



# Economic Impact of Family Physicians in Your State

AAFP Government Relations

June 2007

## How did AAFP determine the financial values presented in the *Economic Impact of Family Physicians* issue briefs?

The information presented in the AAFP issue briefs came directly from research performed by Krishnan Narasimhan, MD, Assistant Professor at Howard University Department of Community Health and Family Medicine. Dr. Narasimhan presented his data at the North American Primary Care Research Group Annual Meeting on October 16, 2006. Below is a summary of the study methods used.

### **STUDY METHODS:**

- The number of office-based family physicians per state for the year 2003 was obtained from the Area Resource File<sup>1</sup> database.
- Second, value of five full-time staff/physician (from 2002 MGMA<sup>2</sup> survey) was added.
- A linear input-output social accounting matrix (SAM) framework using IMPLAN<sup>3</sup> software and multipliers derived from the 2002 structural matrices of the US economy, were used to estimate the direct, indirect, induced, and total economic impacts of family physicians.
- This process was applied to each of the fifty states and the District of Columbia.
- Outcome measures:
  - The economic impact in dollars per office-based family physician in each state.
  - Total economic impact in dollars of all office-based family physicians in each state.

### **NOTES**

<sup>1</sup> The Area Resource File (ARF) is a national county-level health resources information system which contains statistics on health professions, health training programs, health facilities, measures of resource scarcity, and health status

<sup>2</sup> A cost survey performed by the Medical Group Management Association on member Family Practice Single Specialty Groups based on year 2003 data shows a median value of 5 total employed support staff FTE per physician.

<sup>3</sup> IMPLAN is a PC based economic analysis system which allows the creation of regional models. It aggregates economic changes that result from additions to specific industries, to generate economic impacts. Originally used in the forestry industry, it is widely utilized for regional economic planning by federal and state government agencies, academia, and private industry.

Narasimhan K. *The Economic Impact of Family Physicians*. Presented at the North American Primary Care Research Group Annual Meeting, Oct. 16, 2006.