Health Care Reform:
Implications for the Supply,
Demand and Use of Physicians

Hawaii Physician Workforce Summit

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AAMC Center for Workforce Studies

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Overview of Presentation

- The nation is facing a potentially serious physician shortage
- Increasing supply of physicians is necessary but not sufficient: system redesign is essential too
- Concerns and challenges for primary care
- Health care reform offers hope and opportunity for addressing workforce needs
- Steps for a state to consider to better assure access
Health Care Reform Passes!

A major accomplishment….but now the hard part: making it work.
Physician Shortage Expected To Deepen With Health Overhaul, April 15, 2010

Health Insurance Doesn't Mean Much Without Doctors, April 27, 2010

With Insurance Comes a New Need: More Primary-Care Doctors, March 26, 2010

Health Overhaul May Raise Demand for Primary Care, March 30, 2010
The Perfect Storm (1)

**Gale force winds on the demand side over the next several years!**

- Health care reform provides coverage to millions
- Baby boomers begin to reach 65 within the year
- Survival rates improving
- Impact of decades long increase in obesity and poor diet
- Need to address disparities in care and outcomes for poor and minorities
The Perfect Storm (2)

No rescue in sight on the supply side

• Large cohort of baby boomer physicians reaching retirement age and pent up desire for retirement as economy improves
• Gender changes likely to lead to reduced work hours
• Long time needed produce new physicians
• Tight budgets limit funding increases for education
• System redesign should help but uncertain impact and will take time to implement and assess
Major Illnesses Far More Common Among Elderly

Data present age-specific invasive cancer incidence rates (new cases per 100,000 pop.) for the United States, 2002-2006.


Prepared by AAMC Center for Workforce Studies (SD)
Making Progress on Health Care: Number of Cancer Survivors Rising Steadily

Estimated Number of Cancer Survivors in US: 1987 to 2005

Office Visits for Over Age 65 Continue to Increase

Physician Office Visits Per Person

Age Group

Complexities of Physician Supply

Future Supply = (Current + New – Exiting) X Productivity

- # of Physicians
  - Gender
  - Age
  - Systems Factors
  - Work hours

- GME
  - GME Slots
  - Age Distribution
  - Economy
  - Satisfaction

- Regulatory Factors
  - Payment
  - Regulation

- Enrollment
  - MD Enrollment
  - DO Enrollment
  - IMGs

- Teams
  - PAs, NPs
  - Service delivery
  - HIT/EMR

Source: Center for Workforce Studies, March 2009
A Positive Step: A Surge of Medical and Osteopathic Schools and Enrollment

- Central Michigan University
- Oakland University
- Hofstra University
- Touro University
- Western Michigan University
- Commonwealth Medical College
- Rowan University
- University of South Carolina
- Virginia Tech
- University of Central Florida
- Florida Atlantic University School of Medicine
- Palm Beach Medical College
- Florida International University
- University of CA - Riverside
- Paul Foster SOM, El Paso
- University of Central Florida
- Preliminarily Accredited Schools
- Applicant Schools
- Possible Schools
- New Osteopathic Schools

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### 1st Year MD and DO Enrollment in 2014 Will be Far Higher than in 2002

<table>
<thead>
<tr>
<th></th>
<th>2002</th>
<th>2014</th>
<th># and % Increase</th>
</tr>
</thead>
<tbody>
<tr>
<td>MD</td>
<td>16,488</td>
<td>20,281</td>
<td>3,405</td>
</tr>
<tr>
<td>DO</td>
<td>3,079</td>
<td>6,271</td>
<td>3,192</td>
</tr>
<tr>
<td>Combined</td>
<td>19,567</td>
<td>26,552</td>
<td>6,957</td>
</tr>
</tbody>
</table>

Sources:  
- AAMC Dean’s Enrollment Survey: 2009 Preliminary Findings  
- AACOM 2009 Survey on Osteopathic Medical School Growth Plans Preliminary Data
While MD and DO Grads Will Grow at 2.5% per year, ACGME Entrants Growing at Less than 1% per year

Source: Center for Workforce Studies, November 2009

Entrants into GME Without Prior GME

Source: Center for Workforce Studies, November 2009
GME is the Key to Increasing the Supply of New Physicians

• The number of medical and osteopathic graduates will grow by more than 7,000 between 2009 and 2020 which is equal to the number of IMGs entering GME each year.

• There will not be an increase in supply unless we also increase residency training slots (GME).

• Unknown how much – if at all - residency programs will continue to grow in the coming years. The lack of increased federal funding for GME will reduce growth.

• Without GME growth, US MDs and DOs are likely to displace IMGs and physicians per capita will peak about 2015.
Squeeze in GME is Already Happening as Applicants Have Grown More Rapidly Than Slots

Results from NRMP 2002 - 2010

Unfilled PGY-1 Positions

U.S. Seniors Unmatched to PGY-1 Positions
Generation & Gender
The Number of Active Physicians Approaching Retirement Age Will Nearly Double in a Decade

Source: AMA Physician Masterfile (December 31, 2008)
The Feminization of Medicine

Number of Active Physicians by Gender, 2007

- **Under 35**: Male 20,000, Female 10,000
- **35-44**: Male 90,000, Female 40,000
- **45-54**: Male 160,000, Female 60,000
- **55-64**: Male 140,000, Female 40,000
- **65 or Older**: Male 60,000, Female 10,000

Source: AMA Physician Masterfile (January 2007)
The Percent of Surgeons Who are Women Varies by Specialty but is Increasing Rapidly

Percent of Practicing Surgeons Who Are Female Compared to Percent of Residents/Fellows by Specialty, 2008

Source: AMA Physician Masterfile (January 2008).
Prepared by AAMC Center for Workforce Studies, May 2009
Recent AAMC Report
Projecting Physician Supply and Demand Through 2025
Projections of FTE Physicians: Shortages Predicted Before Reform

- Utilization rates will rise;
- Shift in work schedules;
- Moderate growth in GME (27,600 new residents per year); and
- Increase in productivity.

Shortage: 159,300

AAMC Baseline Projections: Shortages Across a Broad Range of Specialties

<table>
<thead>
<tr>
<th>Specialties</th>
<th>Projected shortage in 2025 (FTEs)</th>
<th>Pct. of total shortage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total Patient Care Physicians</td>
<td>-124,000</td>
<td>100.0%</td>
</tr>
<tr>
<td>General Primary Care</td>
<td>-46,000</td>
<td>37.3%</td>
</tr>
<tr>
<td>Medical Specialties</td>
<td>-8,000</td>
<td>6.3%</td>
</tr>
<tr>
<td>Surgical Specialties</td>
<td>-41,000</td>
<td>32.9%</td>
</tr>
<tr>
<td>Other Patient Care</td>
<td>-29,000</td>
<td>23.4%</td>
</tr>
</tbody>
</table>

Rising Demand is for Services

- While some of the services can only be provided by physicians, some services can be provided as effectively—or more effectively--by other clinicians and other health professionals.

- Inter-professional teams can improve access and make more effective use of our limited physician supply.
The Number of New PAs Entering Practice Each Year Has Grown 5 Fold in the Past 22 Years, and is Continuing to Rise

Number of newly certified PAs by year

Source: National Commission on Certification of Physician Assistants, June 2009
Expansion of UME and GME Will Not Meet All of Future Demand: Still Need System Improvements

Reflects Impact of Full Growth of GME to 32,000 Entrants Per Year

Recent Reports of Physician Shortages: Specialty Studies

Allergy & Immunology (2006)  
Anesthesia (2003)  
**Cardiology (2009)**  
Child Psychiatry (2006)  
Critical Care Workforce (2006)  
Dermatology (2008)  
Emergency Medicine (2006)  
Endocrinology (2003)  
Family Medicine (2006)  
**Gastroenterology (2009)**  
Geriatric Medicine (2009)  
General Surgery (2007)  
**Generalist Physicians (2008)**  
Medical Genetics (2004)  
**Neurology (2010)**  
Neurosurgery (2005)  
Oncology (2007)  
Pediatric Subspecialty (2007)  
Psychiatry (2003)  
Public Health (2007)  
Rheumatology (2007)
What Happens in a Shortage?

Supply/Providers
- Practitioners work longer hours
- Increase use of NPCs and support staff
- Extend time between visits
- More phone, email communications (if reimbursed?)
- Innovations

Demand/Consumers
- Longer waits to get appointments
- Increase ER use
- Travel greater distances to care
- See a different type of provider
- Some patients don’t get needed care

AAMC
The Crisis in Adult Primary Care

1. Shortage of primary care practitioners will put pressure on efforts to reform the health care system
2. Growing demand
3. The supply will peak shortly
4. Adult PC physician: high relative dissatisfaction compared to other specialties
5. Decreasing interest in primary care by US grads
6. The mal-distribution of the existing supply
The # of Retiring Adult PC Physicians Is Likely to Exceed # Entering Within Next Few Years

Estimated new Adult PC Physicians 2007

Number of Adult PC Physicians Reaching Age 65

Note: Primary care numbers include hospitalists. Adult primary care includes family medicine and internal medicine. Includes both MDs and DOs.

Sources: AMA Physician Masterfile (December 31, 2008)
AAMC/AMA National GME Census
What Primary Care Physicians Would do if Faced with a Surge in Demand

<table>
<thead>
<tr>
<th>Action</th>
<th>Very Likely</th>
<th>Somewhat Likely</th>
</tr>
</thead>
<tbody>
<tr>
<td>Hire support staff</td>
<td>52.7%</td>
<td></td>
</tr>
<tr>
<td>Hire physicians</td>
<td>46.5%</td>
<td></td>
</tr>
<tr>
<td>Hire NPs</td>
<td>43.7%</td>
<td></td>
</tr>
<tr>
<td>Lengthen time between f/u visits</td>
<td>41.1%</td>
<td></td>
</tr>
<tr>
<td>Work longer hours</td>
<td>38.5%</td>
<td></td>
</tr>
<tr>
<td>Hire PAs</td>
<td>33.6%</td>
<td></td>
</tr>
<tr>
<td>Shorten visit time</td>
<td>33.4%</td>
<td></td>
</tr>
<tr>
<td>Not accept new patients</td>
<td>32.1%</td>
<td></td>
</tr>
<tr>
<td>Use e-mail visits</td>
<td>13.2%</td>
<td></td>
</tr>
<tr>
<td>Use group visits</td>
<td>13%</td>
<td></td>
</tr>
</tbody>
</table>

“If your principal practice site were to experience a significant increase in demand for health services, such as from health care reform, how likely is it that you would consider any of the following?”

Source: AAMC 2009 Physician Survey on Primary Care; Preliminary Data;
What Primary Care Physicians Think Society Should Do to Meet Surge in Demand

“On a scale of 1 (significant potential) to 5 (no potential), please rate the potential of the following strategies to expand the U.S. health systems capacity to meet a future increase in demand without compromising quality”

- Pay more for PC: 94%
- Reduce paper work: 90%
- Pay more for mgmt: 81%
- Increase preventative efforts: 70%
- Expand GME: 69%
- Improve PC productivity: 69%
- Provide Technology: 66%
- Increase supply of NPCs: 36%
- Expand scope of practice of NPCs: 18%
- Expand retail clinics: 14%

Source: AAMC 2009 Physician Survey on Primary Care; Preliminary Data
Adult Primary Care Physicians: A Long Way to Go to the Patient Centered Medical Home: Current Chronic Disease Management Activities

“For your patients with one or more chronic diseases, do you or members of your practice site team engage in any of the following activities?”

- Coordinate referrals: 78%
- Review medication lists: 77%
- Provide discharge follow-up: 76%
- Provide DM follow-up: 53%
- Ensure care on timely basis: 37%
- Provide treatment plan: 36%
- Maintain disease registries: 27%
- Hold health ed sessions: 21%
- None: 5%

Source: AAMC 2009 Physician Survey on Primary Care; Preliminary data
Health Care Reform: Workforce Implications

- Increased coverage: increased demand
- Many provisions on the supply side as well
  - Many diverse ideas and programs
  - Provides workforce planning process and structure
- Tremendous potential but ultimate success dependent on regulatory action, appropriations and implementation
Patient Protection and Affordable Care Act
(P.L. 111-148 and P.L. 111-152)

1. National Health Care Workforce Commission
2. Health Workforce Data, Analysis and Planning
3. Primary Care Related Provisions (Training and practice)
4. GME Related Provisions
5. Increased funding and flexibility for NHSC
6. Community Health Centers and FQHCs
7. Delivery redesign (ACOs, HIZs and PCMH)
8. Nursing, Public Health and Community Health
Strategies to Help Assure Access

1. Data Collection and Analysis: A first step for states and the nation

- Assign responsibility for data collection/analysis
- Staff
- Coalition building
- Identify priority workforce needs

- State data: licensure and regulatory data
- State association data: physicians, hospitals, long term care
- Analysis of national data sets
Strategies to Help Assure Access

2. Increase the overall supply of physicians and other health workers

- Increase support for health professions education and training
- The coming increase MD and DO grads is an opportunity to increase and fill primary care GME positions and other specialties in need
- Address the needs of practicing physicians
  - Reduce paperwork associated with insurance
  - Assist in practice transformation including HIT
  - Address liability concerns
Strategies to Help Assure Access

3. Increase use of non-physician clinicians

- Support for additional education programs
- Increase use of teams (inter-disciplinary education and practice)
- Expand use of NPCs and other health professionals and support staff
- Supportive payment policy, such as for teams
Strategies to Help Assure Access

4. Redesign the delivery system

- ACOs and HIZs would be in a position to make effective use of workforce and effective decision making
- Patient Centered Medical Home: target to chronically ill/elderly
- Improve efficiency and effectiveness, including through improved IT and EMR
- Design service delivery responsive to needs of younger and older physicians, such as flexible scheduling and liability reform
Strategies to Help Assure Access

5. Address mal-distribution

- NHSC, loan repayment and other service conditioned support
- Revise medical school admissions policies
- Increase diversity
- Support urban-rural partnerships and networks
6. Target Limited Resources to Highest Needs

5% of the Population Spends 44% of the Health Care Dollars

Percentage of population, 2005-2006

So What’s Ahead for the Health Workforce and Health Planners and Policy Makers?

- A golden age of rational workforce planning with great opportunities, major growth in knowledge; we help make health reform (access to high quality care at a reasonable cost) a great success.

OR

- Tremendous shortages, physician and public dissatisfaction, long delays to get care; inflation continues and planners and policy makers are blamed for the failure of health care reform.