

Physician Shortage Series I of III: U.S. Primary Care Shortage Continues - by Anne Sharamitara, Esquire, Executive V.P. & General Counsel, Health Capital Topics

With an aging baby boomer population and millions of Americans newly streaming into the healthcare marketplace with the advent of healthcare reform and insurance marketplaces, the primary care shortage in the United States is becoming more critical than ever. One cause of the ongoing shortage does not appear to be due to lagging medical school admissions, but rather a bottleneck in the number of U.S. residency slots available each year, approximately 113,000 as of 2012.

While the causes and factors affecting this bottleneck are multi-factorial, finding a solution has become increasingly urgent since the physician shortage became evident in 2006. One of the factors often cited as responsible for the lack of growth in residency slots is the failure of the government to increase funding for additional positions; the government subsidizes approximately \$10.1 billion in residency positions each year, which has not changed since funding was capped by the Balanced Budget Act of 1997.

The most recent attempt to increase Graduate Medical Education (GME) financial support was declined during discussions of the Affordable Care Act (ACA). Some states that are harder hit than others, e.g., Texas, have increased state spending to subsidize additional GME - funded residency slots to help narrow the gap between the number of medical school graduates and available in - state residency positions.

The Association of American Medical Colleges has called for a 15% increase in Medicare funding of additional GME positions to help meet the physician shortage needs in the next decade. Another issue affecting available residency positions includes the disproportionate number of primary care to specialty training positions. As hospitals are not regulated by law on the types of residencies they provide, “the types of residencies with the most growth...are more often in the lucrative specialties that America’s fee – for - service billing system rewards.”

Moreover, fewer medical students are becoming primary care physicians, with only 25 percent of medical students choosing to practice in the primary care field. While the U.S. will face a significant shortage of both primary care physicians and specialists (an estimated 45,000 and 46,000 by 2020, respectively), with the expected influx of elderly and uninsured individuals in to the healthcare system over the next few years, it is primary care physicians who will likely face the greatest increase in burden. In addition to fewer residents entering the primary care field, the current population of primary care providers is aging, as 23.1 percent of primary care physicians are age 55 to 64, and 25.2 percent are between age 45 and 54.

These proportions are significant as more physicians are planning to retire earlier, according to a study conducted by The Physicians Foundation. Over half of the 13,575 physicians surveyed plan to reduce the number of patients seen, start working part time, retire, or otherwise reduce their workload.

Without hope of additional federal government investment on the horizon, the medical industry has turned to non-physician (midlevel) providers in some areas to help fill the gap in primary care. Many other allied health professionals historically used to perform some tasks now handled by physicians, and the healthcare system may benefit from restoring a more traditional scope of practice for some of these workers. In addition, several stakeholders have commented on the utility of licensed independent professionals (LIP), i.e., physician assistants and nurse practitioners, in providing primary care services in lieu of a physician. While non – physician providers have supplemented, and in some areas, replaced physician care, oftentimes in rural or underserved areas, there has been ongoing debate on the risks and benefits of supplementing versus replacing physician care with alternate LIP services.

Leaders in the healthcare industry are also looking to innovate the way in which primary care is delivered, e.g., through nurse - managed health centers and patient - centered medical homes. It is possible that a combination of potential solutions, including increasing funding for residency slots, and supplementation with non – physician providers, will be enough to bolster the primary physician workforce. It remains to be seen whether these stopgaps will be sufficient to address the impending influx of patients into the healthcare system. The subsequent articles in this series will examine the potential physician shortages in surgical and non-surgical specialties in an era of reform in the U.S. healthcare industry.