EXCLUSIVE

Healthcare Practice Administrators Reveal Critical Disability Insurance Findings

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EXECUTIVE SUMMARY

EXCLUSIVE: HEALTHCARE PRACTICE ADMINISTRATORS REVEAL CRITICAL DISABILITY INSURANCE FINDINGS

MGIS surveyed 100 healthcare benefit administrators nationwide and uncovered a striking paradox that creates immediate broker opportunity. While 91% of administrators report satisfaction with their current disability coverage, these same administrators acknowledge that 46% of their doctors complain about coverage gaps. This disconnect reveals administrators who care about their doctors but don't know specialized solutions exist to solve the problems their doctors keep raising.

The timing couldn't be better. The nationwide doctor shortage has forced 76% of practices to prioritize competitive benefits for recruitment and retention. When losing one doctor costs $2.8 million in turnover and lost revenue, these practices are willing to invest in solutions that work—69% will pay higher prices for better disability coverage. Coverage quality now outranks cost concerns, with practices seeking procedure-specific definitions, unlimited mental health coverage, and protection for bonus income that traditional group policies fail to provide.

The market is primed for action. Within the next 12 months, 76% of practices plan coverage reviews and 70% will implement benefit changes. Yet brokers participate in only 23% of disability insurance decisions, missing 77% of opportunities. Healthcare administrators want to solve their doctors' coverage concerns but need brokers who can position specialized solutions rather than traditional group products.

This survey reveals the path forward: brokers can solve known problems rather than create new ones. When administrators say "our doctors complain about coverage gaps," the winning response is "here's exactly how to fix that." The opportunity exists today for brokers who understand that premium disability coverage has become essential retention insurance in the fight for medical talent.

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Survey Participants and Their Medical Practices

MGIS surveyed 100 benefit administrators from medical practices nationwide to understand current disability insurance trends, coverage gaps, and decision-making priorities. These administrators work at practices ranging from small groups (25% with 1-5 doctors) to large systems (14% with 100+ doctors).

How many doctors work at your medical practice/group?

#	Answers	Answers (%)	Count	Stratified Answers (%)	Stratified Count
A1	1-5 doctors	25%	25	38.09%	38.09
A2	6-15 doctors	36%	36	27.09%	27.09
A3	16-50 doctors	18%	18	12.89%	12.89
A4	51-100 doctors	7%	7	4.51%	4.51
A5	101-500 doctors	9%	9	16.54%	16.54
A6	500+ doctors	5%	5	0.88%	0.88

Most respondents make primary decisions (69%) or influence decisions (31%) for employee benefits.

Are you involved in making or influencing decisions about employee benefits, including disability insurance, for your medical group?

#	Answers	Answers (%)	Count	Stratified Answers (%)	Stratified Count
A1	Yes, primary decision maker	69%	69	65.19%	65.19
A2	Yes, I influence decisions	31%	31	34.81%	34.81
A3	No	0%	0		

The survey included diverse practice types: 14% single specialty, 40% multi-specialty, 27% hospital-employed, and others. Specialties included family medicine, surgery, radiology, anesthesiology, emergency medicine, OB/GYN, orthopedics, and cardiology.

Which best describes your practice? (Select all that apply)

#	Answers	Respondents (%)	Answers (%)	Count	Stratified Respondents (%)	Stratified Answers (%)	Stratified Count
A1	Single specialty practice	19%	14.07%	19	28.41%	22.36%	28.41
A2	Multi-specialty practice	55%	40.74%	55	48.72%	38.34%	48.72
A3	Hospital-employed group	36%	26.67%	36	29.16%	22.95%	29.16
A4	Independent/private practice	16%	11.85%	16	13.98%	11.01%	13.98
A5	Academic medical center	8%	5.93%	8	3.94%	3.10%	3.94
A6	Veterinary practice	1%	0.74%	1	2.83%	2.23%	2.83

Which specialties are represented in your practice? (Select all that apply)

#	Answers	Respondents (%)	Answers (%)	Count	Stratified Respondents (%)	Stratified Answers (%)	Stratified Count
A1	Primary care/Family medicine	66%	21.85%	66	64.52%	20.77%	64.52
A2	Surgery (any type)	29%	9.60%	29	34.26%	11.03%	34.26
A3	Radiology	28%	9.27%	28	32.47%	10.45%	32.47
A4	Anesthesiology	23%	7.62%	23	27.76%	8.94%	27.76
A5	Emergency medicine	38%	12.58%	38	39.68%	12.77%	39.68
A6	OB/GYN	37%	12.25%	37	27.57%	8.87%	27.57
A7	Orthopedics	27%	8.94%	27	31.92%	10.27%	31.92
A8	Cardiology	26%	8.61%	26	31.17%	10.03%	31.17
A9	Other specialists	26%	8.61%	26	18.51%	5.96%	18.51
A10	Veterinary medicine	2%	0.66%	2	2.81%	0.90%	2.81

64% reported that doctors at their practices earn over $200,000 annually.

What is the approximate average annual income of your doctor employees?

#	Answers	Answers (%)	Count	Stratified Answers (%)	Stratified Count
A1	0 - $100,000	6%	6	4.10%	4.1
A2	$100,001 - $200,000	30%	30	33.14%	33.14
A3	$200,001 - $300,000	27%	27	23.57%	23.57
A4	$300,001 - $400,000	21%	21	24.84%	24.84
A5	$400,001 - $500,000	8%	8	6.20%	6.2
A6	$500,001+	8%	8	8.14%	8.14

Current Disability Insurance Landscape

HIGH ADOPTION BUT ROOM FOR GROWTH

69% of practices offer group long-term disability insurance; 24% consider it. This creates growth potential among practices evaluating benefits strategy.

Does your practice currently offer group long-term disability (LTD) insurance?

#	Answers	Answers (%)	Count	Stratified Answers (%)	Stratified Count
A1	Yes	69%	69	75.32%	75.32
A2	No, but considering it	24%	24	20.42%	20.42
A3	No, and not considering it	3%	3	3.55%	3.55
A4	Not sure	4%	4	0.71%	0.71

Multiple stakeholders share decision-making responsibility: HR teams influence 51% of practices, doctor partners/shareholders 45%, practice administrators 40%, and boards 39%. Brokers participate in only 23% of decisions—missing 77% of opportunities.

When selecting disability insurance, who is (or will be) typically involved in the decision? (Select all that apply.)

#	Answers	Respondents (%)	Answers (%)	Count	Stratified Respondents (%)	Stratified Answers (%)	Stratified Count
A1	Practice administrator	40%	17.47%	40	41.61%	17.81%	41.61
A2	HR team	51%	22.27%	51	61.03%	26.13%	61.03
A3	CFO/Finance team	30%	13.10%	30	27.51%	11.78%	27.51
A4	Doctor partners/shareholders	45%	19.65%	45	44.72%	19.14%	44.72
A5	Board of directors	39%	17.03%	39	36.34%	15.56%	36.34
A6	Benefits broker/consultant	23%	10.04%	23	22.36%	9.57%	22.36
A7	Other	1%	0.44%	1	0.01%	0.01%	0.01

BROKER ACTION ITEM

Expand your influence: You're missing 77% of disability insurance decisions—only 23% include brokers.

Next 30 days: Request meetings with doctor partners/shareholders (45% influence) and practice administrators (40% influence) you haven't met. Script: "I help practices solve the disability insurance gaps their doctors keep mentioning."

The Satisfaction Paradox: Happy Administrators, Concerned Doctors?

ADMINISTRATOR SATISFACTION APPEARS HIGH

91% of practices with existing group disability coverage report satisfaction:

9% Neutral or dissatisfied | 38% Somewhat Satisfied | 51% Very Satisfied

How satisfied are you with your current group disability insurance coverage?

#	Answers	Answers (%)	Count	Stratified Answers (%)	Stratified Count
A1	Very satisfied	50.72%	35	51.28%	38.62
A2	Somewhat satisfied	40.58%	28	37.68%	28.38
A3	Neutral	8.70%	6	11.04%	8.31
A4	Somewhat dissatisfied	0%	0		
A5	Very dissatisfied	0%	0		

BUT DOCTORS SEE COVERAGE GAPS

Despite administrator satisfaction, 46% of doctors express concerns about their disability coverage:

16% frequently voice concerns | 30% occasionally raise issues | Only 49% report no doctor concerns

#	Answers	Answers (%)	Count	Stratified Answers (%)	Stratified Count
A1	Yes, frequently	15.94%	11	14.94%	11.25
A2	Yes, occasionally	30.43%	21	24.46%	18.43
A3	No	49.28%	34	60.06%	45.23
A4	Not sure	4.35%	3	0.54%	0.41

Table: Have any of your doctors expressed concerns about gaps in their disability coverage?

This disconnect reveals a critical market opportunity: administrators may not fully understand their doctors' specialized coverage needs.

BROKER ACTION ITEM

Your opening line: "I notice something interesting—91% of administrators think their disability coverage is working great, but half their doctors are complaining about gaps. That's not a coverage problem, it's a communication problem. Let me show you how to fix both."

This week: Call three healthcare clients and ask: "Have your doctors mentioned any concerns about their disability coverage lately?" Document responses for immediate follow-up opportunities.

What Drives Disability Insurance Decisions

COVERAGE QUALITY TOPS COST CONCERNS

When evaluating disability insurance, practices prioritize:

1. Coverage quality and definitions (mean importance: 2.1)
2. Cost/premium (mean importance: 2.4)
3. Claims payment reputation (mean importance: 3.5)
4. Doctor satisfaction/retention tool (mean importance: 3.5)
5. Ease of administration (mean importance: 3.6)

This ranking shows practices value robust coverage over low premiums—a key insight for brokers positioning premium products.

Rank the following factors by importance when evaluating disability insurance (1=Most Important, 5=Least Important):

#	Answers	1	2	3	4	5	MEAN
A1	Cost/premium	30	33	15	14	8	2.4
A2	Coverage quality and definitions	37	35	16	8	4	2.1
A3	Claims payment reputation	3	18	30	22	27	3.5
A4	Ease of administration	12	4	20	41	23	3.6
A5	Doctor satisfaction/retention tool	18	10	19	15	38	3.5

Top Concerns About Traditional Group LTD

Practices identify these problems with conventional group disability policies:

- Limited mental health/substance abuse coverage (44%)
- Cost (44% of respondents)
- Complex disability definitions (43%)
- Coverage gaps for high-earning doctors (38%)
- Doesn't cover all income types (29%)
- Poor claims experience (26%)
- Only 9% express complete satisfaction with traditional LTD products.

What concerns you most about traditional group LTD policies? (Select all that apply)

#	Answers	Respondents (%)	Answers (%)	Count	Stratified Respondents (%)	Stratified Answers (%)	Stratified Count
A1	Coverage gaps for high-earning doctors	38%	16.31%	38	42.52%	16.12%	42.52
A2	Complex definitions of disability	43%	18.45%	43	41.21%	15.62%	41.21
A3	Limited coverage for mental health/substance abuse	44%	18.88%	44	54.75%	20.75%	54.75
A4	Doesn’t cover all income types	29%	12.45%	29	47.07%	17.84%	47.07
A5	Poor claims experience	26%	11.16%	26	18.19%	6.90%	18.19
A6	Cost	44%	18.88%	44	50.03%	18.96%	50.03
A7	None - satisfied with traditional LTD	9%	3.86%	9	10.06%	3.81%	10.06

BROKER ACTION ITEM

Lead with value, not price: Coverage quality ranks #1, cost ranks #2 in importance.

Update your presentations: Start with coverage features (CPT code definitions, mental health coverage) before discussing premiums. Practices will pay more for better protection.

The Doctor Shortage Creates Benefits Competition

PRACTICES PRIORITIZE COMPETITIVE BENEFITS

The nationwide doctor shortage drives benefits strategy:

- 30% significantly increased focus on competitive benefits
- 46% somewhat increased focus
- Only 20% made no changes
- 4% report no doctor shortage impact

76% of practices have elevated their benefits focus due to physician scarcity.

How has the doctor shortage affected your approach to benefits?

#	Answers	Answers (%)	Count	Stratified Answers (%)	Stratified Count
A1	Significantly increased focus on competitive benefits	30%	30	26.12%	26.12
A2	Somewhat increased focus	46%	46	45.35%	45.35
A3	No change	20%	20	28.05%	28.05
A4	Not experiencing doctor shortage	4%	4	0.48%	0.48

FINANCIAL IMPACT DATA

Physician Turnover Costs

Replacing a single physician costs between $1.8 million to $2.8 million depending on specialty, with recruitment alone costing $180,000-$250,000. The American Medical Association estimates physician burnout-related turnover costs healthcare organizations between $500,000 to over $1 million per doctor when including recruitment, sign-on bonuses, lost billings, and onboarding costs.

Practices Face Multiple Workforce Challenges

The survey reveals that medical practices confront significant operational pressures that make competitive benefits essential:

- Managing practice costs (45% of practices)
- Doctor retention and turnover (37%)
- Doctor burnout (37%)
- Administrative burden of benefits (37%)
- Competing with hospital systems for talent (29%)
- Difficulty attracting new doctors (25%)

Only 13% of practices report facing none of these challenges.

Which of the following challenges does your practice currently face? (Select all that apply)

#	Answers	Respondents (%)	Answers (%)	Count	Stratified Respondents (%)	Stratified Answers (%)	Stratified Count
A1	Difficulty attracting new doctors	25%	11.21%	25	25.18%	10.97%	25.18
A2	Doctor retention/turnover	37%	16.59%	37	33.88%	14.77%	33.88
A3	Managing practice costs	45%	20.18%	45	58.68%	25.75%	58.68
A4	Competing with hospital systems for talent	29%	13.00%	29	33.97%	14.80%	33.97
A5	Doctor burnout	37%	16.59%	37	39.68%	17.29%	39.68
A6	Administrative burden of benefits	37%	16.59%	37	32.82%	14.30%	32.82
A7	None of these	13%	5.83%	13	5.26%	2.29%	5.26

76% of practices elevated their benefits focus due to doctor shortages. Half struggle with costs while battling retention and burnout. They need solutions that deliver value and results.

37% report "administrative burden of benefits" as a challenge, highlighting the need for simple, streamlined disability insurance solutions. Practices want robust coverage without complex administration—exactly what specialized products like MGIS Disability Guard for Doctors™ deliver.

Doctor retention creates a critical pain point, with over one-third of practices experiencing turnover issues. This reinforces disability insurance's strategic role: it protects employees and creates competitive advantage in retaining valuable doctors who have multiple employment options in today's tight labor market.

FINANCIAL IMPACT DATA

Each physician generates an average of $2.4 million in annual revenue for affiliated hospitals. A family medicine physician vacancy costs practices $130,000 per month in lost revenue, and with average fill times of 4.3 months, practices lose $559,000 during the search period alone.

Disability Insurance as Recruitment Tool

Practices recognize disability insurance's strategic value:

- 31% consider it extremely important for doctor recruitment/retention
- 45% rate it very important
- 21% somewhat important
- Only 3% see minimal importance

76% view disability insurance as extremely or very important for attracting and retaining doctors.

How important is disability insurance as a tool for doctor recruitment and retention?

#	Answers	Answers (%)	Count	Stratified Answers (%)	Stratified Count
A1	Extremely important	31%	31	38.42%	38.42
A2	Very important	45%	45	41.76%	41.76
A3	Somewhat important	21%	21	18.12%	18.12
A4	Not very important	3%	3	1.70%	1.7
	Not important at all	0%	0		

BROKER ACTION ITEM

Position as retention solution: With turnover costing $1.8-2.8 million per physician, disability insurance is retention insurance.

Your new elevator pitch: "Losing one doctor to burnout costs $2.8 million in turnover and lost revenue. Better disability insurance costs a fraction of that and helps prevent the loss."

Premium Market Opportunity Emerges

STRONG WILLINGNESS TO PAY FOR QUALITY

Despite cost sensitivity, practices show openness to premium solutions:

- 24% very likely to consider higher-quality disability products at higher cost
- 45% somewhat likely
- 27% neutral
- Only 4% somewhat unlikely
- 0% very unlikely

At least 69% of practices would consider premium disability insurance products even at higher costs.

How likely is your practice to consider a higher-quality disability insurance product (richer product features and coverage) if it costs more than a traditional LTD product?

#	Answers	Answers (%)	Count	Stratified Answers (%)	Stratified Count
A1	Very Likely	24%	24	18.75%	18.75
A2	Somewhat Likely	45%	45	40.01%	40.01
A3	Neutral	27%	27	36.61%	36.61
A4	Somewhat Unlikely	4%	4	4.63%	4.63
A5	Very Unlikely	0%	0		

Active Review and Change Intentions

The market shows strong momentum for the next 12 months:

Coverage Review Plans:

- 43% very likely to review current disability insurance
- 33% somewhat likely
- 76% plan coverage reviews within 12 months

In the next 12 months, how likely is your practice to review current disability insurance coverage?

#	Answers	Answers (%)	Count	Stratified Answers (%)	Stratified Count
A1	Very likely	43%	43	32.41%	32.41
A2	Somewhat likely	33%	33	38.08%	38.08
A3	Neutral	19%	19	26.62%	26.62
A4	Somewhat unlikely	3%	3	2.52%	2.52
A5	Very unlikely	2%	2	0.37%	0.37

Change Implementation Plans:

- 24% very likely to make disability benefit changes
- 46% somewhat likely
- 70% likely to implement changes to disability benefits

In the next 12 months, how likely is your practice to make changes to disability benefits?

#	Answers	Answers (%)	Count	Stratified Answers (%)	Stratified Count
A1	Very likely	24%	24	15.73%	15.73
A2	Somewhat likely	46%	46	38.06%	38.06
A3	Neutral	21%	21	42.17%	42.17
A4	Somewhat unlikely	6%	6	1.43%	1.43
A5	Very unlikely	3%	3	2.62%	2.62

This combination of review activity and change intentions signals robust market opportunity for brokers with specialized solutions.

BROKER ACTION ITEM

Strike while the market's hot: 76% are reviewing coverage, 70% making changes in the next 12 months. Immediate action: Create a list of healthcare clients who haven't reviewed disability coverage in 2+ years.

Call them this week with: "Most practices are reviewing their disability insurance right now due to the doctor shortage. When did you last evaluate yours?"

Doctors Want Enhanced Coverage Features

MOST VALUED DISABILITY INSURANCE FEATURES

Survey respondents ranked these coverage features in the following order:

1. Coverage for mental health/burnout without lifetime limits (mean: 3.56)
2. Higher benefit amounts above typical 60% (mean: 3.58)
3. No mandatory rehabilitation requirements (mean: 3.61)
4. Coverage based on specific procedures they perform (mean: 4.04)
5. Protection of bonus and partnership income (mean: 4.05)
6. No “self-reported symptom” limitations (mean: 4.31)
7. Simplified claims process (mean: 4.86)

These preferences align closely with the features of MGIS’ specialized group long-term disability for doctors and their employees, Disability Guard for Doctors™, suggesting strong market fit for specialized products. Note that the small difference between the mean of the first and last ranked features suggests the consensus is unclear.

Individual Disability Insurance Prevalence

Most practices report significant individual disability insurance adoption among their doctors:

- 38% estimate 26-50% of doctors purchase individual policies
- 23% estimate 51-75% participation
- 16% report 76-100% adoption
- 14% see 0-25% participation

Approximately what percentage of your doctors purchase individual disability insurance (IDI)?

#	Answers	Answers (%)	Count	Stratified Answers (%)	Stratified Count
A1	0-25%	14%	14	22.56%	22.56
A2	26-50%	38%	38	37.57%	37.57
A3	51-75%	23%	23	23.03%	23.03
A4	76-100%	16%	16	9.52%	9.52
A5	Don't Know	9%	9	7.31%	7.31

77% of practices report that over 25% of their doctors purchase individual disability insurance, indicating doctors recognize coverage gaps in group products.

BROKER ACTION ITEM

Lead with mental health coverage: Survey data shows doctors value mental health/burnout coverage without lifetime limits as their #1 priority—use this as your opening feature, not a footnote.

Your presentation strategy: Start every disability conversation with: "Your doctors' biggest coverage concern is mental health and burnout protection without lifetime limits. Most group policies cap this at 24 months total. Here's how we can eliminate that restriction."

This week: Review your current disability presentations and move mental health coverage to the front. Most brokers bury this feature deep in policy details, but administrators ranked it as doctors' top priority. Make it your headline benefit, not a bullet point.

This action item leverages the clear ranking data to help brokers restructure their sales approach, leading with what doctors actually care about most rather than traditional features like benefit amounts or elimination periods.

Key Implications for Benefits Brokers

THE MARKET OPPORTUNITY IS CLEAR

This survey reveals a perfect storm of opportunity:

Administrators Know Doctors Have Concerns But Haven't Found Solutions: 91% of administrators report satisfaction with their current coverage, yet these same administrators acknowledge that 46% of their doctors express coverage concerns. This disconnect reveals administrators who care about their doctors but may not realize specialized solutions exist to address these concerns

Premium market receptivity: 69% willing to pay more for better coverage

Active shopping behavior: 76% reviewing coverage, 70% making changes

Strategic importance: 76% view disability insurance as critical for recruitment/retention

Three Immediate Action Steps

1 **Position Yourself as the Problem Solver**

When administrators mention doctor concerns about coverage, respond with: "I hear this frequently from practices. The good news is there are specialized solutions designed specifically to address the gaps your doctors are experiencing. Let me show you what's possible."

2 **Lead with Doctor-Specific Solutions**

Survey data shows coverage quality outranks cost concerns. Present specialized features that directly solve the problems doctors have been raising—procedure-specific definitions, mental health coverage without lifetime limits, and protection for bonus/partnership income.

3 **Time Your Outreach Strategically**

With 76% of practices planning coverage reviews in the next 12 months, now is the optimal time to introduce specialized solutions like MGIS Disability Guard for Doctors™. Frame conversations around: "Since your doctors have been raising concerns, let's review options during your upcoming coverage evaluation."

THE BOTTOM LINE

Healthcare practice administrators want to address their doctors' coverage concerns but may not know specialized solutions exist. This creates a significant opportunity for brokers who can finally solve known problems rather than create new ones. The data reveals the perfect convergence of need, willingness to pay, and market timing that brokers rarely encounter.

Consider the financial stakes: practices face $2.8 million in costs when they lose a single doctor to turnover, yet 46% of their doctors actively complain about disability coverage gaps. These administrators aren't satisfied with status quo solutions—they're trapped by them. When 69% express willingness to pay more for better coverage and 76% plan reviews within 12 months, the market is practically begging for specialized solutions.

The broker opportunity is immediate. Currently, brokers participate in only 23% of disability insurance decisions, missing 77% of opportunities. Healthcare administrators rank coverage quality above cost and view disability insurance as critical for talent retention. They need brokers who understand that traditional group policies create the very problems doctors complain about—and who can position specialized solutions like MGIS Disability Guard for Doctors™ as the answer.

When administrators say "our doctors complain about coverage gaps," the winning response is "**here's exactly how to fix that.**" This survey proves the market is ready, willing, and waiting for brokers who can deliver doctor-specific solutions during the most talent-competitive era in healthcare history.