2011: The Doctor Can’t See You Now
RESULTS OF HANYS’ PHYSICIAN ADVOCACY SURVEY
The physician shortage is worsening in New York State, according to HANYS’ 2011 Physician Advocacy Survey. New York needs a multi-pronged, comprehensive strategy to attract physicians to work in under-served communities across the state. While the Doctors Across New York program is an important tool, other strategies must be identified that help New York communities recruit and retain the practitioners needed to provide better access to care.

**KEY FINDINGS***

- The pace of physician departures and retirements in New York State is accelerating. Nearly 2,300 physicians retired or left the medical staffs of responding hospitals in 2010, compared to 1,600 in 2009.
- The average age of practicing physicians in New York State is 52, and 16% are over the age of 65, meaning the pace of retirements will accelerate in coming years, further exacerbating the shortage.
- Sixty-six percent of hospitals indicated there were times when the physician shortage left their emergency department without coverage for certain specialties, requiring the transfer of patients to other hospitals for treatment.
- Thirty-four percent of hospitals reported that they had to reduce and/or eliminate services in 2009-2010 due to physician shortages.
- Responding hospitals reported a need for 763 new physicians.

*Note: The survey findings in this report are for hospitals outside of New York City.*
Access to care in communities across New York State is threatened by growing physician shortages. Member hospitals responding to HANYS’ 2011 Physician Advocacy Survey reported a dramatic increase in the number of departing physicians and continued difficulty in recruiting replacements in 2010. As a result, services are becoming less available in many communities.

As health care reform initiatives begin to take shape, physician shortages threaten access to care in many New York communities, particularly in rural and urban areas that are chronically under-served. Health care reform efforts emphasize access to primary care, increased care coordination, and wellness, all of which require access to an adequate supply of primary and specialty care physicians. In addition, the absence of a sufficient physician workforce will make it very difficult to achieve cost savings from health care reform initiatives designed to coordinate care and treat Medicare and Medicaid recipients with chronic illnesses.

This report describes the physician shortage in New York State, its impact on hospitals, implications for patient access, and the challenges of recruiting physicians across the state. The report presents regional analyses that indicate some areas of the state are experiencing more difficulty than others.

The results of HANYS’ 2011 Physician Advocacy Survey add to the growing library of data that identify the physician shortage as a major health care concern in many communities. This survey confirms the serious nature of the shortage.

This report focuses on the physician shortage outside of New York City. A total of 109 member hospitals outside of New York City responded to the survey, a response rate of 71%. Ninety percent of New York’s rural hospitals responded to the survey—a separate section on rural hospitals is included in this report beginning on page 15.

This survey was conducted in collaboration with Western New York Healthcare Association, Rochester Regional Healthcare Association, Iroquois Healthcare Alliance, Northern Metropolitan Hospital Association, and Nassau-Suffolk Hospital Council.

HANYS has issued this report for the past five years to educate state and federal policymakers about the physician workforce shortage challenges facing New York and to identify strategies for improving access to care for communities across the state.

Information and data from HANYS’ annual survey was influential in the establishment of the Doctors Across New York (DANY) program, which provides loan forgiveness and practice support to physicians who agree to provide care in under-served communities. HANYS strongly believes that the continuance of DANY will help ameliorate some of the physician shortages in under-served parts of the state. However, with the magnitude of future need for physicians, DANY can only make incremental progress. Policymakers will need to focus on developing comprehensive solutions for attracting the next generation of physicians to practice in New York’s under-served communities.
National and State Trends

The country is facing a shortage of both primary care and specialty physicians. In June 2010, the Association of American Medical Colleges (AAMC) predicted a shortage of 91,500 physicians through 2020, evenly divided between primary and specialty care.

At its 2011 Annual Conference, AAMC stated that the number of United States-born physicians that are likely to become primary care practitioners has decreased 31% since 2000, with more primary care physician jobs being taken by international medical graduates (IMGs).

Medicare Graduate Medical Education and Physician Supply

On Capitol Hill, ongoing deficit reduction talks and the need to offset a permanent Medicare physician fee schedule fix pose a significant threat to Medicare Graduate Medical Education (GME) funding. HANYS is extremely concerned that GME payments will be targeted for drastic reductions as Congress continues to prioritize deficit reduction measures and negotiate a long-term “doc fix.”

If GME cuts become law, they will have a serious impact on physician supply. At the request of HANYS, the New York State Congressional House Delegation went on record last fall to oppose reductions to GME, as such cuts would threaten the capacity of academic medical centers and teaching hospitals to fulfill their mission to train tomorrow’s physicians and other health care professionals and maintain community access to the comprehensive array of specialized services that are typically provided at a loss, and are largely unavailable at other hospitals. HANYS continues to work with the Delegation to protect New York’s hospitals and health systems from GME reductions.

While there are more U.S. medical schools and medical school graduates, the physician supply will not grow unless the number of residencies is augmented. If the number of physicians completing residency remains stable, the increased number of U.S. medical school graduates could crowd out some international medical graduates (IMGs). An increase in U.S. graduates that is offset by a decrease in IMGs would not increase overall physician supply, but instead could further exacerbate the primary care shortage, as IMGs are more likely to seek primary care specialties.

In addition to strongly opposing GME cuts, HANYS supports legislation, introduced by members of the New York State Congressional Delegation, to increase the number of Medicare-supported residency slots.

Physician Practice Structure

Physician employment, whether in large group practices or within a hospital system, is becoming much more prevalent. In many communities, the physician shortage has led to an increase in physician employment because hospitals find that they must employ doctors to guarantee the availability of services. With the implementation of new payment systems that
are linked with quality measurement, physicians and hospitals will continue working toward clinical integration and developing new and larger collaborative practice models to meet system expectations, making the future of small group and individual practices uncertain.

Demographic trends are also working against small, private practices. Newly graduating physicians are generally less attracted to small private practice because they seek a different work environment and work/life balance than their predecessors. In addition, the cost of starting a private practice is often prohibitive for young physicians who have significant education debt.

According to a recent white paper published by the Physicians Foundation, the independent physician practice model will be largely replaced, emerging practice models will vary by region, and health care reform will exacerbate physician shortages, creating access issues for many patients. The report indicated that there will continue to be primary care shortages and maldistribution, and physicians will need to redefine their roles and rethink delivery models to meet rising demands.

**Specialty Choice**

Increasing physician specialization has been a significant driver of the primary care physician shortage. In addition to needing more physicians, the nation needs a larger percentage of new physicians to choose primary care, as the increase in demand for primary care services is expected to dramatically outpace the increase in supply. According to a recent publication from the *Archives of Internal Medicine*, while more students in 2007 than in 1990 viewed internal medicine as a potentially meaningful career, plans to practice general internal medicine dropped from 9% to 2% in that time period, largely due to higher debt, negative perceptions of workload and stress, and less career interest in general internal medicine.

In 2009, with funding from the Josiah Macy Foundation, the Robert Graham Center examined 20 years’ worth of data to study factors that influence medical students’ choice of practice specialty. Not surprisingly, the study found that the income gap between primary care and subspecialists has a negative impact on choosing primary care and practicing in rural or underserved areas. While students with no debt were the least likely to practice in primary care or in underserved areas, students with significant debt are also seriously challenged by the lower income of a primary care physician and often less likely to choose primary care practice and work in underserved areas.

According to AAMC, 85% of graduating medical students carry outstanding loans, and the average student debt in 2010 was nearly $160,000. In 2009, the U.S. Government Accountability Office issued a report that shows 50% of students had debt of more than $150,000 and 25% had more than $200,000 in debt.

Growing income disparities between physician specialties and medical school debt are a major driver of student behavior, and explain much of the difficulty in achieving a balance in specialty and geographic physician distribution.

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2. *Archives of Internal Medicine, Volume 171 (No. 8), April 25, 2011.*
Hospital Employment

HANYS asked survey respondents to indicate how many physicians their hospitals employ. Overall, 22% of physicians on the medical staff of responding hospitals are hospital employees. In 2010, the hospitals reported that 37% of new physicians were hospital employees.

According to the 2010 survey of the Medical Group Management Association, 65% of established physicians and 49% of graduating residents were placed in hospital-owned practices. The 2011 Merritt Hawkins Review of Physician Recruiting Incentives indicates that demand for primary care is strong, and that hospitals continue to employ physicians in greater numbers. Last year, 56% of this company’s search assignments were in the hospital setting, up from 5% the previous year. The Review also found that salaries have replaced income guarantees as a compensation model for physicians.

Six rural counties saw a decline in the number of primary care physicians.

Geography of Physician Distribution in New York State

At the state level, Annual New York Physician Workforce Profile, 2010 Edition, published by the State University of New York (SUNY) Center for Health Workforce Studies (CHWS), shows that while there was limited growth of practicing physicians statewide from 2005 to 2009, many rural counties continued to experience a decline in the number of physicians.

More than half of the rural counties in New York State reported a decrease in one or more categories of critically needed physicians.
Nineteen counties saw a decline in the number of surgical sub-specialists.

Nine counties saw a decline in the number of internal medicine specialists.
Declines in the supply of general surgeons were observed in the 22 counties that make up the Mohawk Valley, North Country, and Southern Tier regions of the state. Niagara County saw a 25% drop, and Orange County saw a 33% drop.

The Central New York region—Cayuga, Cortland, Onondaga, and Oswego counties—saw a decrease in the number of obstetricians, internal medicine sub-specialists, and surgical sub-specialists.

The highest ratio of physicians to population was reported on Long Island and the lowest was in the Mohawk Valley.

Another recent CHWS report, *Shifting Practice Patterns Threatens Future Primary Care Services in New York*, reveals that residents who specialize in general internal medicine are increasingly opting to become hospitalists rather than primary care physicians. While the hiring of hospitalists and intensivists is an important strategy for improving outcomes for hospitalized patients, it further exacerbates the shortage of community-based primary care physicians.
Physicians Are Moving and Retiring

During 2010, nearly 2,300 physicians either retired or left the medical staff of responding hospitals. That number is up 700, or 44%, from the previous year. Respondents also reported that 510 additional physicians are expected to retire in 2011. However, because of the uncertainty in the economy, it is likely that physicians who may have already considered retirement have delayed for financial reasons.

The average age of practicing physicians in New York State is 52, but the percentage of practicing physicians who are over the age of 65 is 16%. In 20 of the 43 rural counties across the state, that percentage is even higher. In eleven counties—Chenango, Columbia, Delaware, Fulton, Greene, Herkimer, Livingston, Orleans, Schuyler, Steuben, and Sullivan—more than 20% of practicing physicians are over the age of 65. The demographics indicate that many more physicians will be retiring in those areas over the next few years.\(^4\)

\(^4\) SUNY Center For Health Workforce Studies, 2010 Annual New York Physician Workforce Profile.
Survey respondents reported that 3,038 new physicians joined their medical staffs in 2010. While there was an overall net gain of physicians outside of New York City, regional breakdowns show that almost all of the gains were downstate. Of the total number of physicians hired in 2010, over one-third (36%) were on Long Island and an additional 25% were in the Northern Metropolitan/Hudson Valley region. As illustrated below, the rest of the state gained a little more than 100 physicians. In the Western New York and Rochester regions, any gains were seen in the city hospitals and the rest had a net loss of physicians.

Of those that joined the medical staff in 2010, 37% (1,925) were directly employed by the hospital. Since the overall reported percentage of directly employed physicians is 22%, hospital employment of physicians is clearly on the rise. Of the new hospital hires, 16% were primary care practitioners and 16% were hospitalists.
Need for New Physicians

Survey respondents reported a need for an additional 763 new physicians. Eighteen percent of that need was for primary care—which is much greater than the proportion of graduating residents choosing primary care. Internal medicine (IM) sub-specialists represented 12%, emergency room physicians represented 9%, and other specialists represented nearly 50% of the remaining need. In a 2011 article in the *Archives of Internal Medicine*, a study of senior medical students from 1990 and 2007 was conducted to look at changes in interest in primary care careers. The percentage of students planning careers in general IM training declined from 9% in 1990 to 2% in 2007.

<table>
<thead>
<tr>
<th>Reported Need by Specialty</th>
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<tbody>
<tr>
<td>Primary Care, 18%</td>
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<tr>
<td>IM Sub-specialists, 12%</td>
</tr>
<tr>
<td>Emergency, 9%</td>
</tr>
<tr>
<td>Orthopedics, 7%</td>
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<tr>
<td>OB-Gyn, 6%</td>
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Access to Care

Sixty-six percent of hospitals reported that there were times that the physician shortage left their emergency departments (EDs) without coverage for certain specialties, requiring the transfer of patients to other hospitals for treatment. Of those, the specialties that were not always covered included orthopedics (31%), neurology (23%), general surgery (22%), and other services (47%). The other specialties most commonly reported were ear, nose, and throat (ENT), followed by urology, neurosurgery, and plastic surgery.

During 2009-2010, 34% of hospitals have had to reduce or eliminate services due to physician shortages. Several hospitals indicated reductions/eliminations in services for two years straight.

The specialties eliminated or reduced included neurology, orthopedics, plastic surgery, ENT, urology, ophthalmology, dermatology, and psychiatry. This means less access to care for patients, and many patients will be inconvenienced and have to travel farther to access care.

The chart that follows shows that some regions experienced even greater lack of ED coverage and elimination of services.
Regional Variation

- **ED Not Covered**
  - Rural
  - Long Island
  - NorMet
  - Northeastern
  - Central NY
  - Rochester
  - Western NY
  - Statewide

- **Eliminated/Reduced Services**

- **Overall Percent Employed**

- **Percent Employed in 2010**

- **Ability to Recruit Stayed the Same or Worsened**

0% 40% 80%
Recruitment Difficulties

Nearly all respondents indicated that the physician shortage either stayed the same or worsened. Only 6% of respondents reported that the shortage improved. Eighty-four percent indicated that the ability to recruit physicians stayed the same or worsened and 15% reported that their ability to recruit had improved.

Ability to Recruit Physicians, 2010

<table>
<thead>
<tr>
<th>Ability</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Same</td>
<td>60%</td>
</tr>
<tr>
<td>Worsened</td>
<td>25%</td>
</tr>
<tr>
<td>Improved</td>
<td>15%</td>
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Most Difficult Specialties to Recruit, 2010

<table>
<thead>
<tr>
<th>Specialty</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Primary Care</td>
<td>43%</td>
</tr>
<tr>
<td>OB-Gyn</td>
<td>46%</td>
</tr>
<tr>
<td>IM Sub-specialists</td>
<td>48%</td>
</tr>
<tr>
<td>Orthopedics</td>
<td>50%</td>
</tr>
<tr>
<td>Urologists</td>
<td>51%</td>
</tr>
<tr>
<td>Psychiatrists</td>
<td>60%</td>
</tr>
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</table>
Regional Variation in the Impact of Physician Shortages

Regional differences were seen in several areas, for example:

- In the Rochester region, 59% of respondents reported that they had to reduce or eliminate services due to physician shortages in 2010, compared to a statewide average of 26%. This figure was 55% in the Northern Metropolitan/ Hudson Valley region, and 33% in New York’s rural counties.

- In the Western New York region, 82% of respondents reported that there were times when their ED was not covered for certain specialties, requiring the transfer of patients to other hospitals for treatment, compared to 66% statewide.

- The highest percentage of directly employed physicians are in the Rochester region (39%) and the Northeastern region (28%), compared to 22% statewide. This held true for new hires in 2010 as well, with 48% of new physicians being directly employed in the Rochester region and 53% in the Northeastern region. Physician employment was the lowest in the Western New York region, at only 5%, but for new hires it was 35%.

- The ability to recruit physicians was dramatically worse in Western New York, where 55% of respondents indicated recruiting had become more difficult, compared to 24% statewide. Forty-one percent of respondents in the Rochester region and 40% of respondents in the Northern Metropolitan/Hudson Valley region indicated a worsening ability to recruit physicians.

Impact of Physician Shortages, Regional Variation

Western New York region: 82% reported times when their ED was not covered for certain specialties

Rochester region: 59% of respondents reported having to reduce or eliminate services due to physician shortages in 2010

The highest percentage of directly employed physicians are in the Rochester region (39%) and the Northeastern region (28%)

The ability to recruit physicians was dramatically worse in Western New York, where 55% of respondents indicated recruiting had become more difficult
Recruitment Barriers and Strategies

While recent national reports indicate a lessening use of income guarantees, HANYS’ 2011 Physician Advocacy Survey respondents indicated that it was still an important physician recruitment strategy. National reports continue to show that medical student debt upon graduation is increasing, with the latest reports showing average debt at around $160,000.6

Key Recruitment Barriers, 2010

<table>
<thead>
<tr>
<th>Barriers</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Lack of Candidates</td>
<td>89%</td>
</tr>
<tr>
<td>Geographic Location</td>
<td>82%</td>
</tr>
<tr>
<td>Lack of Opportunity for Spouse</td>
<td>59%</td>
</tr>
<tr>
<td>Competition from Area Hospitals</td>
<td>59%</td>
</tr>
<tr>
<td>Lack of Competitive Salary</td>
<td>55%</td>
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Successful Recruitment Strategies, 2010

<table>
<thead>
<tr>
<th>Strategies</th>
<th>Percentage</th>
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<tbody>
<tr>
<td>Sign-on Bonus</td>
<td>77%</td>
</tr>
<tr>
<td>Income Guarantee</td>
<td>76%</td>
</tr>
<tr>
<td>Relocation Allowance</td>
<td>74%</td>
</tr>
<tr>
<td>Loan Repayment</td>
<td>59%</td>
</tr>
</tbody>
</table>

6 AAMC 2010 report of graduating medical students.
According to the CHWS Annual New York Physician Workforce Profile, 2010 Edition, there are 5,726 full-time equivalent physicians practicing in rural counties, with 185 FTEs per 100,000 population. This is compared to the statewide figure of 307 per 100,000 statewide. Rural counties make up 16% of the population in New York State, but they only have 9% of the physicians.

Ninety percent of rural hospitals, defined as those hospitals with either a state or federal rural designation, responded to HANYS’ survey. For 2010, rural hospitals report a total need of 280 physicians, which represents 37% of the total reported need across the state.

The rural respondents reported 386 physicians retired or left their communities in 2010 and an additional 73 physicians are expected to retire in 2011.

Only 16% of the new hires in 2010 were in rural hospitals, and 35% of them were directly employed by the hospital.

Rural hospitals experienced a net gain of 87 physicians in 2010, and HANYS believes that the DANY program played an important role in recruiting many of those physicians. DANY placed approximately 100 new physicians in rural and urban under-served areas. In fact, 38% of rural respondents indicated that DANY was a key recruitment strategy in 2010. Sixty percent of rural respondents indicated that loan repayment in general was a key recruitment strategy.

Recruitment in rural areas is extremely challenging. Geographic location, weather, and professional isolation all contribute to the challenges of recruiting physicians. Ninety-one percent of rural hospitals reported that geography and a lack of candidates were their biggest barriers to recruitment. Sixty percent indicated that there is a lack of opportunity for the spouse or significant other. Many rural hospitals are located in areas of economic decline, and even though the hospitals located in these areas are the economic drivers for their communities, they cannot always attract physicians, especially specialists.

<table>
<thead>
<tr>
<th>Most Difficult to Recruit, Rural, 2010</th>
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<tbody>
<tr>
<td>Orthopedic</td>
</tr>
<tr>
<td>Primary Care</td>
</tr>
<tr>
<td>Urologists</td>
</tr>
<tr>
<td>General Surgeons</td>
</tr>
<tr>
<td>Psychiatrists</td>
</tr>
</tbody>
</table>
In rural hospitals:

- sixty-nine percent of rural respondents indicated that there were times when their ED was not covered for certain specialties, requiring the transfer of patients to other hospitals for treatment;
- one-third responded that they had to reduce or eliminate services in 2010 because of a lack of physicians;
- eighty-four percent indicated that the physician shortage had worsened or remained the same; and
- eighty-seven percent reported that their ability to recruit physicians had worsened or stayed the same.

While the percentage of rural physicians who are over the age of 60 is the same as the statewide percentage, there are 20 rural counties (46% of all rural counties) where the percentage of physicians over the age of 65 is higher than the rest of the state; in 55% of those counties the rate is equal to or exceeds 20%. As shown in the chart below, rural counties have far fewer younger (under age 40) physicians than the rest of the state (12% vs. 16%). There are 5,695 practicing physicians in rural counties. Of those, 27%, or 1,537 are over the age of 60; nearly 900 are over the age of 65.

**Age Distribution of Physicians in New York; Statewide and Rural Counties, 2010**

![Age Distribution Chart](chart.png)

Note: Percentages may not add to 100% due to rounding.
Scope of Practice and Use of NPs and PAs

The use of nurse practitioners (NPs) and physician assistants (PAs) will likely escalate as health care reform takes shape over the next few years and more provider organizations begin to use a multi-disciplinary team approach to delivering care. HANYS’ survey asked if scope of practice limitations presented a problem for providers—28% indicated that they did. PAs and NPs are routinely employed in hospitals and are a critical component of hospital operations. Used in a multitude of settings, HANYS was interested in identifying if there was a difference in how they were used in the hospital.

While respondents often reported using both NPs and PAs in all settings, the percentage of respondents who reported using PAs in the operating room (OR), ambulatory surgery, and ED was much higher than the use of NPs in those settings. On the other hand, the percentage of respondents who use NPs for primary care was much higher.

The use of PAs and NPs is particularly important for rural areas where the physician shortage is most severe. Rural hospitals reported using PAs much more in the OR and in ambulatory surgery settings. They also reported using NPs more frequently in the ED and for primary care. Acute care and specialty care in rural hospitals use mid-levels equally.

Telemedicine

There appears to be growing recognition that, over time, telemedicine will have a more significant impact on care delivery and could help alleviate the impact of physician shortages. More than 70% of respondents indicated that telemedicine is part of their primary care and community health outreach strategy. More than one-fourth of respondents reported that they had increased telemedicine services at their facility in the past year.

Telemedicine will be a key element of HANYS’ 2012 advocacy agenda.
The physician shortage in New York State is worsening. HANYS will continue to work with stakeholders to identify meaningful ways to increase the number of physicians practicing in communities in need.

- HANYS is advocating to prevent potential future cuts to Medicare GME that will pose an additional threat to physician training and supply.

- HANYS advocates for the continuation and enhancement of the DANY program. While HANYS and other stakeholders were very successful in eliminating onerous requirements for the first cohort of DANY, the program must be further simplified to enable providers to attract and retain qualified physicians to their communities. It is a very important recruitment strategy in rural and under-served areas. HANYS supports expanding DANY with new funding to include nurse practitioners and physician assistants.

- HANYS supports the expansion of telemedicine as a way to increase access to care in under-served areas and to mitigate some of the effects of the physician shortage.

- HANYS believes the increased use of NPs and PAs is a practical solution to providing increased access to care.

- Stakeholders must focus on comprehensive solutions for attracting the next generation of physicians to practice in New York’s under-served communities. A key aspect of this effort will be finding ways to encourage physicians who are trained in New York State to stay in the state. The development of a strong marketing strategy aimed at newly graduating medical students and residents in New York State teaching hospitals could help identify physicians who are willing to stay in New York State. Ideas include creating a statewide physician jobs database and an I Love New York-type of campaign aimed at recruiting new physicians to the state.

- Governor Cuomo’s Regional Economic Development Councils could be a model for bringing stakeholders together to develop innovative ideas.