Age Group	% of Population in 2018
0-9	12.4%
10-19	13.0%
20-29	13.2%
30-39	13.2%
40-49	12.1%
50-59	13.9%
60-69	11.7%
70-79	6.3%
80+	4.0%

Population Density



Outpatient Sites of Care Volume Projections

Site of Care	2018 Volume	2028 Volume
Hospital Outpatient Department	1,521,354	1,627,433
Emergency Department	707,907	830,148
Ambulatory Surgery	1,638,602	1,825,385
Physician Office/Clinic	6,878,014	7,520,494
Endoscopy	258,787	289,519
Oncology Center	702,881	768,063
Sleep Studies	132,379	146,889
Independent Diagnostic Testing Facility	620,084	655,624
Physical Therapy	781,255	891,018
Lab	1,354,977	1,525,438
Other	25,739	34,064

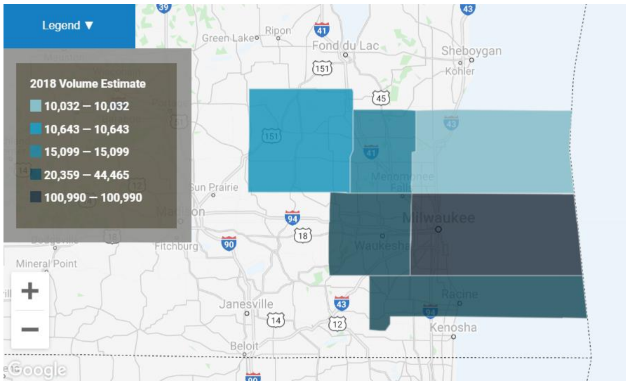
Segmentation by Gender

Gender	Population Count in 2018	Projected Population Count in 2023
Male	932,828	927,006
Female	968,164	962,001

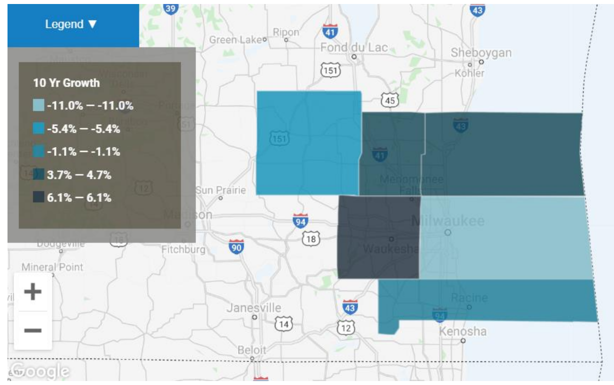
Source: Advisory Board research and analysis.

Inpatient Volume Projections

2018 Inpatient Volumes



2028 Inpatient Volumes (10-Year Growth)



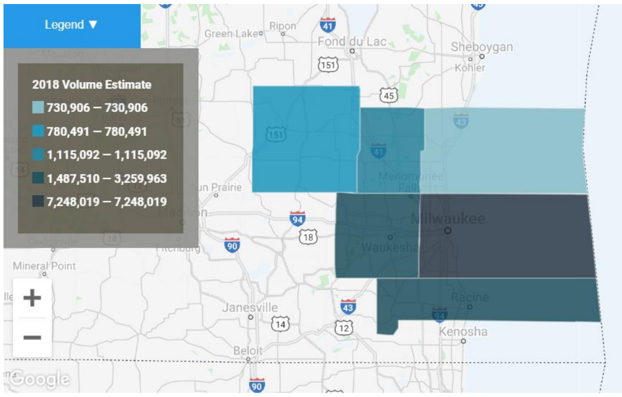
Service Line Volume Projections

Service Line	2018 Volume Estimate	2023 Volume Forecast	2028 Volume Forecast	5 Yr Growth	10 Yr Growth
+ Cardiac Services	20,970	17,874	18,091	-14.8%	-13.7%
+ ENT	2,051	1,836	1,809	-10.5%	-11.8%
+ General Medicine	71,349	71,522	73,410	0.2%	2.9%
+ General Surgery	13,569	12,967	12,898	-4.4%	-4.9%
+ Gynecology	2,113	1,851	1,782	-12.4%	-15.7%
+ Invalid	448	348	322	-22.3%	-28.1%
+ Neonatology	22,828	21,883	21,204	-4.1%	-7.1%
+ Neurology	8,398	8,101	8,349	-3.5%	-0.6%
+ Neurosurgery	1,385	1,501	1,583	8.4%	14.3%
+ Obstetrics	24,252	23,492	23,018	-3.1%	-5.1%
+ Oncology/Hematology (Medical)	5,689	5,403	5,390	-5.0%	-5.3%
+ Ophthalmology	232	199	187	-14.1%	-19.2%
+ Orthopedics	12,782	12,191	12,264	-4.6%	-4.1%
+ Other Trauma	1,696	1,686	1,753	-0.6%	3.4%
+ Rehabilitation (Acute Care)	2,185	1,098	848	-49.7%	-61.2%
+ Spine	4,623	4,202	4,044	-9.1%	-12.5%
+ Thoracic Surgery	1,085	1,061	1,033	-2.2%	-4.8%
+ Urology	2,562	2,555	2,604	-0.3%	1.6%
+ Vascular Services	3,371	2,835	2,782	-15.9%	-17.5%

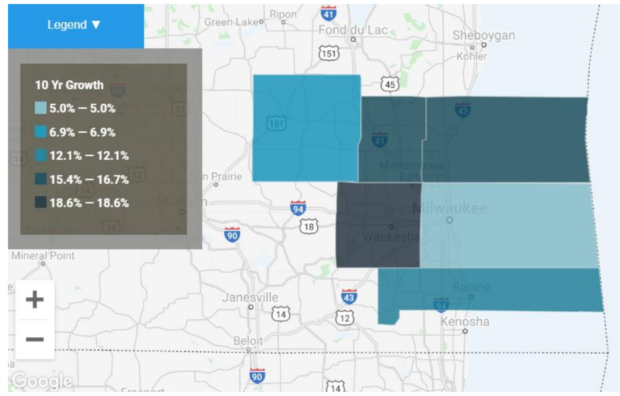
Source: Advisory Board research and analysis.

Outpatient Volume Projections

2018 Outpatient Volumes



2028 Outpatient Volumes (10-Year Growth)



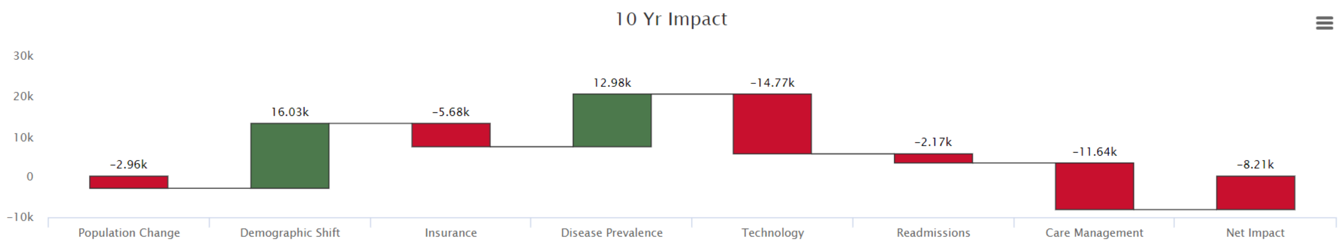
Service Line Volume Projections

Service Line	2018 Volume Estimate	2023 Volume Forecast	2028 Volume Forecast	5 Yr Growth	10 Yr Growth
+ Cardiology	507,315	540,458	578,473	^ 6.5%	^ 14.0%
+ Cosmetic Procedures	40,678	45,803	45,317	^ 12.6%	^ 11.4%
+ Dermatology	295,466	324,554	344,741	^ 9.8%	^ 16.7%
+ Endocrinology	4,170	5,829	6,202	^ 39.8%	^ 48.7%
+ ENT	171,610	193,452	214,165	^ 12.7%	^ 24.8%
+ Evaluation and Management	5,396,053	5,533,697	5,660,711	^ 2.6%	^ 4.9%
+ Gastroenterology	144,788	166,804	178,753	^ 15.2%	^ 23.5%
+ General Surgery	41,615	45,815	48,052	^ 10.1%	^ 15.5%
+ Gynecology	61,614	61,146	59,637	v -0.8%	v -3.2%
+ Lab	2,070,646	2,237,845	2,333,144	^ 8.1%	^ 12.7%
+ Miscellaneous Services	1,038,710	1,155,079	1,199,446	^ 11.2%	^ 15.5%
+ Nephrology	43,651	48,454	52,198	^ 11.0%	^ 19.6%
+ Neurology	81,771	96,548	103,876	^ 18.1%	^ 27.0%
+ Neurosurgery	4,585	5,336	5,882	^ 16.4%	^ 28.3%
+ Obstetrics	26,627	25,743	25,303	v -3.3%	v -5.0%
+ Oncology	10,713	10,781	10,737	^ 0.6%	^ 0.2%
+ Ophthalmology	449,691	512,753	554,335	^ 14.0%	^ 23.3%
+ Orthopedics	213,370	256,490	273,308	^ 20.2%	^ 28.1%
+ Pain Management	54,038	62,842	67,563	^ 16.3%	^ 25.0%
+ Physical Therapy/Rehabilitation	1,271,942	1,385,655	1,434,267	^ 8.9%	^ 12.8%
+ Podiatry	85,180	102,074	112,097	^ 19.8%	^ 31.6%
+ Psychiatry	671,901	702,201	692,082	^ 4.5%	^ 3.0%
+ Pulmonology	142,010	160,360	171,313	^ 12.9%	^ 20.6%
+ Radiology	1,581,043	1,629,214	1,677,258	^ 3.0%	^ 6.1%
+ Spine	6,917	8,378	8,960	^ 21.1%	^ 29.5%
+ Thoracic Surgery	1,361	1,725	1,948	^ 26.8%	^ 43.2%
+ Trauma	56,513	56,694	56,868	^ 0.3%	^ 0.6%
+ Urology	81,206	100,426	111,784	^ 23.7%	^ 37.7%
+ Vascular	66,798	77,309	85,656	^ 15.7%	^ 28.2%

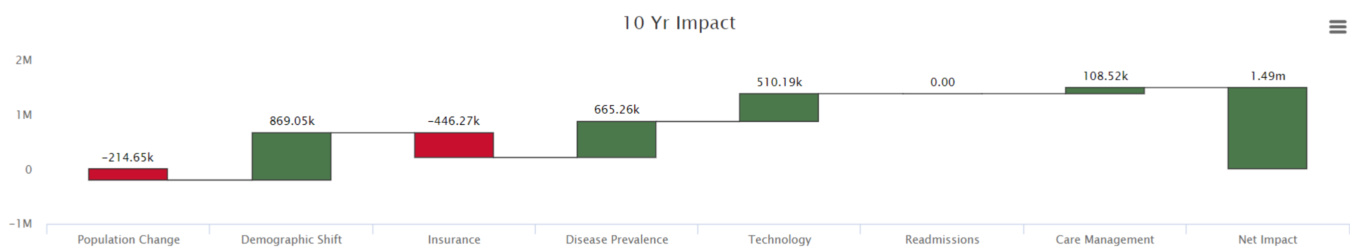
Source: Advisory Board research and analysis.

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.

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