



A TOOLKIT: THE PHYSICIAN WORKFORCE

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KEY FACTS:

- A shortage of more than 90,000 physicians is predicted to occur within the next 10 years—including 45,000 primary care physicians and 46,000 surgeons and specialists.
- Approximately one third of physicians could retire in the next decade.
- Medical school enrollment will continue to increase by 7,000 graduates each year over the next ten years, but the number of residency slots has not kept pace with this increase as a result of the payment cap on Medicare's Graduate Medical Education (GME) support.
- The difference in the median annual income for subspecialists compared to primary care physicians is roughly \$135,000, influencing many to consider higher paying specialties over primary care.
- 11 percent of primary care physicians and 8 percent of surgeons practice in rural areas, making the total number of practicing physicians per person much lower in rural areas compared to urban areas.

Introduction

The Patient Protection and Affordable Care Act (the ACA) is expected to expand health insurance coverage to an estimated 30 million previously uninsured persons, over the next few years.ⁱ At the same time, physician shortages are expected to worsen across the nation. According to the Association of American Medical Colleges, a shortage of more than 90,000 doctors—including 45,000 primary care physicians and 46,000 surgeons and specialists—is likely to occur in the next ten years.ⁱⁱ Roughly one-third of physicians could retire in the next decade, also contributing to the concern that the current supply of physicians will not be able to meet the growing demand for care.ⁱⁱⁱ

Looking forward to a time when millions of newly insured Americans will be looking for primary care physicians, the question continues to be raised of whether there will be a sufficient number of primary care doctors to treat patients. The lack of incentives, particularly financial incentives, for medical students to go into primary care creates fear that the shortage among primary care doctors will worsen. The difference in the median annual income for subspecialists

compared to primary care physicians is roughly \$135,000.^{iv} When weighing the amount of debt they will encounter upon graduation, medical students may select higher paying specialty areas of practice rather than primary care. Recent studies, however, have shown that the number of medical students matching into primary care residencies has increased since the passage of the ACA.^v

Another substantial increase that has been evident in the past five years is the number of students enrolling into U.S. medical schools. But while medical school enrollment has increased by 30 percent over the last five years, the number of residency slots has not kept pace with the increasing number of medical students, as a result of a freeze on Medicare support for physician training.^{vi} Through the Direct Graduate Medical Education (DGME) payment system, Medicare compensates teaching hospitals for its share of costs that are directly related to resident training. These costs include: stipends and fringe benefits of residents, salaries and fringe benefits of faculty who supervise residents, as well as other direct costs such as salaries for staff in the Graduate Medical Education (GME) administrative offices, and allocated institutional overhead costs. Medicare supports approximately \$3 billion of teaching hospitals' direct costs of training.^{vii} Additionally, Medicare supports about \$6.5 billion of higher patient care costs that are provided at teaching hospitals but are not directly related to education, through the Indirect Medical Education (IME) payment. These payments are based on the number of residents employed at teaching hospitals. More specifically, for every 10 residents per 100 beds, a 5.5 percent add-on adjustment to the Medicare payment rate for hospital care is granted to a teaching hospital.^{viii} Recent deficit reduction proposals by the Obama Administration, the Simpson-Bowles Commission, and others, to reduce Medicare support of GME, have created concern that such cuts to programs that train new physicians may exacerbate the physician shortage.

Also a concern is the current maldistribution of physicians which exists in rural and inner city areas. Out of the 300,000 primary care physicians nationwide, only 11 percent practice in rural areas, making the total number of practicing physicians per person much lower in rural areas compared to urban areas.^{ix} Specialty professional care is also less concentrated in rural areas than it is in urban areas; roughly 8 percent of surgeons practice in rural areas.^x

The ACA strives to address physician workforce issues, particularly the strengthening of primary care capacity through financial incentives and grant programs aimed at supporting primary care education and training. However, policy experts continue to debate appropriate approaches to alleviate physician workforce challenges. These approaches range from increasing the supply of physicians through expanding the number of residency slots, to more evenly distributing physicians in shortage areas through payment incentives, to redesigning the delivery system through relying more on physician extenders and team-based care.

Varying opinions on the extent and underlying causes of physician shortages contribute to the complexity of the problem.^{xi} This toolkit aims to provide an array of resources and perspectives that describe numerous challenges to assuring an adequate physician workforce and some of the proposed solutions under consideration.

Resources

Physician Workforce Shortages

The Physician Workforce: Projections and Research into Current Issues Affecting Supply and Demand

Health Resources and Services Administration Bureau of Health Professions, HHS, December 2008

<http://bhpr.hrsa.gov/healthworkforce/reports/physwfissues.pdf>

This report examines the supply of and demand for physicians from 2000 to 2020.

“To help meet its mission to provide health workforce information, HRSA has supported research on physician workforce issues and maintains the Physician Supply Model and Physician Requirements Model. This report describes the various components of these models and presents projections of the supply of and demand for physicians under alternative scenarios reflecting different assumptions about the future health care system, the evolving role of physicians, and trends in other supply and demand determinants.”

2011 State Physician Workforce Data Book, Center for Workforce Studies

AAMC, November 2011

<https://www.aamc.org/download/263512/data/statedata2011.pdf>

This data book is divided into four sections that examine physician supply, medical and osteopathic school enrollment, graduate medical education, and in-state retention. The report also breaks down current data by each state and the District of Columbia.

Matching Supply to Demand: Addressing the U.S. Primary Care Workforce Shortage

National Institute for Health Care Reform, Emily Carrier, Tracy Lee and Lucky Stark, December 2011

http://www.healthreformgps.org/wp-content/uploads/PCP_Workforce.pdf

This report discusses the varying estimates and needs for primary care workforce and recommends other policy options to increasing primary care capacity, including team-based payment policies and expanding scope of practice.

Improving Access to Adult Primary Care in Medicaid: Exploring the Potential Role of Nurse Practitioners and Physician Assistants

Kaiser Commission on Medicaid and the Uninsured, March 2011

<http://www.kff.org/medicaid/upload/8167.pdf>

The inadequate supply of adult primary care providers is a main concern of the U.S. health care system. This report examines physician extenders—particularly nurse practitioners and physician assistants—as a potential way to alleviate the shortage of primary care physicians.

AAFP Sends Primary Care Valuation Task Force Recommendations to CMS

American Academy of Family Physicians, March 14, 2012

<http://www.aafp.org/online/en/home/publications/news/news-now/inside-aafp/20120314cmsrecommendations.html>

This article discusses AAFP’s recommended strategies on payment reform for primary care physicians in a letter to CMS which “would not save primary care in the short-term, but would provide some desperately needed short-term help that family medicine and primary care needs until payment reform efforts are complete and long-term strategies can be identified and implemented.”

A New Mexico experiment aims to fix the doctor shortage – no new doctors required

Sarah Kliff, The Washington Post, August 8, 2012

<http://www.washingtonpost.com/blogs/ezra-klein/wp/2012/08/08/a-new-mexico-experiment-aims-to-fix-the-doctor-shortage-without-hiring-any-new-physicians/>

“Telemedicine — where doctors see patients via Webcam — is one way to increase access in rural areas. But it doesn’t necessarily increase overall capacity: A Webcam appointment with a patient 3,000 miles away takes just as long as one conducted in the office.” This article discusses an experiment in New Mexico, dubbed Project ECHO, which aims to increase workforce capacity by utilizing weekly video conferences between doctors, rather than using telemedicine as a way to reach patients.

Physician Workforce Study

Massachusetts Medical Society, September 2011

http://www.massmed.org/AM/Template.cfm?Section=Research_Reports_and_Studies2&CONTENTID=61511&TEMPLATE=/CM/ContentDisplay.cfm

This study concluded through a random sampling of practicing physicians, residents and fellows in Massachusetts, that there are critical shortages of physicians in eight specialties throughout the state. According to the report, internal medicine, psychiatry and urology are experiencing

critical shortages while dermatology, family medicine, general surgery, neurosurgery and orthopedics are seeing severe shortages.

Education and Training

Physician Shortages to Worsen Without Increases in Residency Training

Association of American Medical Colleges

https://www.aamc.org/download/150584/data/physician_shortages_factsheet.pdf

According to the AAMC Center for Workforce Studies, there will be a shortage of over 90,000 doctors in the next decade, including 45,000 primary care physicians and 46,000 surgeons and medical specialists. This data brief points out the implications of the Medicare freeze on residency training, especially as the number of U.S. medical school graduates is expected to increase over the next ten years.

Success of Health Reform Hinges on Hiring 30,000 Primary Care Doctors by 2015

Sarah Kliff, The Washington Post, February 10, 2012

http://www.washingtonpost.com/business/success-of-health-reform-hinges-on-hiring-30000-primary-care-doctors-by-2015/2012/02/06/gIQAnsIQ4Q_story.html

This article discusses the relatively low pay primary-care physicians receive and how this can contribute to a medical school student's decision of specializing in a field rather than going into primary care. "No matter what specialty you're going into, your medical education costs the same, 'Stream says." Think about a medical student who is sort of interested in primary care and has got \$250,000 in debt. People are often driven by financial incentives, and you basically get the outcome that you want. Health-care workforce is not different from any other sector in that." The article also briefly discusses the jump in medical students matched into primary care residencies from 2009 to 2011.

Med Schools Shift Focus to Team-Based Care

Caroline Krupa, amednews, March 19, 2012

<http://www.ama-assn.org/amednews/2012/03/19/prl20319.htm>

This article discusses the Interprofessional Education Collaborative (IPEC), which aims to integrate the education of healthcare professionals (nurses, physicians, pharmacists, dentists and others) to provide team-based care.

Cutting the U.S. Deficit is Important, But Physician Training is, Too

Peter Rhee, Medical Director of Trauma at University of Arizona Medical Center, Arizona Daily Star, November 20, 2011

<http://surgery.arizona.edu/in-the-news/cutting-us-deficit-important-physician-training-too>

This article discusses the role that Level 1 trauma centers play in training residents and fellows, as well as the critical roles physicians-in-training provide to these centers. The author describes the consequences for health care if cuts are made to federal support for such physician training programs.

Medical Students Face Grueling, Expensive Road to Practice

Jennifer Garza, The Sacramento Bee, April 17, 2012

<http://www.sacbee.com/2012/04/17/4419225/medical-students-face-grueling.html>

This article sheds a light on the increasing number of medical school enrollees and the number or residency slots that have not kept the pace with enrollment, as well as the challenges many medical school graduates struggle with as they embark upon the world of a practicing physician.

Front-line Doctors

Anna Gorman, Los Angeles Times, February 19, 2012

<http://articles.latimes.com/2012/feb/19/local/la-me-primarycare-20120219>

This article discusses initiatives that medical schools have adopted around the country to encourage students to go into family medicine. The article briefly describes a longitudinal program at USC which gives students the opportunity to spend all four years of medical school working at a community health clinic.

What Does Medicare Have to Do with Graduate Medical Education?

Association of American Medical Colleges

<https://www.aamc.org/download/253380/data/medicare-gme.pdf>

This fact sheet describes Medicare's role with respect to Graduate Medical Education (GME). It clarifies the difference between Direct Graduate Medical Education (DGME) and Indirect Medical Education (IME).

Financing Graduate Medical Education—Mounting Pressure for Reform

John Iglehart, The New England Journal of Medicine, May 2, 2012

<http://www.nejm.org/doi/full/10.1056/NEJMp1114236>

This article discusses the history of Medicare's function in supporting GME and the various pressures of current ways to finance GME as Congress grapples with deficit reduction.

Children's Hospitals Graduate Medical Education Payment Program

Health Resources and Services Administration, Bureau of Health Professions

<http://bhpr.hrsa.gov/childrenshospitalgme/index.html>

Through the Children's Hospitals Graduate Medical Education Payment Program (CHGME), administered under HRSA's Bureau of Health Professions, Federal funds are appropriated annually to freestanding children's hospitals in the U.S. that operate GME residency training programs. This source provides information on how the CHGME Payment Program works and how hospitals are eligible for such funding.

Health Reform

New Health Care Law Helps Expand Primary Care Physician Workforce

Keith Maley, Department of Health and Human Services, February 17, 2012

<http://www.healthcare.gov/blog/2012/02/nhsc021712.html>

The National Health Service Corps (NHSC) awarded \$9.1 million in funds to medical students, who commit to a career in primary care in underserved communities, at medical schools in 30 states and the District of Columbia. This article discusses progress of the National Health Service Corps' Students to Service Loan Repayment Program, made possible under the ACA.

Primary Care Physician Workforce

Joel Teitelbaum, Health Reform GPS, March 16, 2011

<http://www.healthreformgps.org/resources/primary-care-physician-workforce/>

This brief discusses various provisions in the ACA related to strengthening the primary care physician workforce.

How will the Affordable Care Act Help Diversify the Health Care Workforce?

Robert Wood Johnson Foundation, December 21, 2011

<http://www.rwjf.org/pr/product.jsp?id=73767>

This issue brief provides a snapshot view of the ACA's role in diversifying the workforce and also discusses the impact of a diverse health workforce on reducing disparities of care.

ACA Wrangling Stalls Healthcare Workforce Panel

ModernHealthCare.com, Rich Daly, July 17, 2012

<http://www.modernhealthcare.com/article/20120717/blogs04/307179981>

Under the ACA, Congress established the new National Health Care Workforce Commission to work closely with the National Center for Health Care Workforce Analysis, also created under the ACA, to examine major workforce issues. Although the Center for Health Care Workforce Analysis is up and running, Congress has still not appropriated funds toward the workforce commission. This article discusses the status of the commission and what may happen to the panel looking past the November elections.

Selected Experts

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Websites

American Academy of Family Physicians www.aafp.org
American College of Physicians www.acponline.org
Association of American Medical Colleges www.aamc.org
GWU Medical Education Futures Study www.medicaleducationfutures.org
HRSA Bureau of Health Professions bhpr.hrsa.gov
HealthReform GPS www.healthreformgps.org
Kaiser Family Foundation www.kff.org
Macy Foundation www.iosiahmacyfoundation.org
Robert Wood Johnson Foundation www.rwjf.org

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