



Annual Meeting 2008

Evolving Perspectives on the Physician Workforce

2008 COTH Luncheon

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Creating a Better Tomorrow

Overview of Presentation

1. Key findings and developments
2. New projections of physician supply and demand through 2025
3. Brief update on factors influencing supply and demand for physicians
4. What can be done to assure access to care



Key Findings and Developments (1)

- The new AAMC analysis using recent data on the physician workforce, demographics and utilization patterns confirms that the nation is likely to face a significant shortage of physicians in coming years.
- The analysis also finds that current efforts to increase the physician supply will not be sufficient to assure access
- Population growth, aging and medical advances are increasing demand and use of services
- The aging of the physician workforce and work patterns of younger physicians will limit growth of the physician workforce



Key Findings and Developments (2)

- We estimate that 1st year medical school enrollment will rise by 20% by 2013 compared to 2002; 1st year DO enrollment will double during that period
- Over the coming decade, MD and DO graduates are likely to grow by nearly 6,000 per year
- GME growth is uncertain; in any case it is unlikely to keep pace with the increase in MD and DO graduates may lead to a reduction in IMGs
- Shortages are becoming more apparent across a range of specialties and communities.

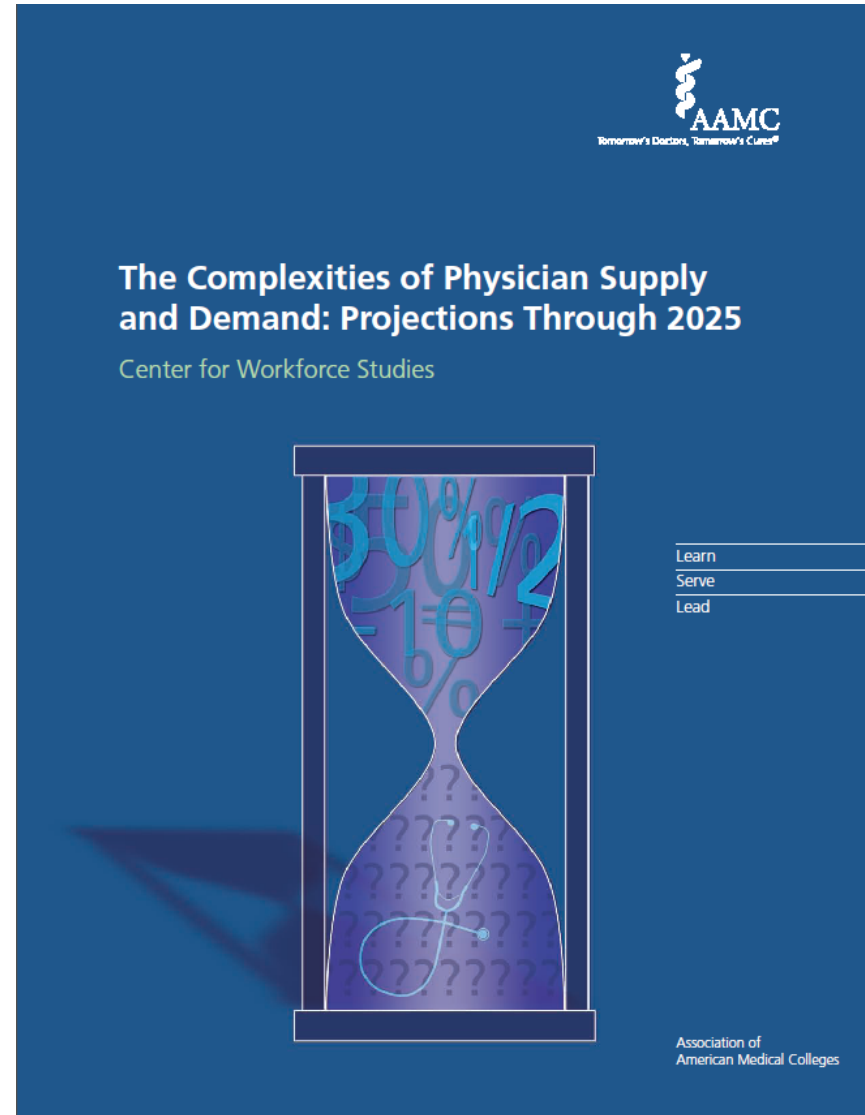


Key Findings and Developments(3)

- Competition for physicians is increasing
- The recession is likely to temporarily slow the growing shortage
- Under-served communities and less attractive specialties/positions likely to feel the shortage first and most
- Increasing the physician supply has to be part of a multi-faceted effort to assure access to services including increased use of PAs, NPs and other health professionals and innovations in service delivery



New AAMC Report Projecting Physician Supply and Demand Through 2025



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Overview of Methodology

- Baseline projections based on current supply and production levels and current practice and utilization patterns applied to projected future population
- Use of most recent data available
- Development of alternative scenarios for the future for supply and demand
- Compare supply and demand in terms of full time equivalents (FTEs)



The Methodology Uses the Present to Model the Future

Critique:

- Today's system has deficiencies and is inefficient
- Dislike of today's system
- Prefer alternative system or values

Response:

- Today's system is the present reality
- Not subjective or one person's perspective
- Scenarios allow for alternative vision of future and likely impact



Physician Supply Scenarios

- GME growth (baseline 25,000)
 - Moderate growth (27,600)
 - Robust growth (32,000)
- Work hours
 - Cohorts do not increase hours as they age
- Retirement patterns
 - Earlier or later

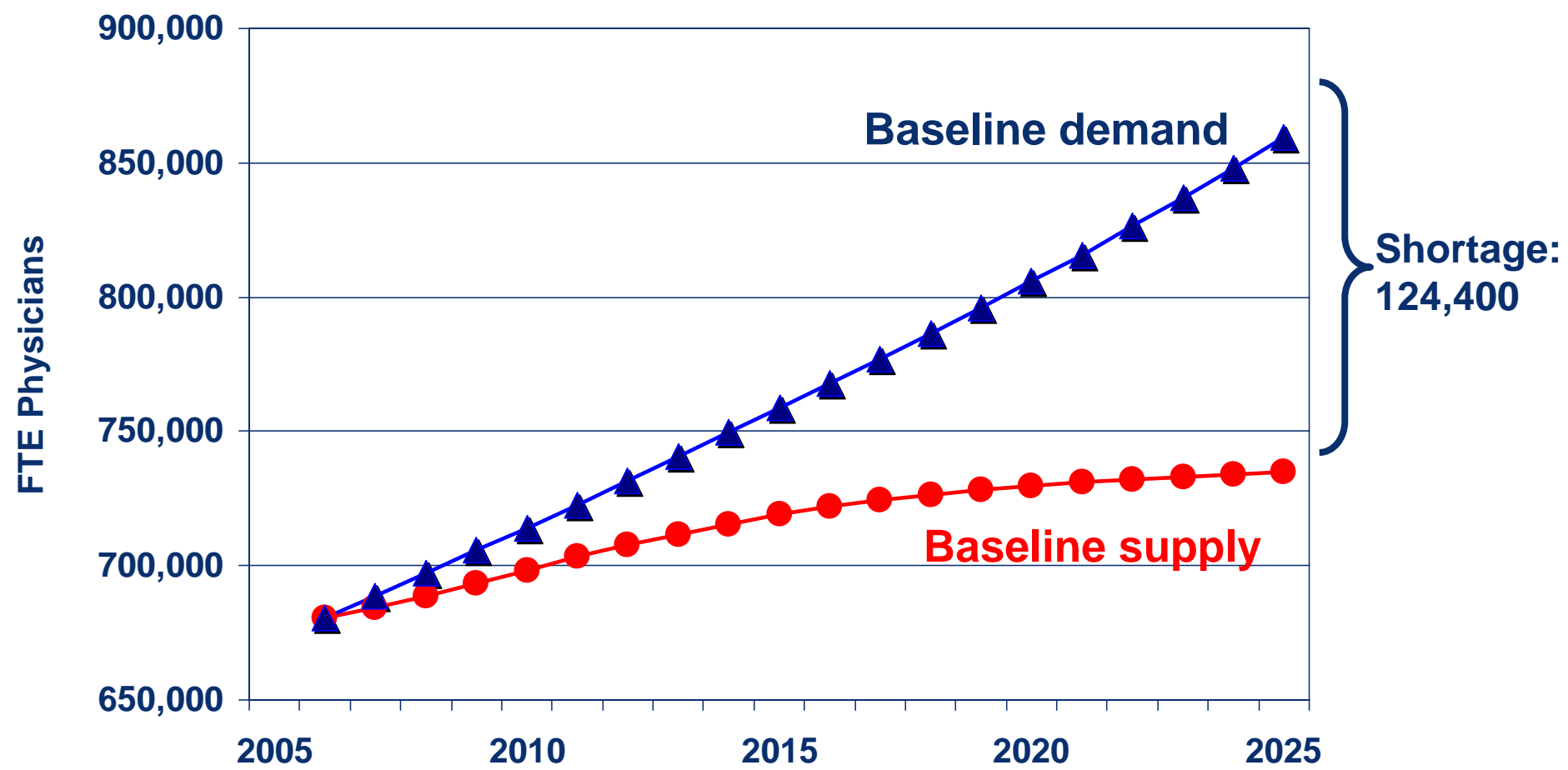


Physician Demand Scenarios

- Economy
 - GDP growth
- Expanded role for NPs and PAs
 - Numbers grow beyond baseline (46% by 2025 v. 26% baseline)
 - Assume responsibility for 25% of primary care
- Expanded health insurance coverage
 - Universal coverage
- Continued increase in utilization
 - 45+ population use continues to grow
- Productivity increase
 - 10% rise



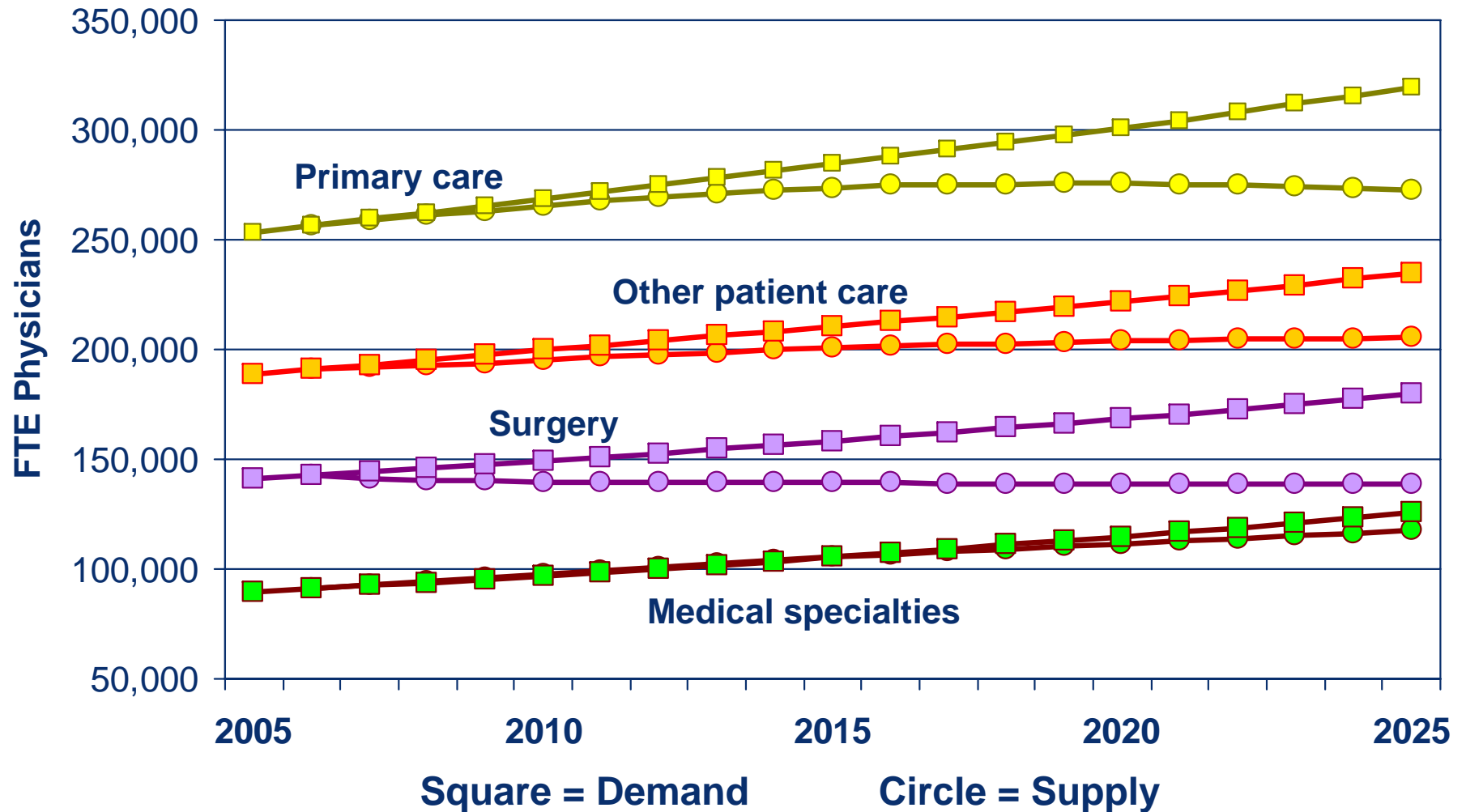
Baseline Scenario Projections of FTE Physicians



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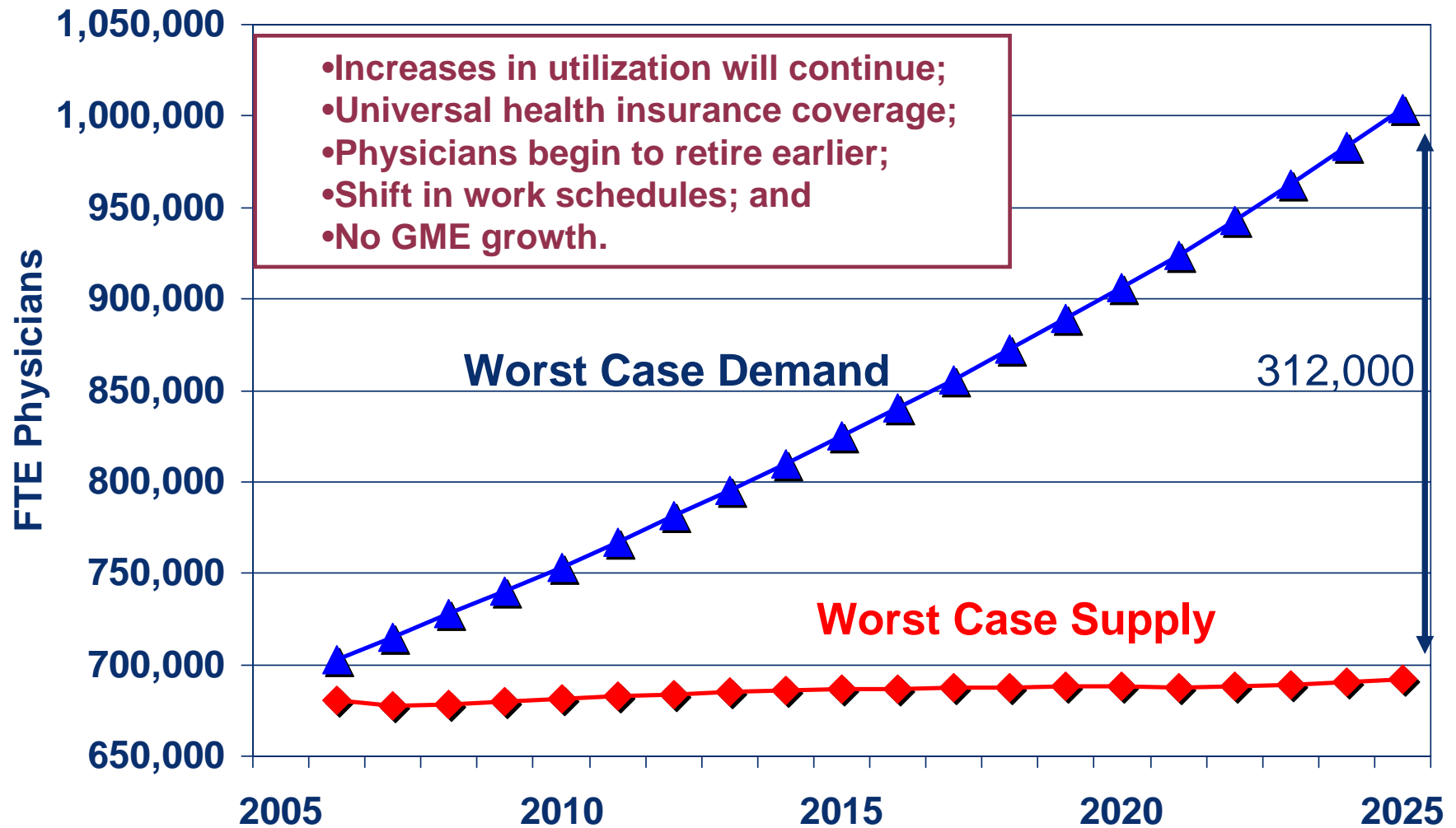
Our New Projections Show that Primary Care Specialties Face Greatest Shortages



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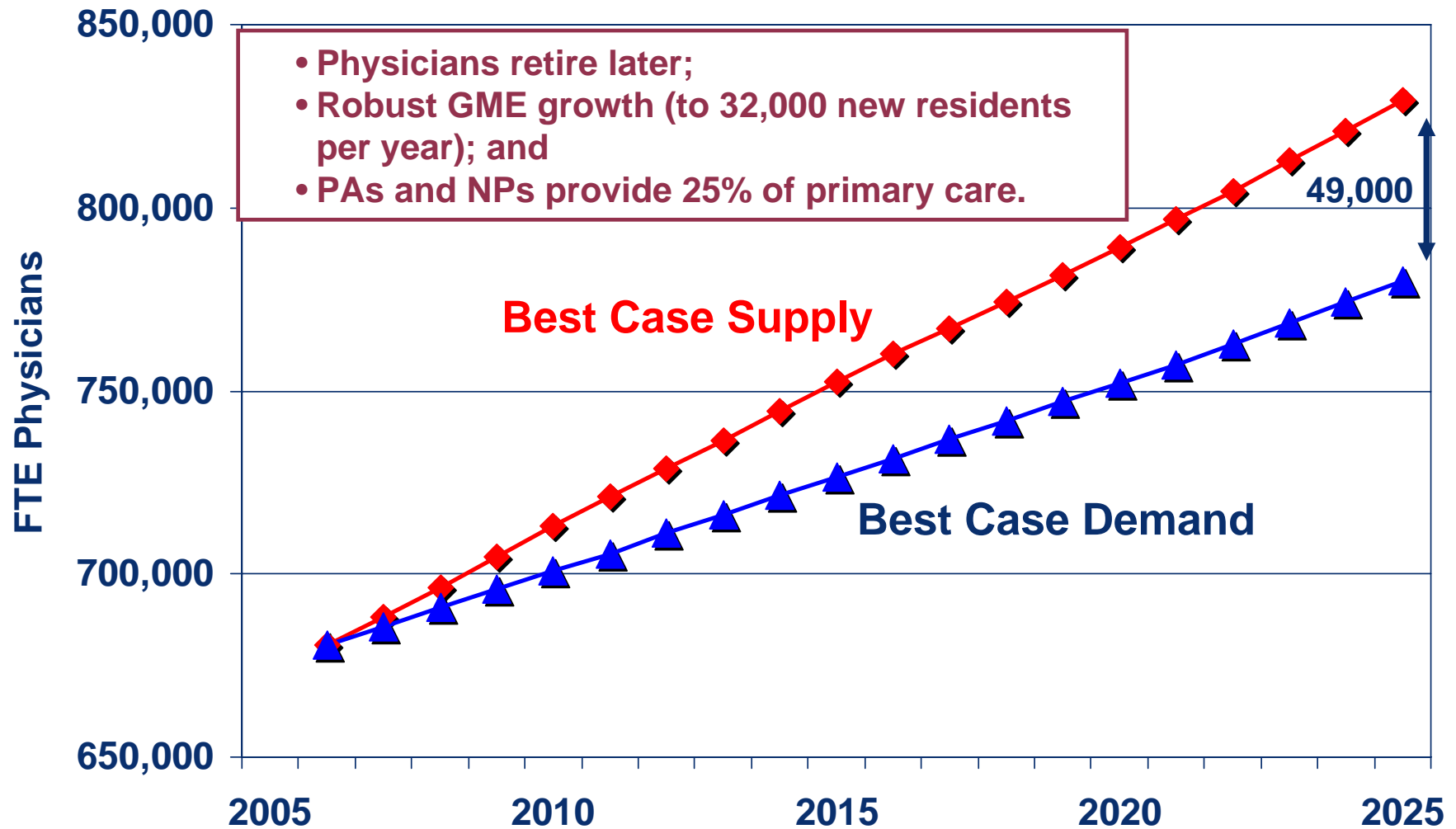
Worst Case Scenario



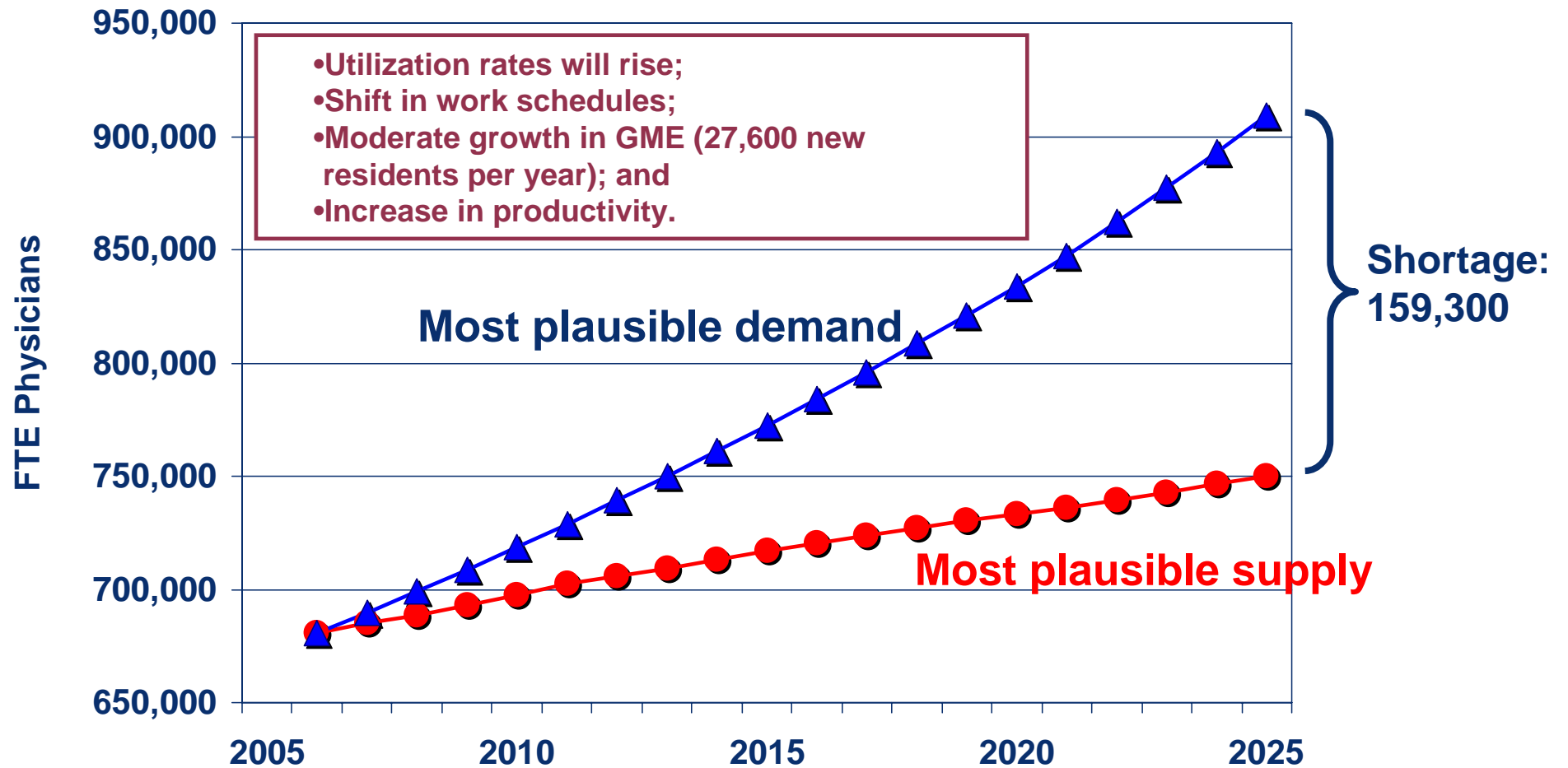
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Best Case Scenario



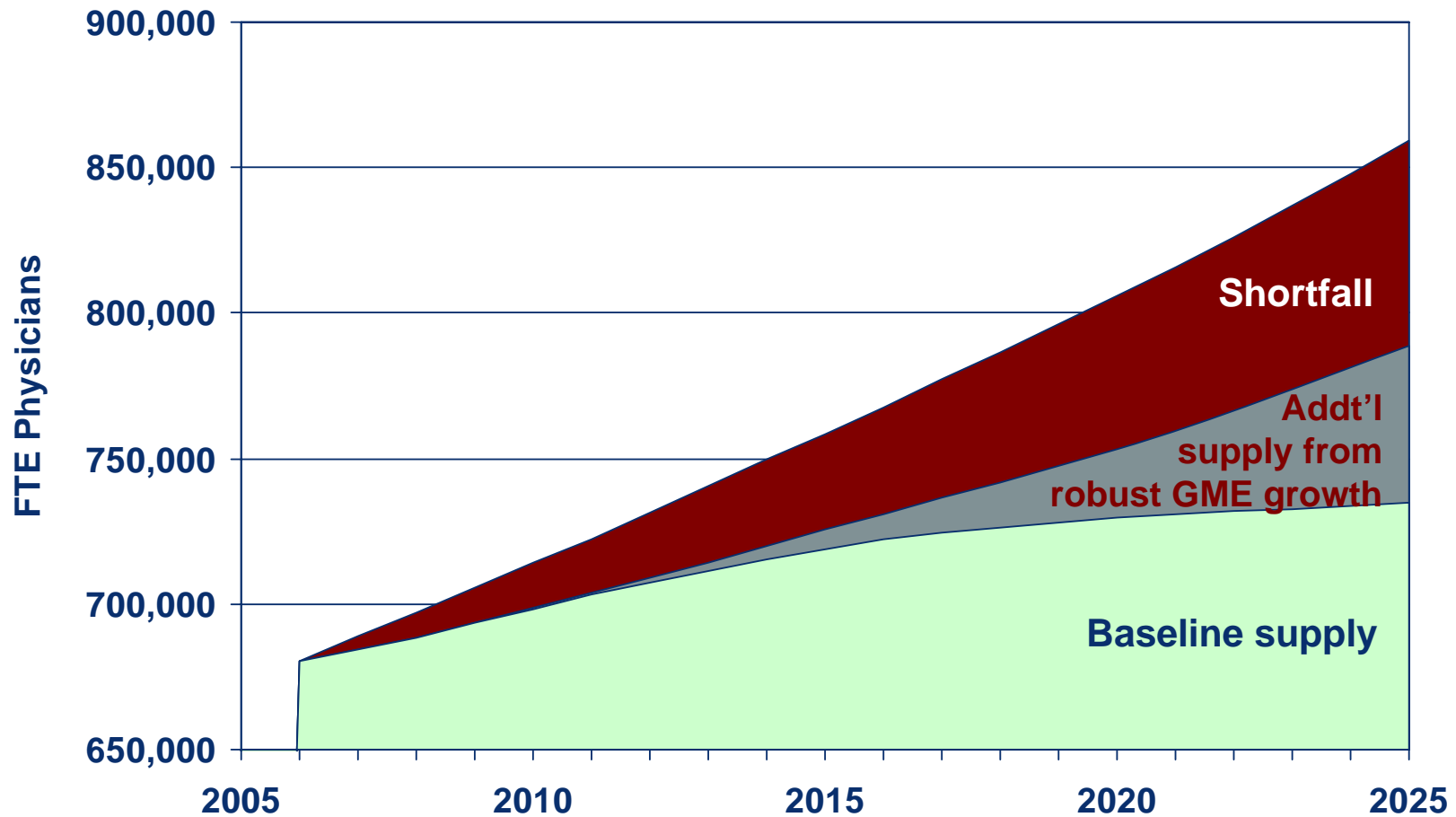
Most Plausible Scenario Projections of FTE Physicians



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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



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What Happens in a Shortage?

Supply

- Practitioners work longer hours
- Increase use of NPCs
- More phone, email communications
- Extend time for follow up visit
- Innovations

Demand

- Patients: longer waits to get appointments
- Travel greater distances to care
- See a different type of provider
- Some patients don't get care



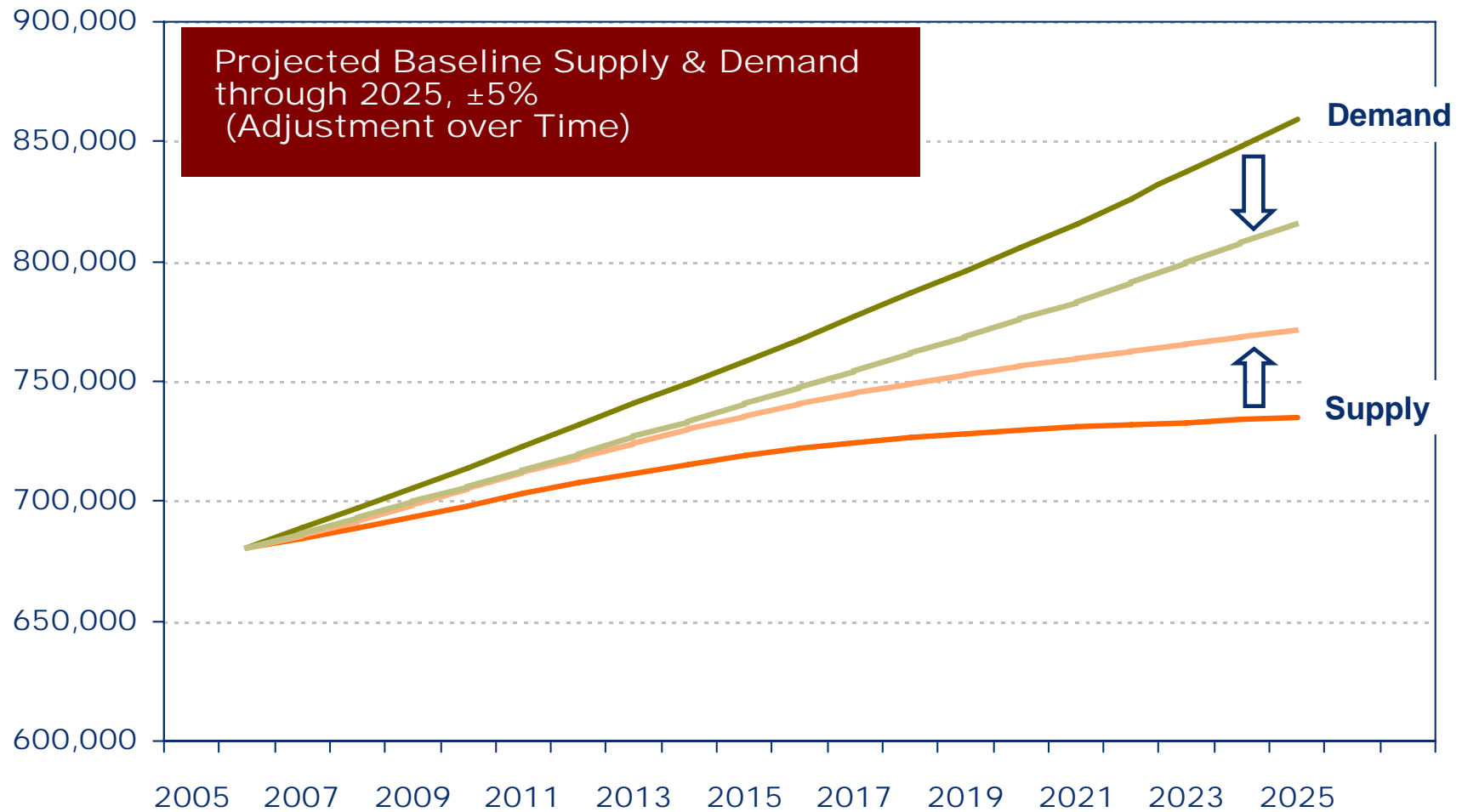
What Happens in a Shortage? Cont.

Hospitals and health Care Systems

- Growing competition: higher wages and benefits
- Increase investment in recruiting and retention
- Greater attention to practitioner satisfaction
- Regionalization/consolidation of services
- Elimination of some services (some duplicative; some needed)
- Substitution (Use of more available workers)
- Innovation



Adaptations Will Occur



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Next Steps: Statistical Indicators to Gauge Need and Shortages (SIGNS)

It is critical to develop metrics to measure and monitor the impact of changes in supply and demand

- Is access to needed services decreasing?
- Are disparities increasing?
- Are waiting times increasing?
- Is burnout among providers rising?
- Are wages rising excessively?



Brief Update on Factors Influencing Supply and Demand



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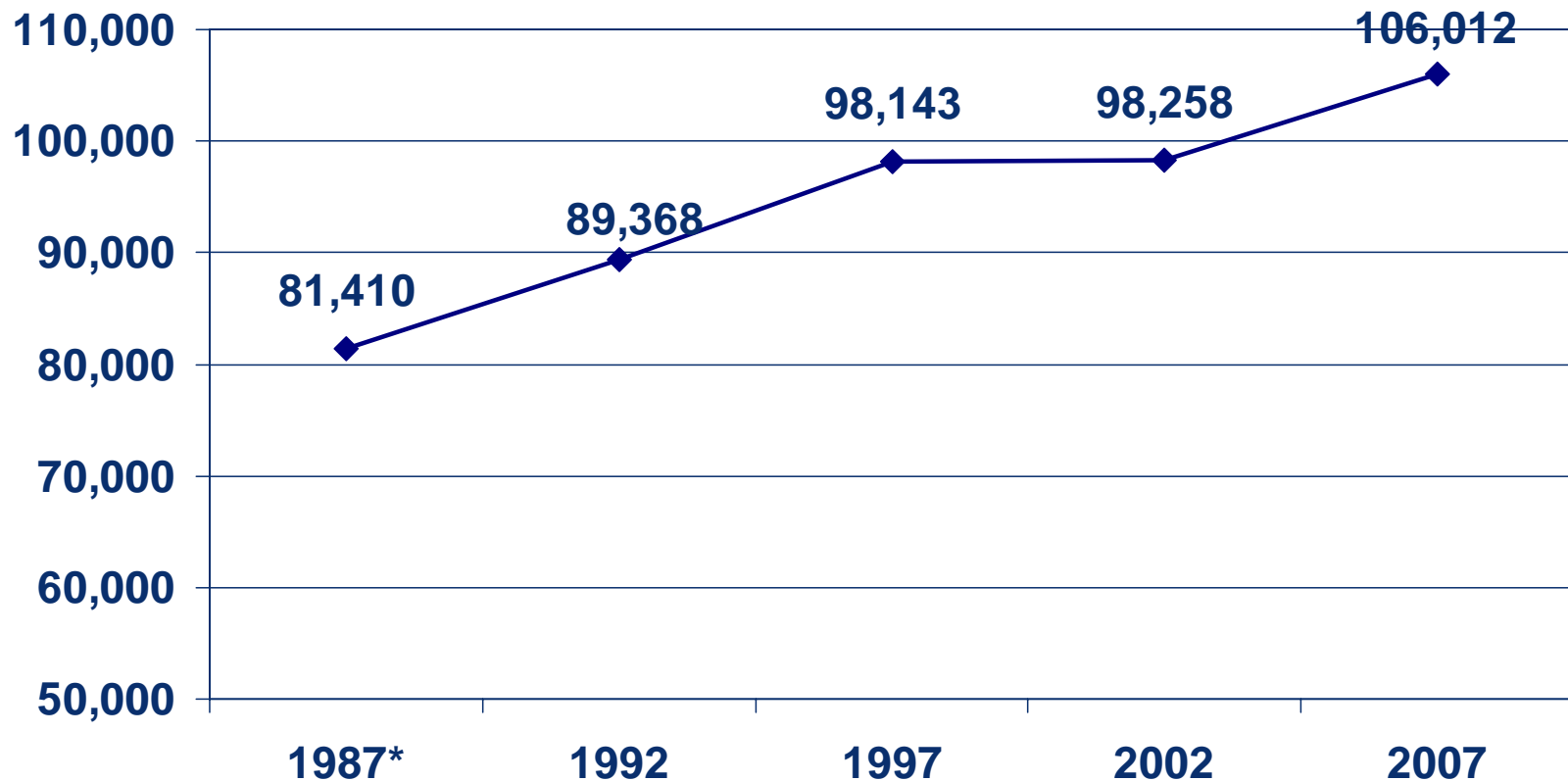
Key Factors Influencing the Future Supply of Physicians

1. US medical school enrollment
2. Osteopathic enrollment
3. Inflow of IMGs
4. GME positions
5. Aging and retirement of physicians
6. Gender and generational differences



1997 BBA Temporarily Slowed GME Growth but ACGME Residents and Fellows up 8% since 2002

Total Residents and Fellows in ACGME Programs 1987-2007



*Data for 1987 excludes residents in combined specialty programs.

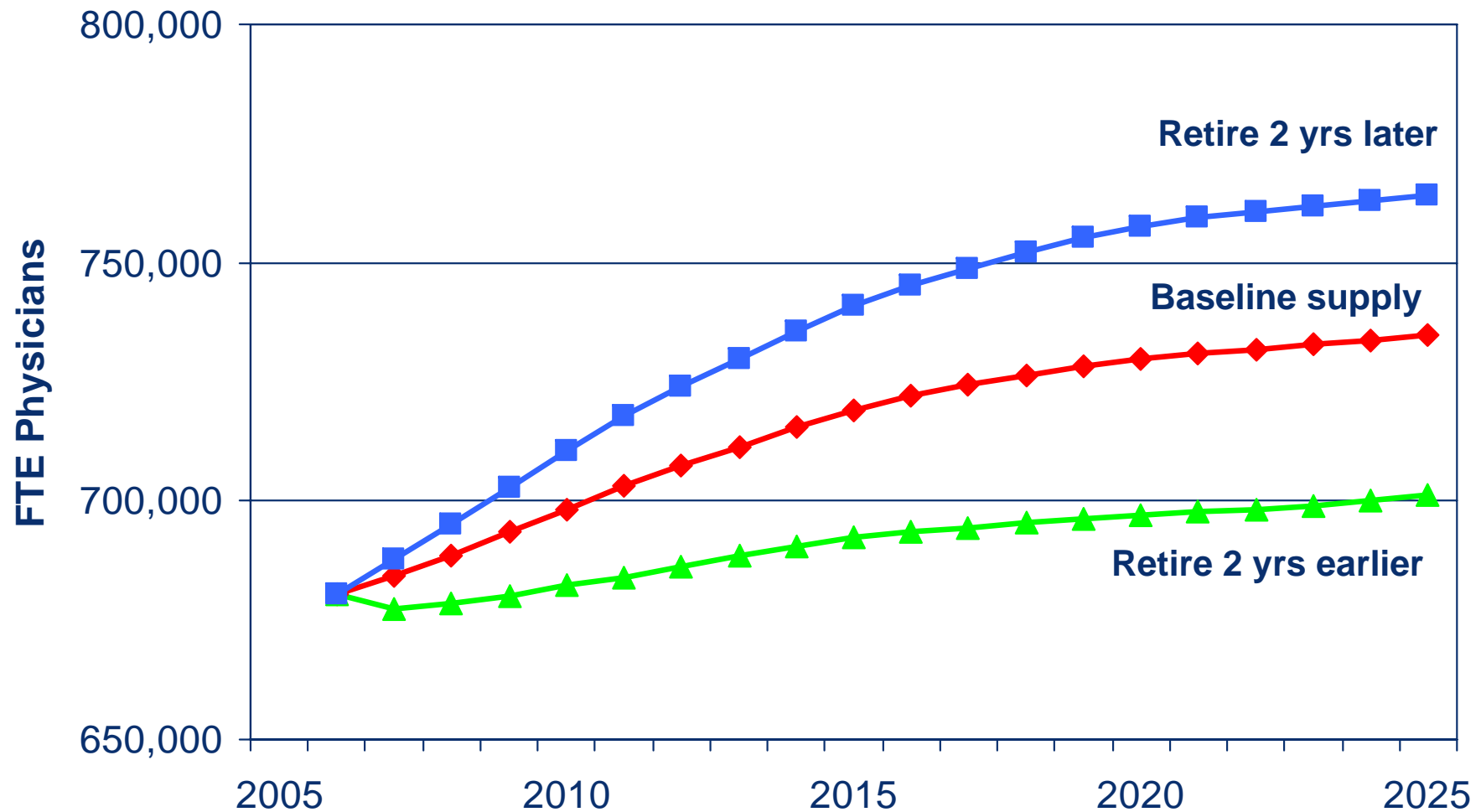
Source: JAMA Medical Education issues



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The Impact of Changes in Retirement Patterns is Significant



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A Growing Proportion of Residents are Sub-specializing

	AY 2002	AY 2007
Anesthesiology	10%	16%
Dermatology	14%	24%
Family medicine	3%	5%
Internal medicine ¹	47%	55%
Neurology	38%	56%
Orthopedic surgery	34%	52%
Pathology	49%	65%
Pediatrics	27%	39%
Psychiatry	45%	54%
Radiology	31%	41%

Source: AAMC/AMA National GME Census, JAMA September 2008



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Drivers of Future Demand for Physicians

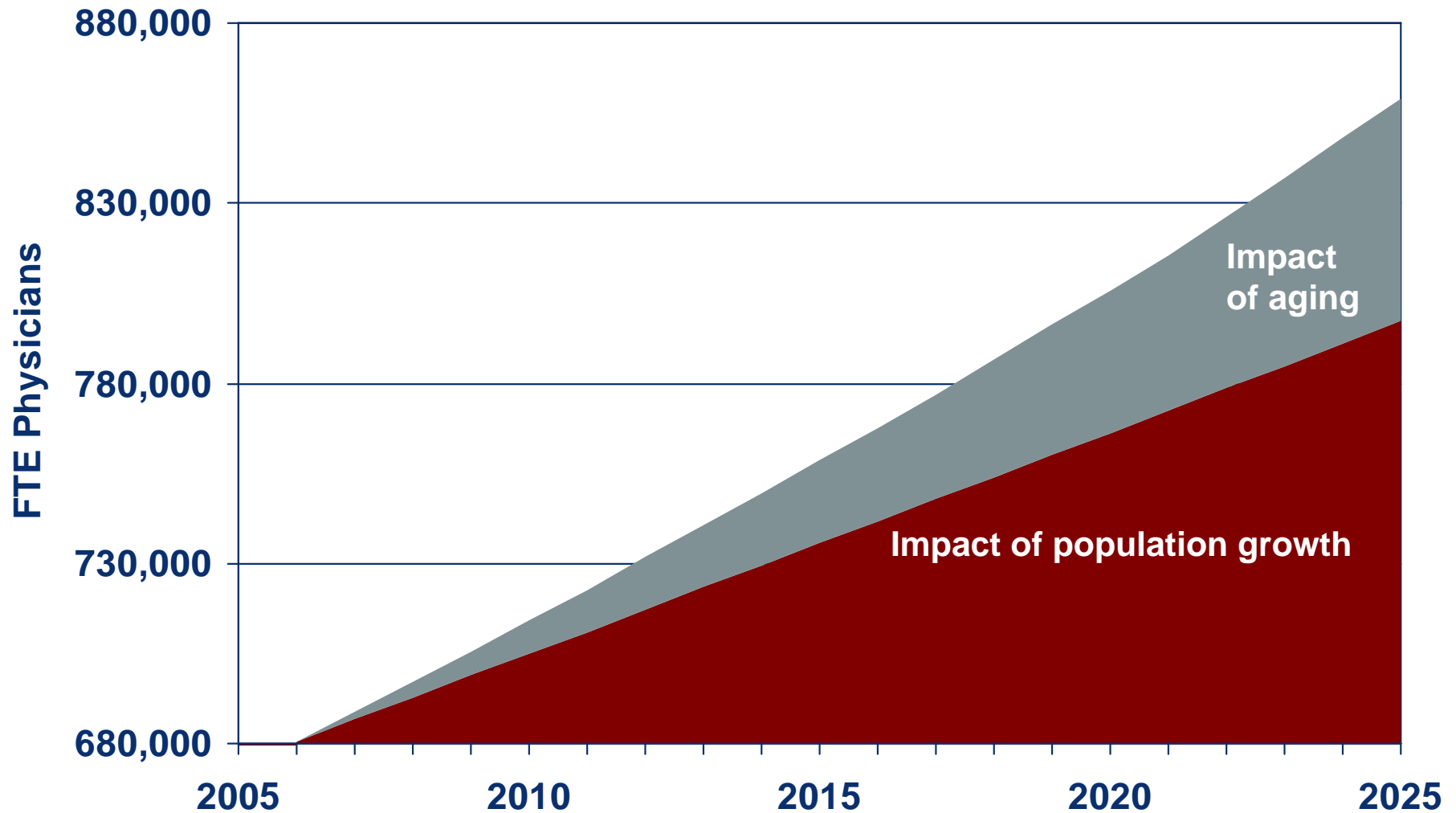
- Population growth
- Aging of the population and life expectancy
- Health insurance coverage
- The economy
- Public expectations
- Lifestyle factors
- Medical advances



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Impact of Population Growth and Aging on Physician Demand



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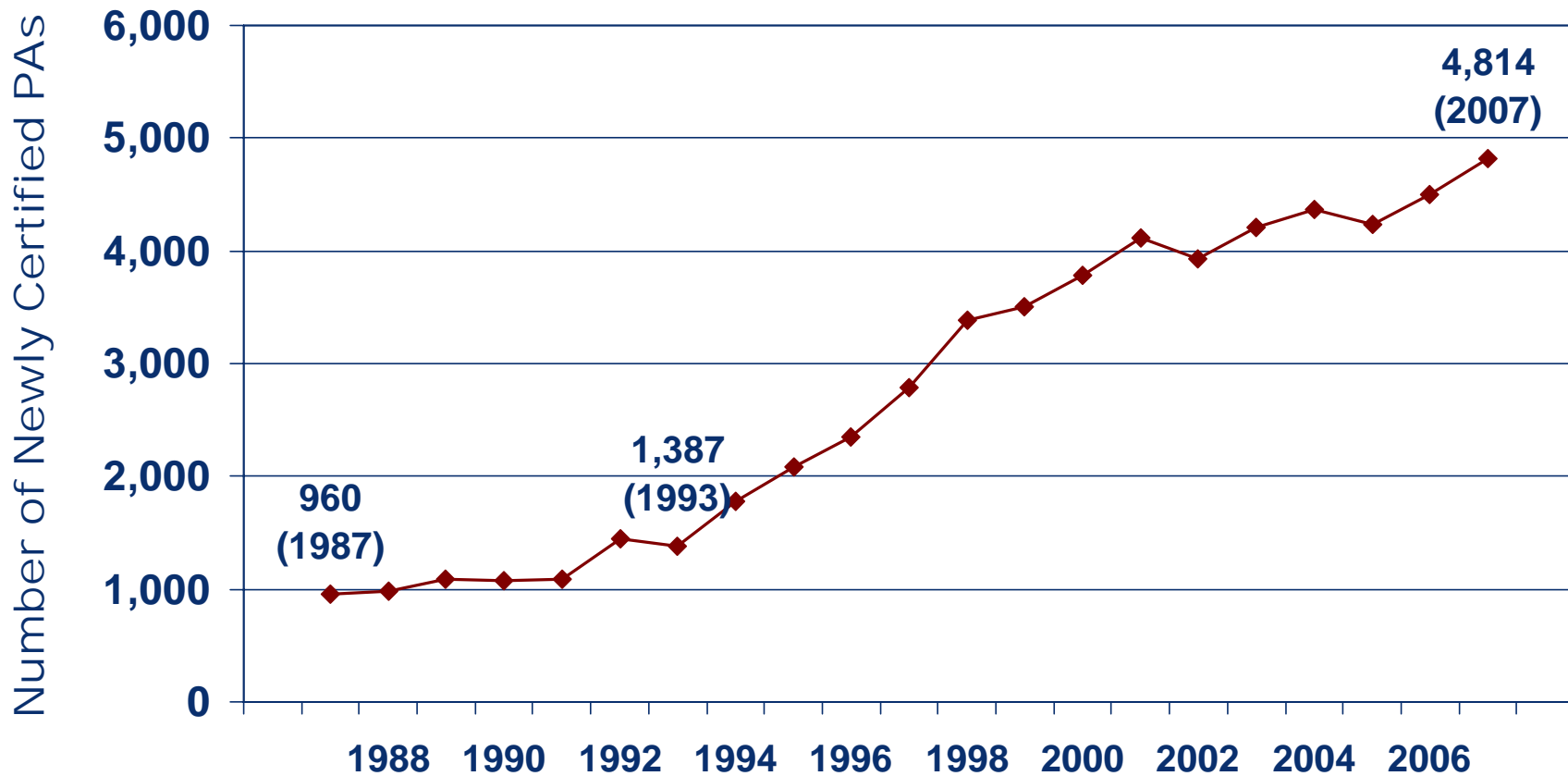


Closing Comments: What Can be Done to Help Assure Access to Care?

- Continue to increase medical school enrollment
- Increase GME positions
- Redesign delivery systems and other steps to improve efficiency and effectiveness
- Increase use of non-physician clinicians
- Increase inter-disciplinary education and practice (especially for non-physician clinicians)
- Service delivery responsive to needs of younger and older physicians, such as flexible scheduling and part time work
- International recruitment is possible but may be contrary to global responsibility



The Good News: The Number of New PAs Entering Practice Each Year Has Grown 5 Fold in the Past 16 Years



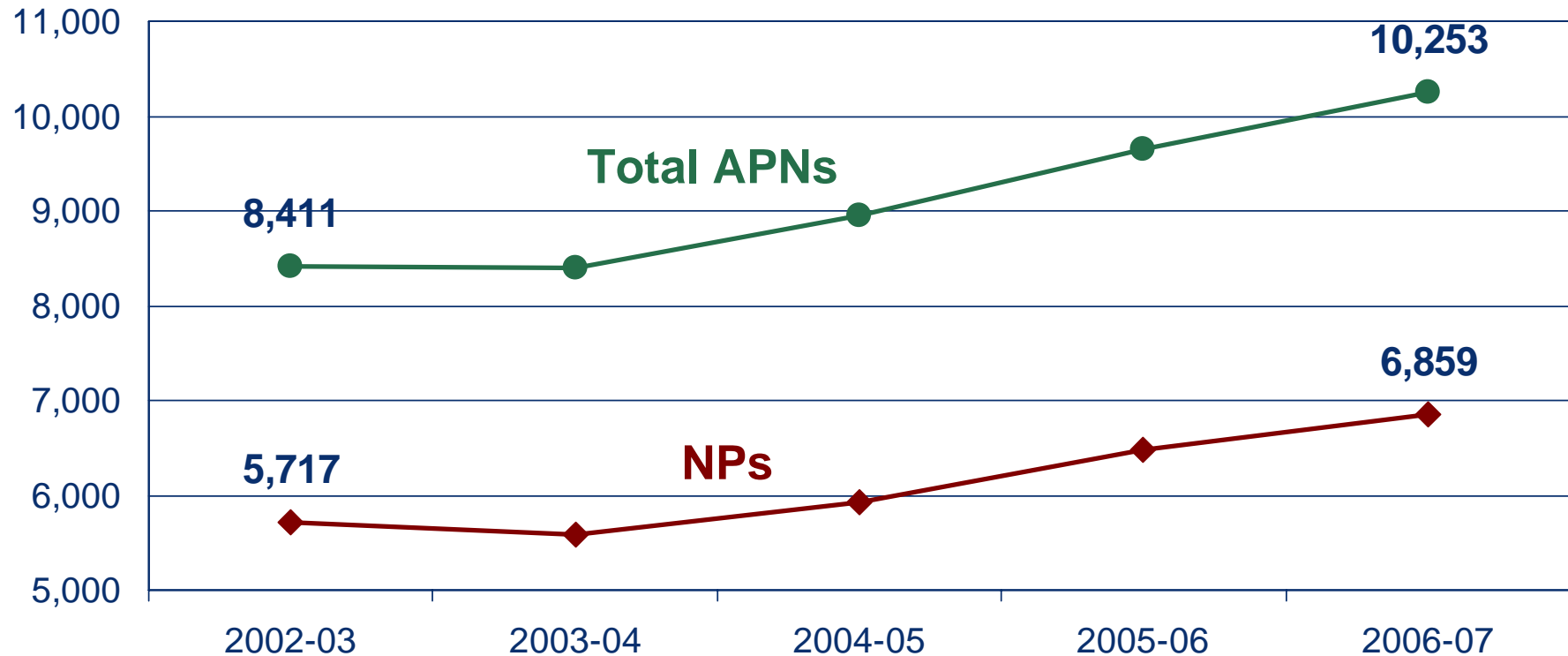
Source: National Commission on Certification of Physician Assistants, April 2008



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The # of NPs is Growing but Uncertain Impact of New Educational Guidelines



Note: Total APN includes NP, CNS, Combined NP/CNS, Nurse Midwifery, Nurse Anesthesia, and Post-Master's NP

Source: American Association of Colleges of Nursing



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Implications of Physician Shortages for Hospitals and Health Centers

- The shortage of physicians and the pressure on costs will force the system to:
 - Make better use of physicians;
 - Greater use of non-physicians;
 - Pay greater attention to retention including flexible scheduling and benefits;
 - Pay more attention to recruitment; and
 - Think creatively to reassess and redesign delivery systems



Shortages: Potential Strategic Advantages for Hospitals and Health Systems

- Wealth of knowledge and experience: potential to be innovative
- Ability to meet the needs of younger and older physicians
 - Ability to provide structure and support
 - Flexible scheduling, part time hours
 - Buffer to uncertainties of reimbursement, regulatory system and mal-practice
- Sophisticated IT
- Resources for recruitment and retention



Shortages: Potential Disadvantages for Hospitals and Health Systems

- Can be overly complex with fragmented decision making
- Competing demands of patient care, research and teaching
- Decisions often driven by payment policy
- Inflexible policies
- Inter-generational conflict
- Limited IT
- Lack of support and resources



Fifth Annual AAMC Physician Workforce Research Conference

April 30 - May 1, 2009

Omni Shoreham Hotel

Washington, DC



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