RAB Instant Background - Health Care Facilities

Consumer Insights

Who Buys

Profiling adults 18+ who have made an appointment with a doctor in the past year, and those who have seen a specialist (OB/GYN, ENT, physical therapist, etc.) in the past year.

	Made an appointment to see a doctor in the last year	Saw a specialist In the last year
Male	36.8%	44.8%
Female	63.2%	55.2%
18-24	10.6%	10.4%
25-34	19.6%	16.2%
35-44	15.3%	15.5%
45-54	17.4%	17.3%
55-64	14.6%	17.7%
65+	22.5%	22.9%
Household Income: $100K+	28.7%	35.9%
Household Income: $75,000-$99,999	13.4%	14.2%
Household Income: $60,000-$74,999	9.1%	9.8%
Household Income: $50,000-$59,999	7.8%	7.3%
Household Income: $40,000-$49,999	7.6%	7.5%
Household Income: $30,000-$39,999	9.4%	7.8%
Household Income: $20,000-$29,999	9.5%	7.4%
Household Income: Under $20,000	14.6%	10.1%
Race: White	67.7%	75.6%
Race: Black/African American	15.4%	11.1%
Race: Other Race/Multiple Classifications	16.9%	13.3%
Hispanic, Latino or Spanish Origin	18.8%	14.1%
Census Region: North East	18.8%	19.1%
Census Region: South	37.8%	36.8%
Census Region: Midwest	18.8%	21.5%
Census Region: West	24.7%	22.6%
Single	29.1%	25.7%
Married	49.0%	55.1%
Divorced/Separated/Widowed	21.9%	19.2%
Total Radio Weekly Dayparts Cume: Monday - Sunday 24- Hour	85.8%	85.6%

(Source: GfK MRI Doublebase, 2019)

A total of 7.2% of the U.S. population spent at least one night in the hospital in 2017, including 6.0% of males and 8.3% of females.

(Source: National Center for Health Statistics, 2018)

Percentage of the following age groups with at least one overnight stay in a hospital in 2017: Under 12 years, 6.1%; 12-17 years, 1.7%; 18-44 years, 5.8%; 45-64 years, 7.9%; 65+ years, 15.3%.

(Source: National Center for Health Statistics, 2018)

Percentage of the following ethnic groups with at least one overnight stay in a hospital in 2017: White, 7.2%; Black, 7.8%; Hispanic, 6.6%; Asian, 4.4%.

(Source: National Center for Health Statistics, 2018)

According to AMN Healthcare, nearly half of emergency room visits are non-emergent in nature, with an estimated 13.7% to 27.1% of all emergency room visits treatable in an urgent care setting.

(Source: AMN Healthcare, 2018)

Individuals aged 65 and older and women of childbearing age tend to be the major users of specialty hospital services. An aging population results in a greater percentage of the population that is likely to suffer from chronic health conditions (e.g., obesity, diabetes, kidney failure, cancer and heart disease).

(Source: IBISWorld, 2019)

According to the Urgent Care Association, urgent care clinics handle about 89 million patient visits each year, which includes more than 29% of all primary care visits in the U.S., and nearly 15% of all outpatient physician visits.

(Source: Urgent Care Association, 2019)

As Baby Boomers continue aging into Medicare, the number of Medicare and Medicaid patients seeking services at urgent care centers continues to grow, accounting for nearly 27% of all visits in 2018.

(Source: Business Insider, 2019)

The total number of admissions to U.S. hospitals totaled 36.510 million in 2017, up from 35.899 million in 2015 and 36.095 million in 2013.

(Source: American Hospital Association, 2018)

What They Buy

Share of services provided by U.S. general/surgical hospitals in 2019: Inpatient care, 46.4%; outpatient care, 28.6%; emergency room visits, 25.0%.

(Source: IBISWorld, 2019)

Specialty hospitals that focus on rehabilitation, long-term acute care, children's medicine, cardiology, orthopedics, women's medicine and surgical procedures represent a growing portion of the U.S. healthcare system. In contrast to traditional healthcare facilities, specialty hospital operators provide specialized care to patients via both large-scale, well-known establishments and small, local clinics.

(Source: IBISWorld, 2019)

Urgent care centers are convenient, on-demand care outlets similar to walk-in retail clinics, but rather than treating low-acuity conditions such as bronchitis and minor infections, urgent care clinics are equipped to treat more serious ailments, including fractures, sprains, and wounds. They also offer services like blood tests, stitching, and X-rays.

(Source: Business Insider, 2019)

Share of ailments and conditions treated at urgent care centers: Digestive system diseases, 20.5%; musculoskeletal system and connected tissue diseases, 20.0%; nervous system and sense organs diseases, 11.7%; injury and poisoning, 7.7%; symptoms, signs and ill-defined conditions, 6.3%; respiratory system diseases, 5.6%; infectious and parasitic diseases, 3.6%; all other patient care (minor procedures, diagnostic testing, lab services, etc.), 24.6%

(Source: IBISWorld, 2018)

According to a 2019 survey by Health Facilities Management magazine, types of specialty hospitals planned for construction: Behavioral health center/psychiatric hospital, 55%; cancer treatment hospital, 20%; children's hospital, 20%; women's hospital, 16%; heart hospital, 12%; orthopedic hospital, 12%; rehabilitation hospital, 9%.

(Source: Health Facilities Management, 2019)

When They Buy

The average length of stay at U.S. community hospitals in 2017 was 5.4 days, down from 5.5 days in 2015 but the same as 2013.

(Source: American Hospital Association, 2018)

A study by the Urgent Care Association found that more than 70% of patients waited less than 20 minutes to see a provider at an urgent care center, and nearly 94% were seen in less than 30 minutes. Overall, 85% of urgent care center patients are taken care of in under an hour.

(Source: Business Insider, 2019)

Where They Buy

There are three basic types of hospitals in the U.S.: proprietary (for-profit) hospitals, nonprofit hospitals and charity or government-supported hospitals. The services within these institutions vary considerably and are usually organized according to the basic mission or objectives of the institution. Proprietary hospitals include general and specialized hospitals, usually as part of a healthcare network, which may be corporately owned and aim to make a profit from the services provided. Nonprofit teaching or community hospitals serve several purposes, including training interns and residents and offering services to patients who cannot afford them, combining service, teaching and profitability without a corporate or private owner.

(Source: IBISWorld, 2019)

The largest for-profit health systems in the U.S., based on number of acute-care hospitals as of late-2018: 1. HCA Healthcare (Nashville, TN), 175; 2. Community Health Systems (Franklin, TN), 119; 3. LifePoint Health (Brentwood, TN), 71; 4. Tenet Healthcare (Dallas), 68; 5. Universal Health Services (King of Prussia, PA), 26.

(Source: Becker's Hospital Review, 2018)

Share of specialty hospitals in the U.S. in 2019, by category: Children's hospitals, 58.3%; in-patient rehabilitation facilities, 15.0%; long-term acute care hospitals, 13.5%; women's facilities, 6.6%; cancer centers, 4.2%; other, 0.6%.

(Source: IBISWorld, 2019)

The top retail health clinic chains as of 2018, based on number of locations: MinuteClinic (CVS Health retail pharmacy), 1,024; Walgreens Healthcare Clinic (Walgreens), 376; The Little Clinic (Kroger), 217; MinuteClinic-Kaiser Permanente (Target), 83; Care Clinic/Clinic at Walmart (Walmart), 62; RediClinic (Rite Aid), 44; RediClinic (HEB), 35.

(Source: Drug Channels Institute, 2018)

Overall share of retail clinics as of 2018, by operator: CVS Health MinuteClinic, 52%; Walgreens Healthcare Clinic, 19%; The Little Clinic (Kroger), 11%; MinuteClinic-Kaiser Permanente (Target), 4%; Care Clinic/Clinic at Walmart, 3%; RediClinic (Rite Aid), 2%; RediClinic (HEB), 2%; all others, 6%.

(Source: Drug Channels Institute, 2018)

The top urgent care facility chains as of 2018, according to number of locations: 1. MedExpress Urgent Care, 252; 2. American Family Care, 200; 3. U.S. HealthWorks/Dignity/GoHealth, 173; 4. NextCare Urgent Care, 139; 5. FastMed Urgent Care, 109; 6. HCA CareNow, 103; 7. MedPost/CareSpot Express Healthcare/USP, 99; 8. CityMD/Premier Care, 96; 9. GoHealth Urgent Care, 84; 10. Patient First, 73.

(Source: Health Data Management, 2018)

Hospital locations in the U.S. are largely determined by the same factors that drive demand for hospitals in general: the size of the regional population and the demographic features that inform its healthcare needs, such as the age of the population or its general level of health. Accordingly, regions with larger (and older) populations will generally have a larger share of the country's hospitals. Other factors, such as regional fluctuations in the birthrate or disposable income, will also affect a region's demand for healthcare.

(Source: IBISWorld, 2019)

How They Buy

Sources of revenue for general/surgical hospitals in 2019: Private insurance, 50.0%; government insurance (Medicare, Medicaid, etc.), 35.0%; non-patient care revenue, 7.7%; out-of-pocket payments, 2.8%.

(Source: IBISWorld, 2019)

Sources of revenue for specialty hospitals in 2019: Government-funded healthcare programs (Medicare, Medicaid, etc.), 51.3%; private insurance, 43.8%; out-of-pocket payments, 3.8%; other, 1.0%.

(Source: IBISWorld, 2019)

Forms of payment at urgent care centers: Private insurers, 56.4%; government insurers, 26.4%; patient out-of-pocket, 10.1%; other patient care revenue, 7.1%.

(Source: IBISWorld, 2018)

According to Becker's Hospital Review, the average cost for an urgent care visit is $150.

(Source: Becker's Hospital Review, 2018)

Why They Buy

Hospitals compete based on quality of care; breadth of services; and ability to attract and retain quality physicians, skilled clinical personnel and other healthcare professionals. Patients may also choose a particular hospital based on convenience. In recent years, hospitals have increasingly shifted toward outpatient care models, which gives patients more flexibility and improved efficiency for providers. Hospitals that are located proximate to a large pool of potential patients, such as a major urban area or a nursing home, will also have a competitive edge in terms of convenience.

(Source: IBISWorld, 2019)

Specialty hospitals compete for patients, and particularly for commercial (i.e., privately insured or self-paying) patients, from whom payment is particularly secure. The primary competitive factors in the industry include quality of services, service prices and responsiveness to the needs of patients, families, payers and physicians. The competitive position of industry operators is also affected by their ability to negotiate contracts with purchasers of group healthcare services, including managed care companies, preferred provider organizations and health maintenance organizations.

(Source: IBISWorld, 2019)

Specialty hospitals also often compete with traditional general hospitals, although industry hospitals offer a narrower range of patient services compared with traditional hospitals. The Center for Medicare and Medicaid Services found that specialty hospitals provide a more uniform set of services and have fewer competing pressures than community hospitals, leading to more consistent scheduling and patient care and higher levels of patient satisfaction.

(Source: IBISWorld, 2019)

Urgent care centers compete mainly on the basis of quality of care and types of services offered. Companies also compete based on the convenience of location, the office environment, available equipment and the ability to attract and retain employees. Differentiation of urgent care services can be on the basis of training experience as well as staff competence. Patients are unlikely to go to an urgent care center that has a bad reputation, especially for patients with less urgent health ailments.

(Source: IBISWorld, 2018)

Business Information

Revenue generated by traditional hospitals amounted to $1.110 trillion in 2018 (up 2.1% from the previous year) and was predicted to grow 3.0% in 2019 to $1.144 trillion.

(Source: IBISWorld, 2019)

Revenue generated by specialty hospitals in the U.S. increased 1.1% in 2018 to $52.724 billion, and is projected to grow another 3.1% in 2019 to $53.882 billion.

(Source: IBISWorld, 2019)

Breakdown of the total number of of U.S. hospitals, by category: Community hospitals, 5,262 (includes 2,968 non-government, not-for-profit community hospitals, 972 state and local government community hospitals, and 1,322 investor-owned, for-profit, community hospitals); federal government hospitals, 208; non-federal psychiatric hospitals, 620; other, 120.

(Source: American Hospital Association, 2019)

There were 798,9214 staffed beds in community hospitals in 2017, compared to 800,566 in 2012 and 808,069 in 2008. In 1988, there were 944,276 beds in American community hospitals.

(Source: American Hospital Association, 2019)

By 2018, the number of retail health clinics in the U.S. had grown to approximately 2,800, up from around 200 in 2008.

(Source: Statista, 2019)

According to the Urgent Care Association, the total number of urgent care centers in the U.S. reached 8,774 in November 2018 — up 8% from 8,125 in 2017.

(Source: Urgent Care Association, 2019)

Over the five years to 2024, the hospitals industry will have to address a wide variety of issues, including healthcare reform, reimbursement trends, threats from hackers and continued personnel shortages. However, revenue growth will be supported by both the aging population and increased funding for government health insurance.

(Source: IBISWorld, 2019)

Why Radio

Radio has established itself as an excellent vehicle for advertisers to deliver their messages to an increasing number of potential buyers. Each week, radio reaches 90% of persons ages 18+, and 63% of these consumers on a daily basis. In all, more than 227 million Americans ages 18-and-older listen to radio every week.

(Source: Nielsen Audio, 2019)

Each week, radio reaches 85.8% of adults 18+ who made an appointment with a doctor in the past year. In addition, radio's weekly reach includes 85.6% of consumers who saw a specialist in the past year.

(Source: GfK MRI Doublebase, 2019)

Miscellaneous Industry Facts or Category Trivia

New technologies and procedures are boosting growth among specialty hospitals, with advances in surgery techniques enabling doctors to offer procedures that were previously unavailable. Additionally, technology is helping to reduce human errors and maintain accurate records. This improves outcomes and helps bolster profit. Technological development, however, may also pose a competitive threat to the industry, by improving surgery recovery times, thereby decreasing demand for rehabilitation facilities to some degree.

(Source: IBISWorld, 2019)

Hospital executives are continuing to struggle with a shortage of healthcare employees, including physicians and nurses. The shortage of nurses is projected to increase, due to a lack of nursing educators. However, some hospitals are hiring medical technicians to handle some of the less-challenging duties once performed by nurses, and are asking physicians to take on the remaining duties once performed by nurses.

(Source: Hoover's, 2019)

Relevant Links

American Hospital Association:

www.aha.org

National Center for Health Statistics:

www.cdc.gov/nchs

Becker's Hospital Review:

www.beckershospitalreview.com

Merchant Medicine:

www.merchantmedicine.com

Health Care Cost Institute:

www.healthcostinstitute.org

Drug Store News:

www.drugstorenews.com

(Source: RAB, 2020)