

# THE DOCTOR CAN'T SEE YOU NOW

NEW YORK'S PHYSICIAN SHORTAGE GROWS



DECEMBER 2009



Healthcare Association  
of New York State

## KEY FINDINGS

*HANYS' 2009 Physician Advocacy Survey*

- ✓ **Physician retirements are offsetting recruitment, and little progress is being made. Members reported a current need for more than 1,300 physicians statewide. While 831 physicians were directly hired by hospitals in 2008, 820 physicians retired in 2008 and an additional 740 plan to retire by 2010.**
- ✓ **Nearly half of responding hospitals (45%) indicated there are times when their emergency departments are not covered for certain specialties, and patients must be sent to other hospitals for care. Eighty-eight percent of those hospitals are located upstate.**
- ✓ **Twenty-four percent of respondents have had to reduce or eliminate services in specialty areas because of an inability to recruit physicians. Eighty-eight percent of these hospitals are upstate.**
- ✓ **To achieve the coverage they need, 66% of hospitals are paying for on-call services. This is a last resort for many hospitals where physician numbers are dwindling, leaving them to rely on fewer physicians for more on-call coverage.**
- ✓ **Seventy-five percent of respondents indicated that they employ *locum tenens* (temporary physicians) to compensate for the physician shortage. This is an expensive solution that few providers can sustain.**

# THE DOCTOR CAN'T SEE YOU NOW

## NEW YORK'S PHYSICIAN SHORTAGE GROWS

*HANYS' 2009 Physician Advocacy Survey* confirms that New York's physician shortage is not diminishing and is likely to worsen. It adds to a significant amount of data, collected over several years, indicating that many communities are struggling with an aging physician workforce and difficulty recruiting new physicians.

Disturbingly, member hospitals also pointed to ways these shortages are crimping the availability of health care services in their communities.

HANYS' physician workforce advocacy agenda aims to increase the supply of physicians and ensure that every community in New York State has access to needed medical care.

HANYS, Iroquois Healthcare Alliance, Nassau-Suffolk Hospital Council, Northern Metropolitan Hospital Association, Rochester Regional Healthcare Association, and Western New York Healthcare Association developed this report to educate state and federal policymakers about physician workforce challenges and to identify strategies to improve communities' access to quality health care.

The response rate was 44% (109 hospitals); however, the response rate outside of New York City was 75%, with 90% of the state's rural hospitals responding. Given the higher response rate upstate, this report will focus on the results exclusive of New York City.

In addition, because of high vacancy rates and unique barriers experienced by rural hospitals, this report contains a special section focused on the rural physician shortage.

Because there are wide variations in responses across the state, this report distinguishes upstate—which includes the Western, Rochester, Central, and Northeastern regions—from downstate—which includes the Northern Metropolitan (Hudson Valley) and Nassau-Suffolk (Long Island) regions.

# NEW YORK'S PHYSICIAN WORKFORCE SHORTAGE

Physician shortages threaten many New York residents' access to health care. While steps have been taken to begin to address this recognized problem, more state and federal action is needed to increase the number of primary care physicians, as well as physicians in other specialties that are in demand. Further, New York State must explore alternative ways to deliver care to underserved populations.

The statistics are sobering. Reports released in 2009 by the State University of New York Center for Health Workforce Studies (CHWS) show:

- New York State's physician population is aging. Last year, 39% of practicing physicians were older than age 55, compared to 36% the year before. One quarter are older than age 60.
- While the average age of practicing physicians is 51, in 34 counties the average age is between 52 and 54.
- Through 2030, the physician supply will not keep up with demand in many specialties across all parts of the state. One of the areas of greatest projected need is downstate (New York City and surrounding areas) because of population growth.
- The CHWS *2008 Physician Workforce Profile* found that the total number of physicians declined in 20 counties across the state. The number of physicians in the areas of primary care, obstetrics/gynecology (OB/GYN), general surgery, psychiatry, and several surgical specialties declined in more than 20 counties.

Research by the Association of American Medical Colleges (AAMC) corroborates these trends. A 2008 AAMC Center for Health Workforce study showed the number of active physicians over the age of 55 more than doubled between 1985 and 2006. AAMC's 2009 report ranks New York State second in the number of physicians over age 60.

The Governor, State Legislature, and stakeholders including HANYS worked together to establish the Doctors Across New York (DANY) program, which provides practice support and loan repayment funding to physicians who locate in communities in need.

Continued funding is imperative to not only sustain the first cohort of physicians, but to add more doctors in future years. CHWS noted in its supply and demand forecast that adding 100 new physicians every year through incentives like those provided by DANY would go a long way toward ameliorating physician shortages.

While HANYS strongly supports additional funding for DANY, this program is only a partial solution to New York’s physician shortage.

At the national level, there is recognition that action must be taken to cope with the decreasing number of primary care physicians and doctors in other specialties. HANYS supports legislation under consideration in Congress that would increase the number of Medicare-funded residency slots by 15%. The number of Medicare-funded residencies has been frozen since 1996.

AAMC has called for a 30% expansion of medical school enrollment by 2015 to cope with the nationwide shortage. In response, several new medical schools are opening, including two campuses in New York State. However, without an increase in residencies, these new physicians will not have adequate opportunities to complete their training.

Other options that must be explored to assist communities with physician shortages include telemedicine ventures and expanding training to increase the supply of nurse practitioners and physician assistants. While health care reform efforts could increase the number of primary physicians over time, attracting physicians to rural and urban under-served parts of the state remains a challenge.

## UNMET NEED PERSISTS FOR PHYSICIANS IN NEW YORK COMMUNITIES

Respondents report a current need for more than 1,300 physicians in a multitude of specialty areas. Nearly 60% of that need falls into four specialty areas: primary care/internal medicine (IM) (35%), general surgery (8%), orthopedics (7%), and hospitalist (7%). In 2007, respondents similarly reported substantial shortages in the same areas, with 73% reporting a need for primary care, and more than 50% a need for general surgery and orthopedics.

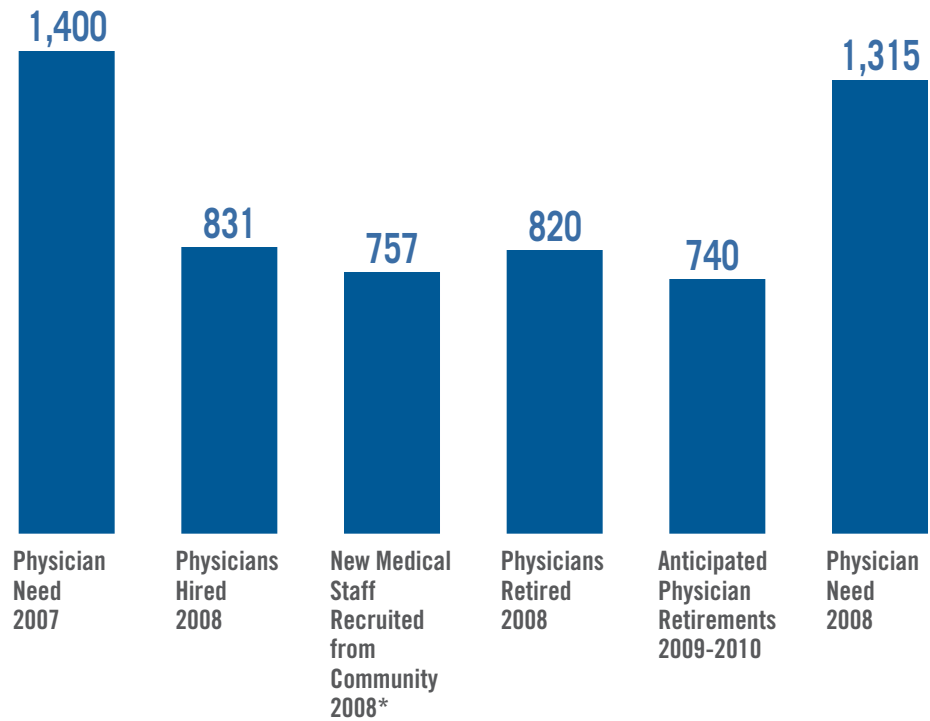
### More than Half of Physician Need Falls in Four Specialty Areas



\*Other includes the following physician specialty areas: Anesthesiology, Emergency Medicine, OB/GYN, Pediatrics, Urology, Cardiology, Gastroenterology, Neurology, Oncology, and Psychiatry.

The chart below shows physician retirements are offsetting physician recruitment, and suggests there was little progress in reducing overall physician need between 2007 and 2008.

**Physician Retirements are Offsetting Recruitment, Little Progress Being Made**



\*Since medical staff can work at multiple facilities, it is presumed many of these are not new physicians.

**Percent of hospitals that ranked these as their top reason for hiring physicians directly**



**HOSPITALS HIRING MORE PHYSICIANS DIRECTLY**

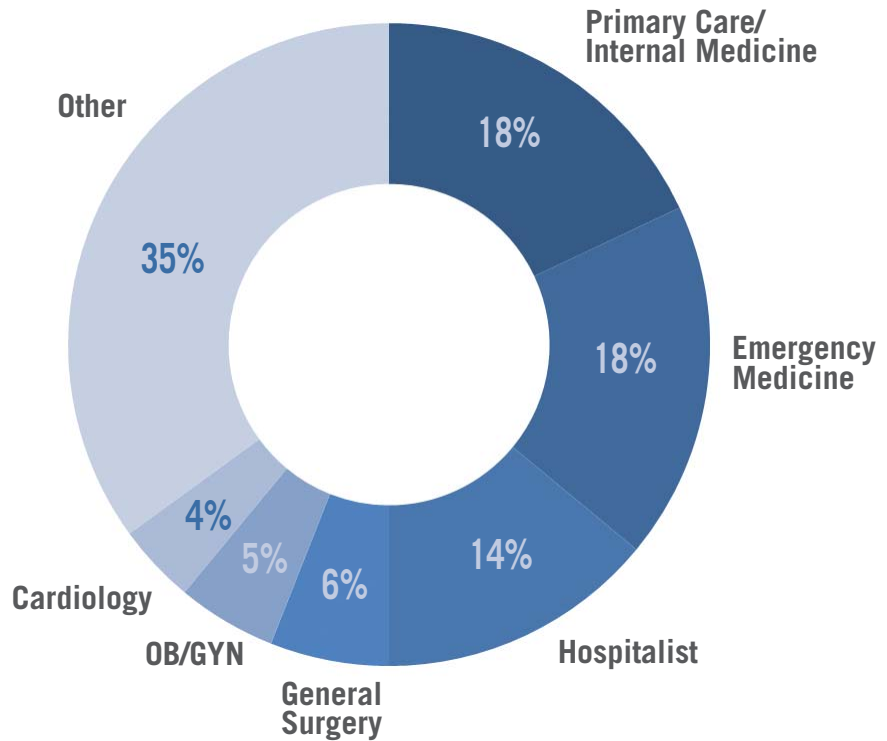
Eighty-nine percent of hospitals/health systems reported that, in aggregate, they directly hired 831 physicians in 2008. Researchers, and large physician recruiting firms such as Merritt Hawkins & Associates, have reported that specialists are returning to hospital-sponsored employment models, opting for steady paychecks without the complexities of owning a practice. This trend in hospital employment of physicians is also happening at the national level.

Regionally, more respondents in Western New York, Rochester, and Central New York cited “difficulty recruiting without incentives” and “only option to get physician to work in area.” “Guaranteed coverage for emergencies” was cited by 65% of respondents in the Nassau-Suffolk region.

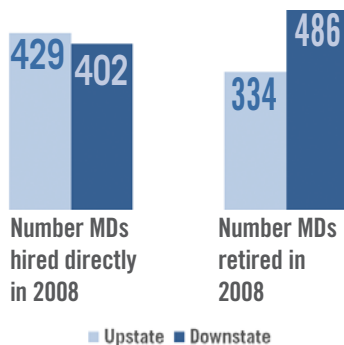
At the statewide level, 65% of the directly hired physicians fell into seven specialties: primary care/IM (18%), emergency medicine (18%), hospitalist (14%), general surgery (6%), OB/GYN (5%), and cardiology (4%).

Hospitals also reported that 757 physicians joined the medical staff from the community, but this number is not reflective of actual full-time equivalents (FTEs), since physicians can work at multiple facilities simultaneously.

### Newly-hired Physicians by Specialty



### Upstate/Downstate Variations by Recruitment, Retirement, and Need



Note: Hospitals report they currently need 779 physicians upstate and 536 downstate.

Fifty-two percent of these physicians were hired upstate. Although respondents across the state identified primary care as their single biggest need, 83% of the primary care physicians were hired by upstate hospitals.

Hospitals in the Nassau-Suffolk region were more likely to hire emergency medicine doctors, general surgeons, and pediatricians. Hospitals in the Northern Metropolitan region were more likely to hire hospitalists.

### PHYSICIAN RETIREMENTS ARE OFFSETTING NEW HIRES

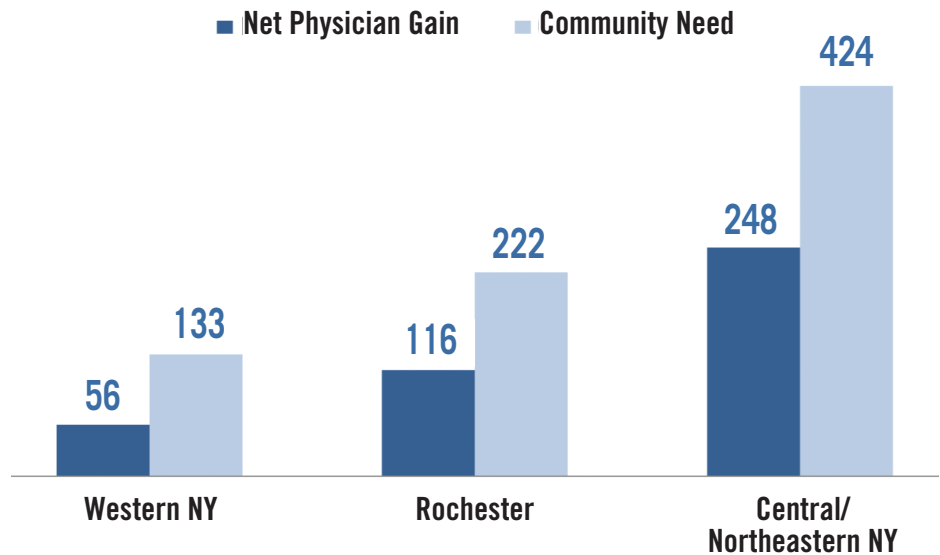
Offsetting the 831 physicians (MDs) directly hired in 2008, respondents reported that 820 physicians retired in 2008 and an additional 740 plan to retire in 2009-2010.

The results of comparing the upstate and downstate data are presented at left.

## GAP BETWEEN RECRUITMENT AND COMMUNITY NEED

Hospitals, particularly upstate, report a significant gap between recruitment and community need.

### Recruitment vs. Community Need



## PHYSICIAN SHORTAGES IMPACT ACCESS TO HEALTH CARE

This gap affects New York's hospitals in many important ways.

- Nearly half of respondents (45%) and 62% of upstate hospitals indicated that there are times when their emergency departments are not covered for certain specialties and report sending patients to other hospitals for care. Eighty-eight percent of those hospitals are located upstate. Often, this means significant additional travel time for patients and families. Hospitals ranked the following specialties as the most difficult to cover: orthopedics (46%), neurology (40%), urology (26%), and cardiology (18%).
- Twenty-four percent of respondents indicated they have had to reduce or eliminate services in specialty areas because they were unable to recruit physicians. In some areas, these services are no longer available, forcing patients to seek care outside their communities. Eighty-eight percent of these hospitals were located upstate.
- To achieve the coverage they need, 66% of hospitals are paying for some portion of on-call services. This is a bigger issue for downstate hospitals, with 83% of hospitals in the Northern Metropolitan region and 95% in the Nassau-Suffolk region paying for some portion of coverage.

- Seventy-five percent of respondents indicated they used *locum tenens* (temporary physicians) to compensate for the physician shortage. This is an expensive solution that few providers can sustain. Nearly 70% of those respondents are located upstate. HANYS' members are frustrated that they are unable to recruit *locum tenens* physicians for permanent employment because they cannot afford to compensate them at the same level for long periods of time. Therefore, the hospitals must absorb a huge expense for a short-term solution, and there is a lack of continuity for patients due to physician transience.

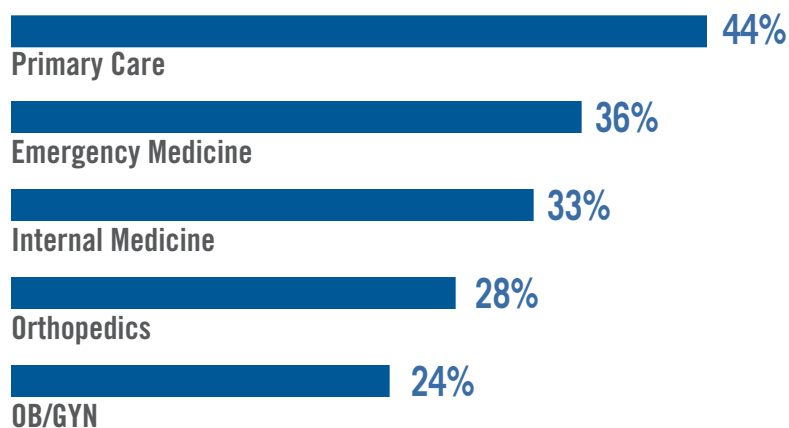
	Statewide	Western NY	Rochester	Central NY	Northeast NY	Northern Metropolitan	Nassau-Suffolk
<b>Lack of Emergency Department Coverage</b>	45%	43%	87%	67%	52%	33%	10%
<b>Reduction in Services</b>	24%	23%	53%	14%	29%	28%	5%
<b>Paying for On-call</b>	66%	64%	60%	38%	57%	83%	95%
<b>Use of <i>Locum Tenens</i></b>	75%	36%	93%	91%	91%	61%	70%

## PHYSICIAN SPECIALTIES: AVAILABILITY DETERIORATING

Hospitals reported their ability to staff certain specialties deteriorated in 2008.

More upstate hospitals tend to report deterioration in their ability to staff for these specialties.

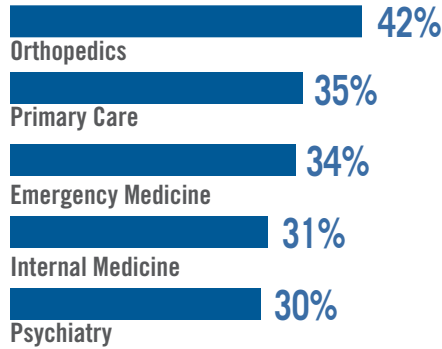
### Percent of hospitals that reported increased difficulty staffing these specialties:



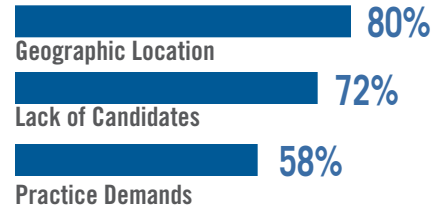
# RECRUITMENT AND RETENTION

## RECRUITMENT

**Percent of respondents who identified these specialties as the most difficult to recruit:**



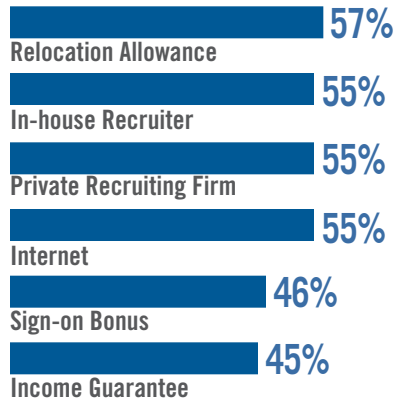
**Percent who identified these among the top three barriers to recruitment:**



These barriers to recruitment are more pervasive upstate than downstate.

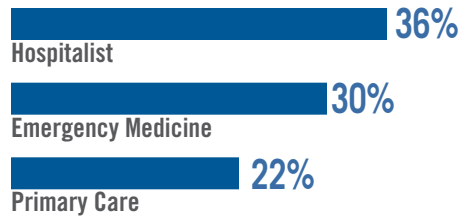
Other barriers to recruitment included competition from other hospitals (53%), lack of opportunity for spouse/significant other (46%), lack of competitive salary (45%), and high practice start-up costs (36%). High practice start-up costs were the more prevalent response (63%) in downstate regions.

**Percent of hospitals reporting these among their most successful recruitment strategies:**

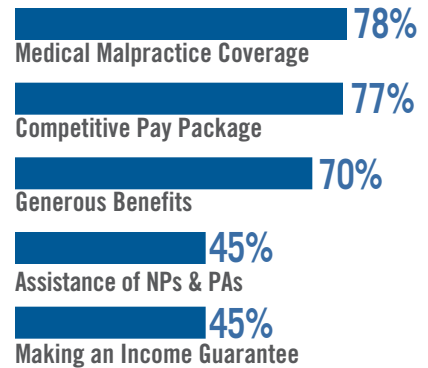


## RETENTION

**Percent of respondents who reported these among the most difficult specialties to retain:**



**Percent of hospitals that reported these among the most successful retention strategies:**



## ALTERNATIVE METHODS OF DELIVERING CARE

Nationally, there is recognition of the need to expand alternative delivery services, including the use of telemedicine, nurse practitioners, and physician assistants. Understanding that recruitment to these areas remains an ongoing challenge, policymakers and health care institutions must focus on developing multi-faceted strategies.

### TELEMEDICINE

Eighty-six percent of respondents indicated they are currently using some form of telemedicine. The majority of respondents are using telemedicine for radiology (75%), and nearly 30% use it for stroke management.

Eighty-two percent said they would consider a collaborative venture with another facility to share physicians by using telemedicine at their hospital. While most of the interest was in stroke management (30%), radiology (30%), and psychiatry (24%), some facilities expressed interest in having telemedicine available for dermatology, critical care, and other specialties.

Seventy-eight percent indicated they were interested in pursuing telemedicine opportunities in difficult-to-recruit specialties. More than half of respondents (51%) indicated they believed that telemedicine was a viable alternative long-term strategy to access specialty services. Seventy percent of those respondents were located upstate.

HANYS believes telemedicine can be an important strategy for helping providers cope with physician shortages, and is actively seeking opportunities to increase the use of telemedicine in under-served areas. In its publication, *Tangled up in Rules*, HANYS identified barriers to telemedicine that must be addressed as part of any regulatory reform agenda.

## NURSE PRACTITIONERS AND PHYSICIAN ASSISTANTS

Ninety-three percent of respondents reported that they employ nurse practitioners and 87% employ physician assistants. The majority of those providers are located upstate.

Fifty percent of respondents indicated they employ these professionals because they are cost-effective and fill an unmet need for primary care and other specialties. Seventy-three percent of these respondents were from upstate.

Overall, 70% of respondents believe the use of nurse practitioners and physician assistants is a viable long-term strategy to gain access to primary and specialty care. Support for this strategy is especially pronounced in upstate regions.

AAMC also suggests an increased role for nurse practitioners and physician assistants is part of the physician shortage solution. However, AAMC's 2008 report, *Physician Supply and Demand*, indicates that, while nurse practitioners and physician assistants serve an important role, their numbers will not be sufficient to eliminate the physician shortages.

HANYS is advocating for better recruitment opportunities for nurse practitioners and physician assistants. HANYS' regulatory reform agenda specifies regulatory barriers where the use of nurse practitioners and physician assistants is hampered. HANYS will also advocate for these professions to be included in future DANY funding.

# RURAL HOSPITALS HARDEST HIT BY PHYSICIAN SHORTAGE

## HIGHLIGHTS

- ✓ **Sixty-nine percent of responding rural hospitals say there are times when their emergency departments are not covered for certain specialties and patients are sent to other hospitals for care. In rural areas, these distances can be significant.**
- ✓ **Thirty-three percent of rural hospitals reported they have had to reduce or eliminate hospital services in specialty areas because of an inability to recruit physicians.**
- ✓ **Barriers to physician recruitment in rural hospitals include geographic location, lack of candidates, demands on the physician's time, and lack of a competitive salary.**

Rural areas of New York State are experiencing the most severe physician shortages. About one-third of the hospitals in New York State outside of New York City are designated rural facilities. These facilities face unique barriers and challenges to recruiting and retaining physicians. As the supply of physicians tightens, these challenges are growing.

One problem is the aging physician population in rural areas. Reports released in 2009 by CHWS show that 40% of practicing physicians in rural areas were over the age of 55 last year, compared to 37% the year before. The average age of physicians who practice in rural areas is 53, compared to 51 in the rest of the state.

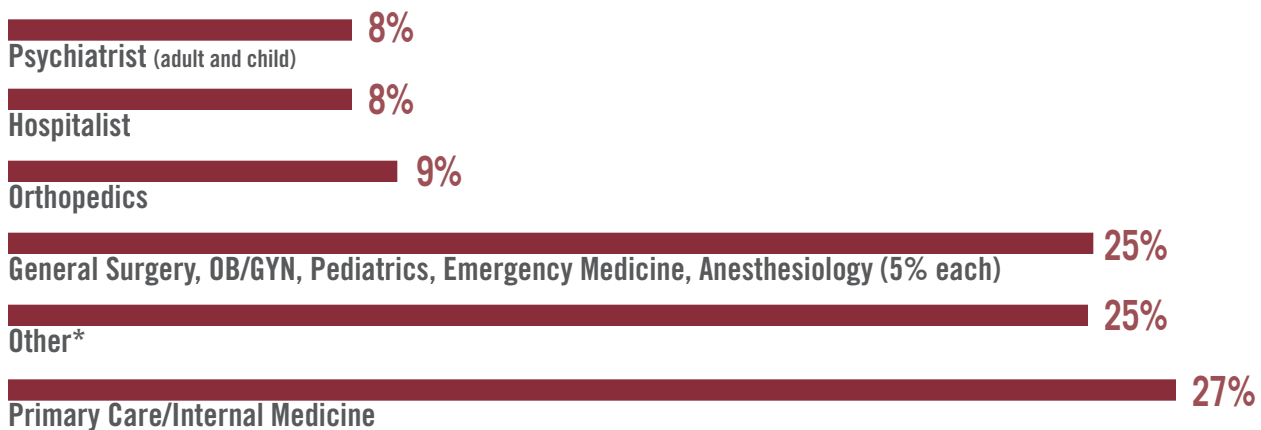
Between 2003 and 2007, the total number of physicians declined in 20 New York counties—most of which are rural. Rural areas were likely to see declines in the number of physicians in primary care, OB/GYN, general surgery, and psychiatry.

HANYS' survey results support these findings. HANYS' report is based on survey responses from 90% of New York's 50 rural hospitals, defined as Critical Access Hospitals (CAHs), state-designated rural hospitals, and/or federally-designated rural hospitals.

## RURAL COMMUNITIES NEED MORE PHYSICIANS

Rural respondents report a current need for 385 physicians. More than 25% of this need is in primary care/internal medicine. Hospitalists, orthopedics, psychiatrists, pediatrics, general surgeons, and OB/GYNs represent nearly 40% of the current need for new physicians.

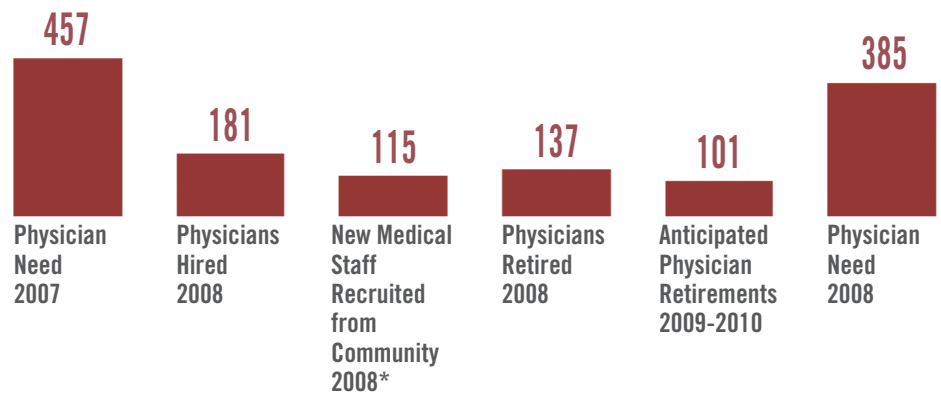
### Need by Specialty in Rural Communities



\*Other includes the following physician specialty areas: Cardiology, Gastroenterology, Neurology, Oncology, and Urology.

**Rural Physician Recruitment, Some Progress—Still a Great Need**

While Doctors Across New York has attempted to fill some of this gap, the need is far greater than the number of DANY awards made to these hospitals.



\*Since medical staff can work at multiple facilities, it is presumed many of these are not new physicians.

In its most recent *Physician Workforce Profile*, CHWS indicated that the number of physicians in many of these specialties has decreased in counties across the state. Of particular note, the number of primary care physicians declined in 21 counties across the state, and OB/GYNs declined in 18 counties.

While the *Physician Workforce Profile* report does not specifically address the need for orthopedic surgeons, another CHWS report, *Trends in Demand for New Physicians*, indicates demand for orthopedic surgery has grown tremendously compared to other surgical specialties.

**HIRING PHYSICIANS IN 2008**

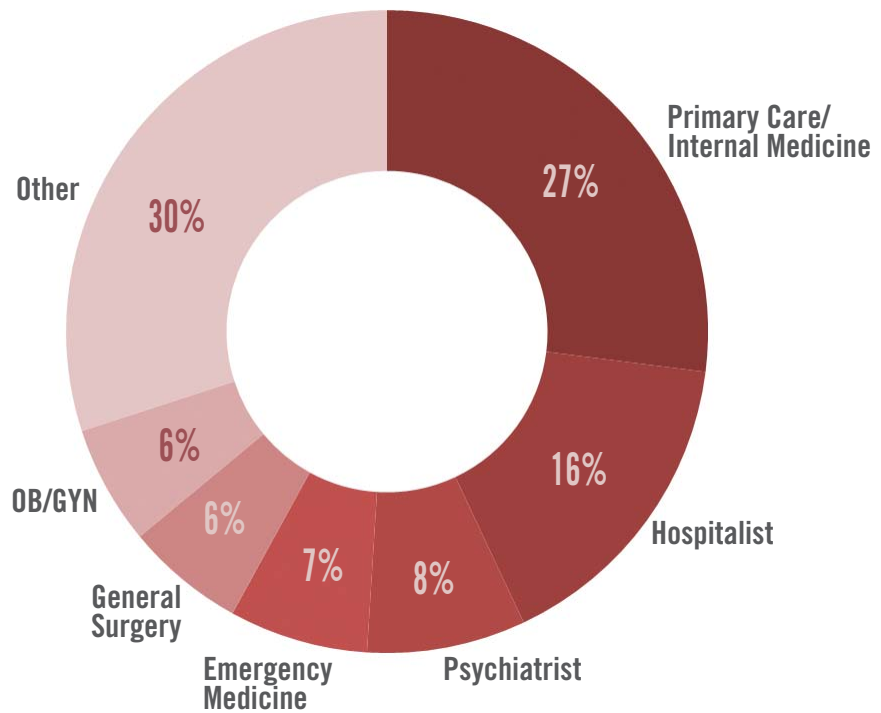
Eighty-seven percent of rural hospitals reported directly hiring, in aggregate, 181 new physicians in 2008. Rural members ranked their top reasons for hiring physicians directly as “difficulty recruiting without incentives” (73%) and “only option to get physician to work in area” (62%).

Even more disturbing, 71% of respondents indicated they have seen an increase in the number of physicians who are cutting back their hours or want to work part-time. This trend suggests it will take more than one FTE to replace each physician who retires.

Rural respondents reported 70% of their direct hires were in the following specialties: primary care/internal medicine (27%), hospitalist (16%), psychiatry (8%), emergency medicine (7%), general surgeons (6%), and OB/GYN (6%).

Rural hospitals reported 115 physicians joined their medical staffs from the community, but this number does not reflect actual FTEs, since physicians can serve on multiple hospitals' staffs simultaneously.

### Newly-hired Physicians at Rural Hospitals by Specialty



### PHYSICIAN RETIREMENTS

Offsetting the 181 physicians hired directly in 2008, rural respondents reported 137 physicians retired, and an additional 101 physicians are expected to retire in 2009-2010.

### PHYSICIAN SHORTAGES ARE AFFECTING RURAL NEW YORKERS' CARE

Sixty-nine percent of rural hospitals said there are times when their emergency departments are not covered for certain specialties, and report sending patients to other hospitals for care. In rural areas, travel times are clearly problematic for emergency patients and their families who are forced to travel further for care. Traveling greater distances can also lead to problems with transportation, follow-up treatment, and continuity of care. The specialties reported to be absent most frequently include orthopedics, neurology, cardiology, and urology.

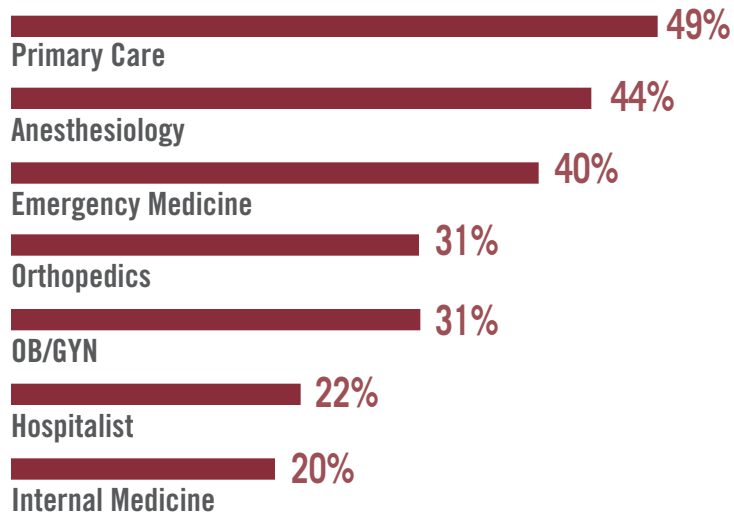
Thirty-three percent of rural hospitals indicated they had to reduce or eliminate specialty services because they were unable to recruit physicians. In some areas, these services are no longer available, forcing patients to seek care outside their communities.

Eighty-nine percent of rural hospitals indicated they used *locum tenens* (temporary physicians) to compensate for the physician shortage. This is an expensive solution that few rural providers can sustain. Rural respondents reported using *locum tenens* primarily in the areas of anesthesiology (53%), emergency medicine (38%), psychiatry (38%), primary care (31%), general surgery (20%), and OB/GYN (20%).

## DIFFICULTY STAFFING PHYSICIAN SPECIALTIES

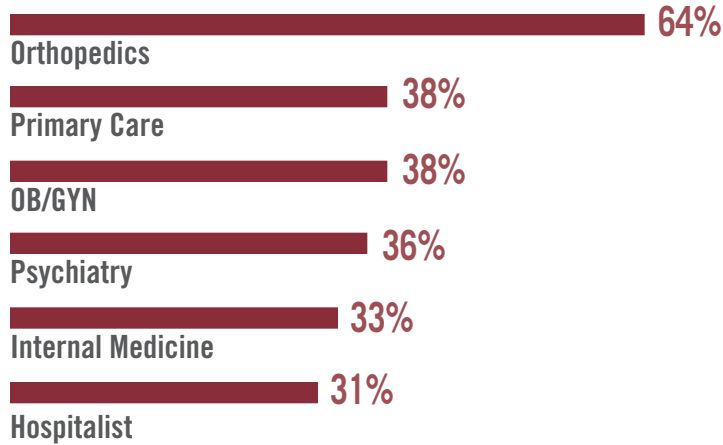
Rural hospitals reported their ability to staff certain specialties deteriorated in 2008:

### Percent of hospitals that reported increased difficulty staffing these specialties:



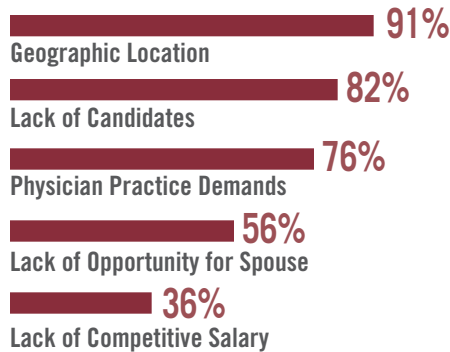
## RECRUITMENT AND RETENTION

The percent of survey respondents at rural hospitals who identified these specialties as the most difficult to recruit:

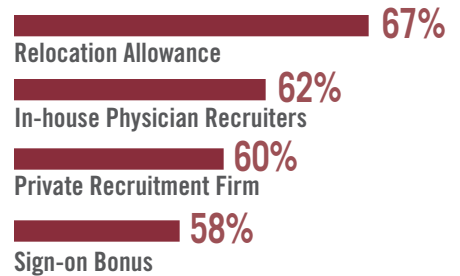


Members responded overwhelmingly that their biggest recruitment barrier is geographic location, followed by a lack of candidates.

### Percent of members who reported these barriers among their top three:

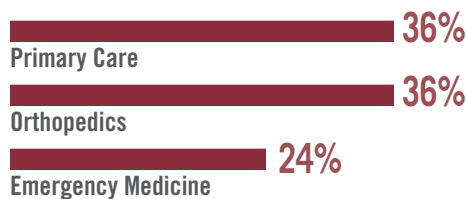


### Percent who reported these among their most successful recruitment strategies:

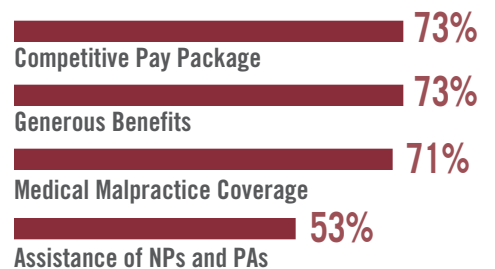


## RETENTION

### Percent of rural respondents who reported these among the most difficult specialties to retain:



### Percent of rural hospitals that reported these among their most successful retention strategies:



## ALTERNATIVE WAYS TO DELIVER CARE

All rural respondents indicated that they are using some form of telemedicine, mostly in radiology (82%) and stroke management (38%). Sixty-seven percent said they believed that telemedicine was a viable long-term strategy. Eighty-four percent said they would consider a collaborative venture with another facility to share physicians by using telemedicine.

Many rural facilities that do not already have stroke management capability (42%) via telemedicine were interested in adding it; 31% expressed an interest in psychiatry, and 22% indicated other areas of interest, including critical care, dermatology, urology, and emergency care consults. Eighty-two percent of rural respondents indicated they were interested in pursuing telemedicine opportunities in difficult-to-recruit specialties.

More than half cited the use of nurse practitioners and physician assistants as a successful staffing strategy. Eighty-nine percent of rural hospitals reported they employ nurse practitioners, and 93% employ physician assistants. Sixty percent said they employ nurse practitioners and physician assistants because they are cost-effective and fill an unmet need for primary and specialty care. Overall, 82% of respondents believe the use of nurse practitioners and physician assistants is a viable long-term strategy to gain access to primary and specialty care.

## DOWNSTATE PHYSICIAN SHORTAGES

While this report clearly demonstrates the severe conditions faced by hospitals in upstate New York and, in particular, rural areas, it is not intended to underplay the physician shortages being experienced by downstate hospitals.

In the **Nassau-Suffolk region**, 65% of hospitals reported their ability to staff primary care physicians deteriorated in 2008. This is most likely due to the overall lack of physicians, high cost of living, and relatively low salary for primary care physicians. More hospitals (95%) in that region are also paying for some portion of on-call services. Hospitals in that region report emergency medicine (70%) and gastroenterology (65%) are the most difficult specialties to recruit.

The region cites geography as the biggest barrier to recruitment, again reflecting the high cost of living. Physicians in that region also have high practice start-up costs, with 80% of respondents indicating this is a barrier to recruitment.

In the **Northern Metropolitan region**, 44% of respondents indicate their ability to staff primary care physicians deteriorated in 2008. The most challenging specialties to recruit were general surgeons (39%) and primary care (33%). Nearly 50% of the region's current need is for primary care/internal medicine. This reflects the general shortage in those specialties, compounded by the high cost of living and relatively low compensation.

Eighty-three percent of respondents indicated they pay for some portion of on-call services.

Among the top three barriers to recruitment in the region are competitive salary (67%) and competition from multi-specialty groups (50%).

More than one-third of respondents in the Northern Metropolitan region indicated there were times when their emergency department was not covered for certain specialties, particularly neurosurgery.

## HANYS' ADVOCACY ON DOCTORS ACROSS NEW YORK

**The Doctors Across New York loan repayment and practice support program is an important tool in ensuring communities in New York have the physicians they need.**

**HANYS is advocating for:**

- ✓ **allocation of unspent 2009-2010 DANY funds to continue recruitment efforts in areas that have received awards but have been unable to fill them;**
- ✓ **new funding in 2010-2011 to fund another cohort of 100 physicians for loan repayment and 100 physicians for practice support;**
- ✓ **an improved application process for the awards; and**
- ✓ **flexibility on criteria for current and future awardees to enable them to more easily recruit physicians to their communities.**

## CONCLUSION

Physician shortages pose a threat to the health of many New York residents. About 4.5 million New Yorkers reside in under-served areas. Action is needed at both the state and federal levels to increase the number of primary care and specialty physicians in demand in rural areas. Further, New York State must begin to explore alternative ways to deliver care to these under-served populations.

HANYS' advocacy agenda seeks to:

- fund and improve implementation of Doctors Across New York (*see box*);
- work with Senator Charles Schumer (D-NY) to increase the number of Medicare residency slots allocated to New York State;
- increase telemedicine opportunities in under-served communities by removing regulatory barriers; and
- facilitate improved opportunities for nurse practitioners and physician assistants to serve in communities needing physicians.

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