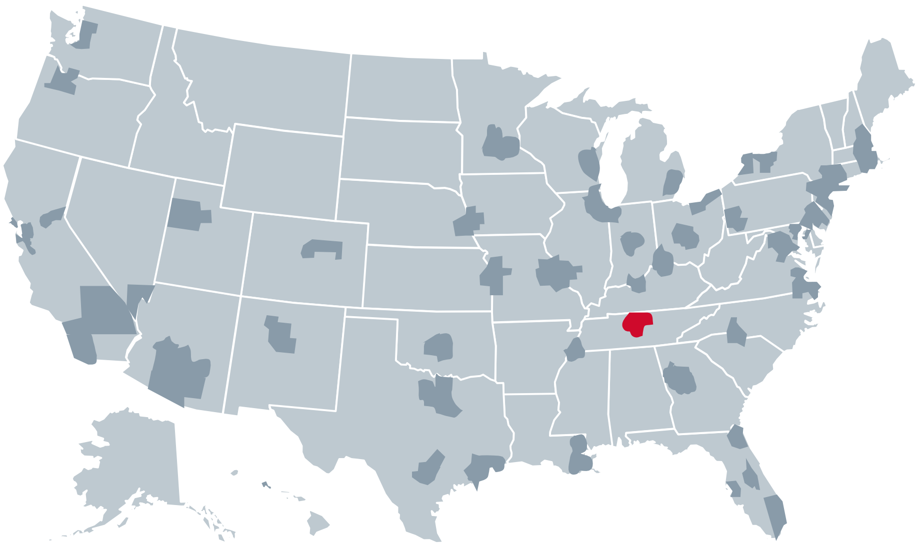
Market Profile

Published by Health Care Industry Committee

Nashville, TN



Counties Covered:

County	State
Cannon	TN
Cheatham	TN
Davidson	TN
Dickson	TN
Hickman	TN
Macon	TN
Maury	TN
Robertson	TN
Rutherford	TN
Smith	TN
Sumner	TN
Trousdale	TN
Williamson	TN
Wilson	TN

Total Population:

- 1,934,753

Market Summary

- **Overview**: Nashville's intensely competitive provider market has given rise to numerous payment reform and care coordination initiatives. Moreover, Nashville's reputation as a healthcare capital and recognized strengths in health care management has helped the area attract new and innovative health care companies, particularly in the IT space.
- **Health Systems**: The hospital/health system market is fairly consolidated. The three largest players (HCA Healthcare, Ascension Health, and Vanderbilt University Medical Center) control over 80% of the inpatient market share.
- **Insurers**: In 2020, Blue Cross Blue Shield of Tennessee plans to return to the Tennessee exchange, joining Cigna and New York based Oscar Health as the major payers in the ACA marketplace.
- **Physicians**: Physician groups are closely aligned with hospitals and health systems. Vanderbilt University Medical Group is one of the largest medical groups in the area and part of the University's increasingly large clinically integrated provider network.
- **Employers**: With more than 300 healthcare companies operating in Nashville, health care is the largest and fastest growing sector of the economy. Several national hospital companies are based in Nashville, including HCA, Community Health Systems, and LifePoint Hospitals.
- **Population**: Nashville used to be among the ten fastest growing cities in the country. However, this trend is slowing as growth rates shrunk in both 2017 and 2018.

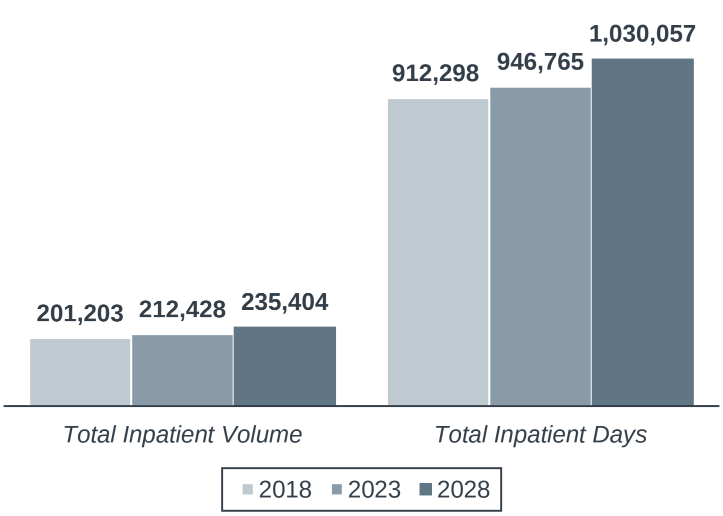
Sources: :"Blue Cross plans to return to Obamacare marketplace in Nashville, Memphis," Tennessean, July 11, 2019; "Nashville's explosive growth shows signs of slowing,: Tennessean, April 17, 2019; Advisory Board research and analysis.

Market Glimpse

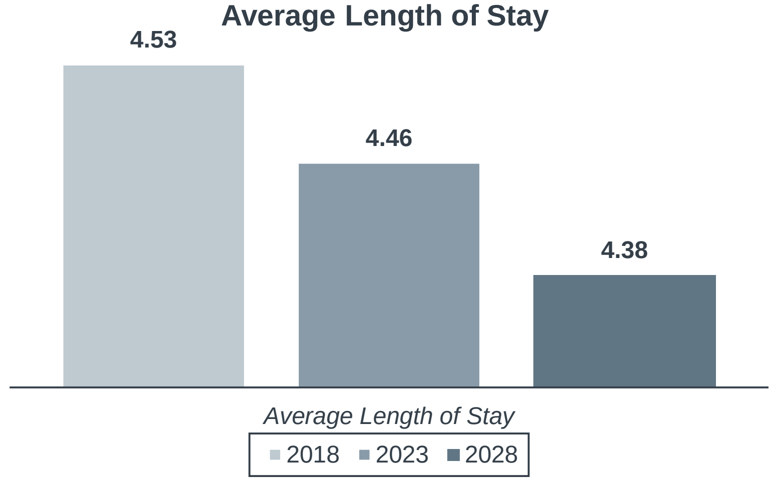
Key Figures

Category	Figure
Acute-Care Hospitals	21
Acute-Care Beds	4,411
Number of Clinicians[1]	5,889
Households Count	749,845
Median Age	36.4
Median Household Income	$65,212
Per Capita Income	$32,838
Patients Who Visited a Doctor in the Past Year	76.5%
Unemployment Rate	2.7%
Uninsured Rate	Medium

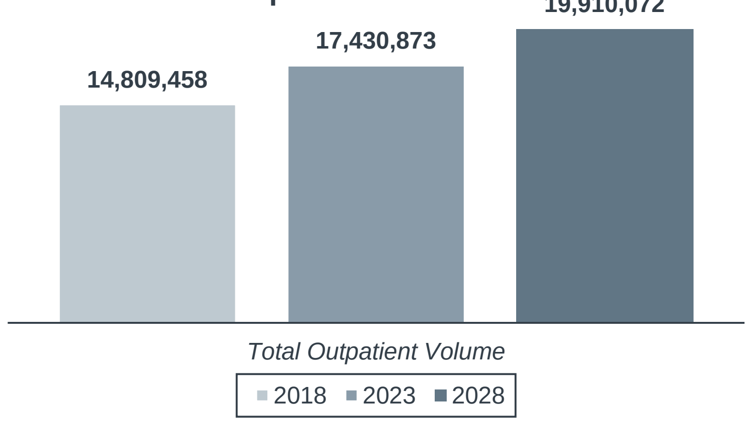
Inpatient Volume and Days



Average Length of Stay



Outpatient Volumes

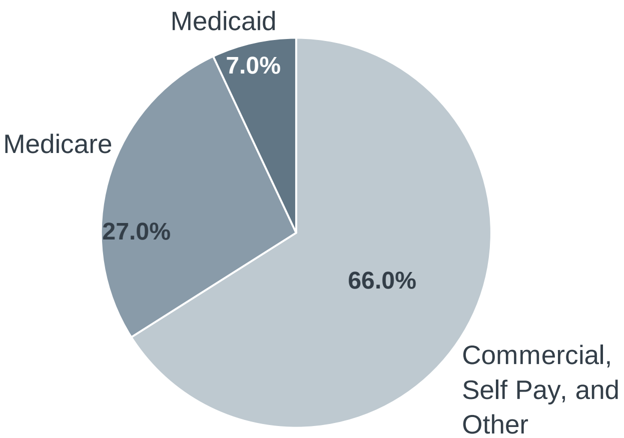


1) Includes primary care physicians, specialists, nurses, advanced practitioners, etc. For a breakdown of clinicians by type, specialty, or sub-specialty, you can use our Clinician Supply Profiler

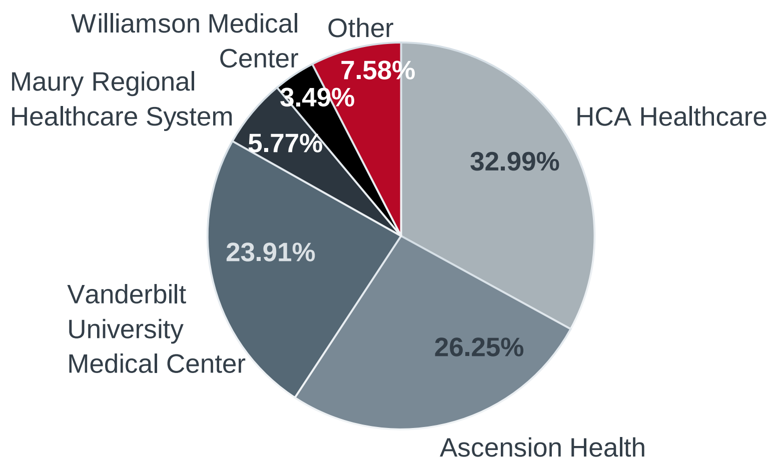
Source: Advisory Board research and analysis.

Overview of Payers, Inpatient Players, Major Ailments

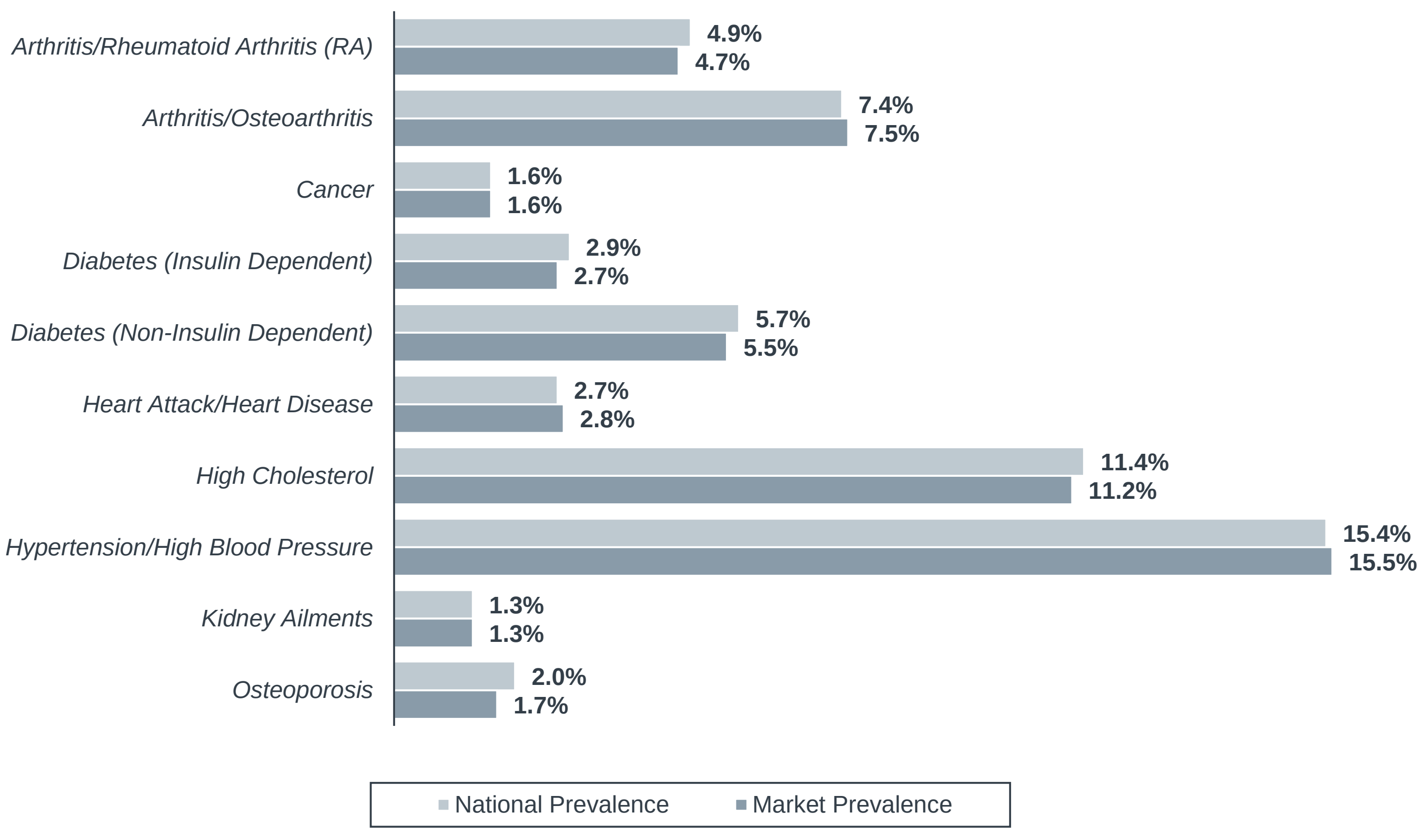
Discharge Mix



Inpatient Medicare Market Share Breakdown



Prevalence of Ailments



Source: Advisory Board research and analysis.

Population Stratification

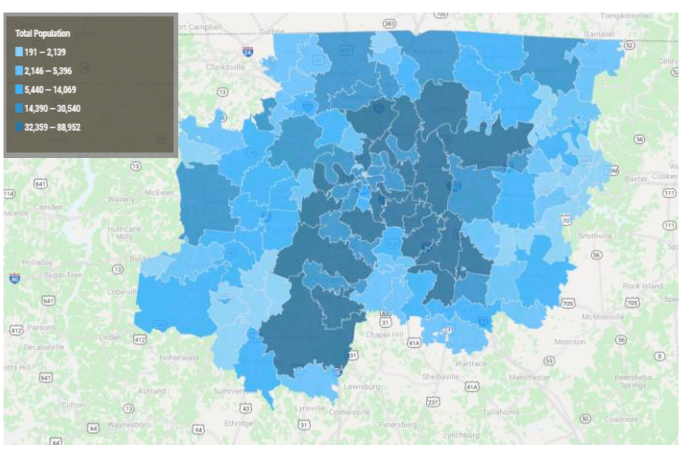
Segmentation by Age

Age Group	% of Population in 2018
0-9	13.0%
10-19	12.9%
20-29	14.2%
30-39	14.4%
40-49	13.2%
50-59	13.2%
60-69	10.5%
70-79	5.8%
80+	2.8%

Outpatient Sites of Care Volume Projections

Site of Care	2018 Volume	2028 Volume
Hospital Outpatient Department	1,523,235	1,991,637
Emergency Department	696,924	994,390
Ambulatory Surgery	1,659,732	2,256,327
Physician Office/Clinic	7,015,388	9,350,968
Endoscopy	260,717	356,304
Oncology Center	712,666	949,502
Sleep Studies	134,329	182,297
Independent Diagnostic Testing Facility	622,215	803,537
Physical Therapy	806,676	1,128,905
Lab	1,352,605	1,855,287
Other	24,971	40,918

Population Density



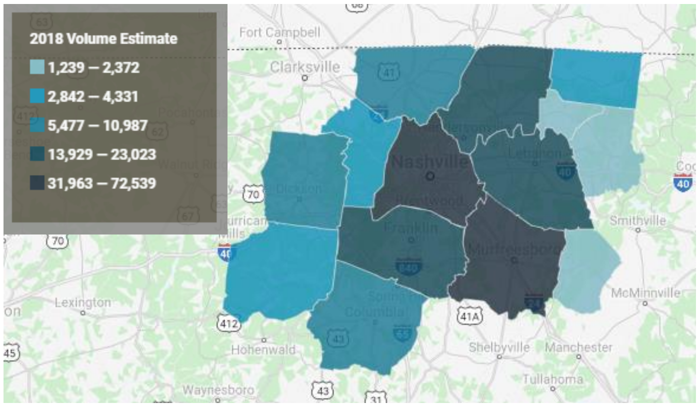
Segmentation by Gender

Gender	Population Count in 2018	Projected Population Count in 2023
Male	943,858	1,034,408
Female	990,892	1,086,393

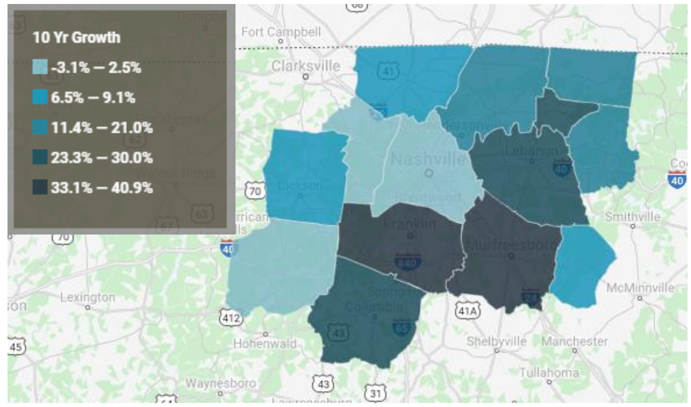
Source: Advisory Board research and analysis.

Inpatient Volume Projections

2018 Inpatient Volumes



2028 Inpatient Volumes (10-Year Growth)



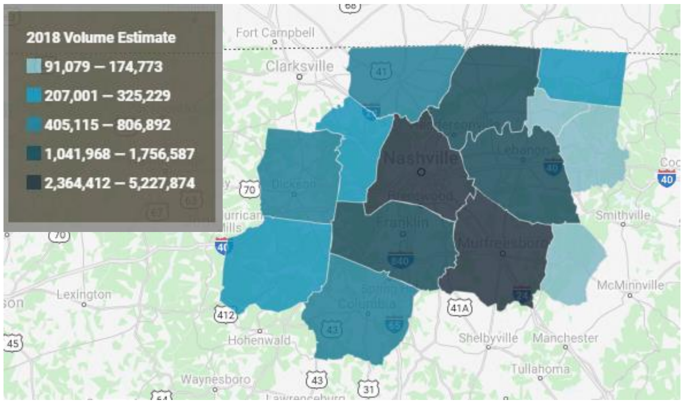
Service Line Volume Projections

Service Line	2018 Volume Estimate	2023 Volume Forecast	2028 Volume Forecast	5 Yr Growth	10 Yr Growth
+ Cardiac Services	19,214	18,283	20,597	-4.8%	7.2%
+ ENT	2,057	2,027	2,205	-1.5%	7.2%
+ General Medicine	69,135	76,892	87,406	11.2%	26.4%
+ General Surgery	13,560	14,347	15,803	5.8%	16.5%
+ Gynecology	2,262	2,190	2,319	-3.2%	2.5%
+ Invalid	429	369	378	-13.9%	-11.7%
+ Neonatology	25,137	26,488	28,240	5.4%	12.3%
+ Neurology	7,956	8,564	9,799	7.6%	23.2%
+ Neurosurgery	1,374	1,649	1,926	20.0%	40.2%
+ Obstetrics	27,555	28,604	30,422	3.8%	10.4%
+ Oncology/Hematology (Medical)	5,512	5,790	6,399	5.0%	16.1%
+ Ophthalmology	230	218	226	-5.0%	-1.3%
+ Orthopedics	11,982	12,719	14,247	6.1%	18.9%
+ Other Trauma	1,595	1,763	2,032	10.6%	27.4%
+ Rehabilitation (Acute Care)	1,998	1,120	961	-43.9%	-51.9%
+ Spine	4,528	4,571	4,886	0.9%	7.9%
+ Thoracic Surgery	1,047	1,134	1,226	8.3%	17.1%
+ Urology	2,485	2,757	3,121	11.0%	25.6%
+ Vascular Services	3,147	2,944	3,210	-6.4%	2.0%

Source: Advisory Board research and analysis.

Outpatient Volume Projections

2018 Outpatient Volumes



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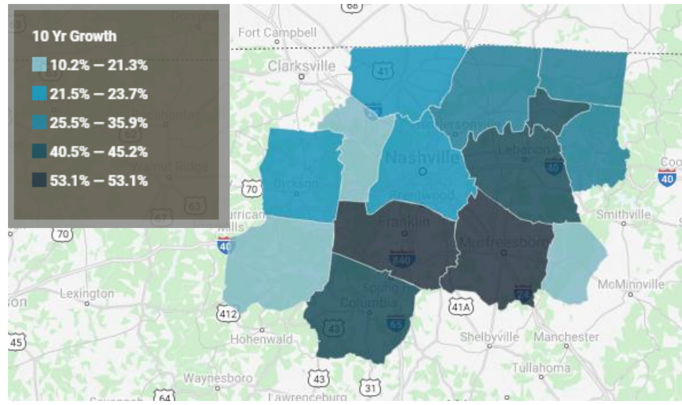


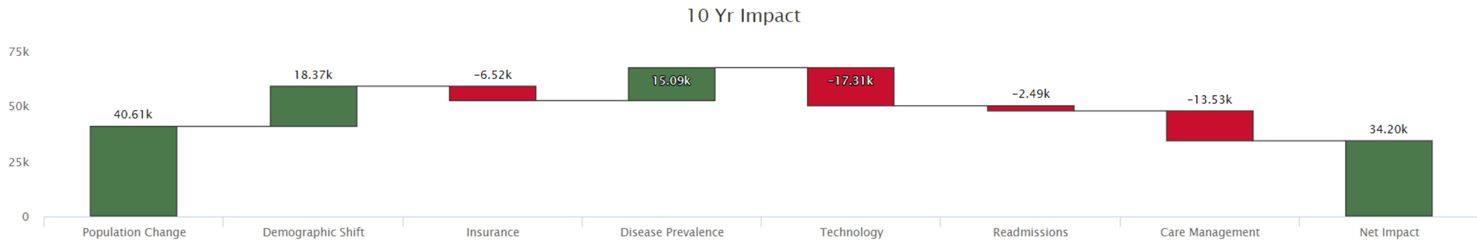
Service Line Volume Projections

Service Line	2018 Volume Estimate	2023 Volume Forecast	2028 Volume Forecast	5 Yr Growth	10 Yr Growth
+ Cardiology	481,739	571,829	678,441	^ 18.7%	^ 40.8%
+ Cosmetic Procedures	43,267	53,776	58,815	^ 24.3%	^ 35.9%
+ Dermatology	293,982	357,588	419,540	^ 21.6%	^ 42.7%
+ Endocrinology	4,242	6,584	7,768	^ 55.2%	^ 83.1%
+ ENT	176,837	221,374	270,979	^ 25.2%	^ 53.2%
+ Evaluation and Management	5,519,010	6,256,196	7,052,078	^ 13.4%	^ 27.8%
+ Gastroenterology	141,515	181,170	215,122	^ 28.0%	^ 52.0%
+ General Surgery	42,257	51,449	59,524	^ 21.8%	^ 40.9%
+ Gynecology	66,324	72,076	77,038	^ 8.7%	^ 16.2%
+ Lab	2,061,533	2,462,698	2,830,084	^ 19.5%	^ 37.3%
+ Miscellaneous Services	1,058,659	1,305,162	1,494,065	^ 23.3%	^ 41.1%
+ Nephrology	42,642	52,848	63,461	^ 23.9%	^ 48.8%
+ Neurology	83,552	109,474	130,034	^ 31.0%	^ 55.6%
+ Neurosurgery	4,757	6,124	7,460	^ 28.7%	^ 56.8%
+ Obstetrics	30,349	31,496	33,455	^ 3.8%	^ 10.2%
+ Oncology	10,383	11,654	12,923	^ 12.2%	^ 24.5%
+ Ophthalmology	424,979	538,347	642,909	^ 26.7%	^ 51.3%
+ Orthopedics	213,436	284,932	335,955	^ 33.5%	^ 57.4%
+ Pain Management	53,957	69,603	82,552	^ 29.0%	^ 53.0%
+ Physical Therapy/Rehabilitation	1,327,345	1,602,499	1,831,840	^ 20.7%	^ 38.0%
+ Podiatry	74,727	100,862	123,453	^ 35.0%	^ 65.2%
+ Psychiatry	721,258	835,429	907,638	^ 15.8%	^ 25.8%
+ Pulmonology	145,264	181,571	214,017	^ 25.0%	^ 47.3%
+ Radiology	1,581,953	1,804,318	2,047,423	^ 14.1%	^ 29.4%
+ Spine	6,952	9,292	10,950	^ 33.6%	^ 57.5%
+ Thoracic Surgery	1,274	1,791	2,237	^ 40.6%	^ 75.6%
+ Trauma	55,497	61,828	68,634	^ 11.4%	^ 23.7%
+ Urology	78,182	107,142	131,585	^ 37.0%	^ 68.3%
+ Vascular	63,585	81,758	100,093	^ 28.6%	^ 57.4%

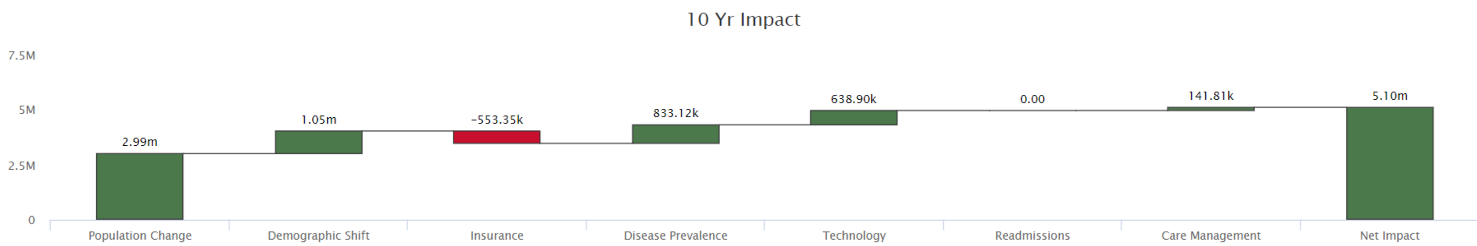
Source: Advisory Board research and analysis.

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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