

Doctor Shortage Imperils Primary Care Expansion

Results of HANYS' 2014
Physician Advocacy Survey



Healthcare Association
of New York State



The Healthcare Association of New York State (HANYS) strongly advocates for increased funding for the Doctors Across New York (DANY) program to bring at least 250 new physicians to under-served areas every year.

HANYS also advocates for more funding for the Primary Care Services Corps to incentivize nurse practitioners and physician assistants to practice in under-served parts of the state in exchange for loan repayment. To improve this program, HANYS is seeking statutory changes to eliminate the competitive procurement process.

In addition to more Medicare-funded residency slots, HANYS supports the creation of more residency opportunities in rural and small city hospitals to increase the number of physicians in training who may be interested in providing primary care in under-served upstate communities. This is one of the recommendations in the New York State Department of Health's Health Innovation Plan and should be a state-funded initiative.

HANYS supports the Area Health Education Centers and their ability to create a pipeline for prospective medical students who would be willing to work in rural and under-served areas.

HANYS strongly advocates for the use of telehealth services, especially in rural areas where sub-specialists are hard to find, so that access to care can be improved for this population. To that end, HANYS supports legislation mandating reimbursement by all payers for telemedicine services.

This survey was conducted by HANYS in collaboration with Western New York Healthcare Association, Rochester Regional Healthcare Association, Iroquois Healthcare Alliance, and Suburban Hospital Alliance of New York State.

Executive Summary

New York continues to experience a shortage of physicians, especially primary care physicians (PCPs) in upstate New York. While many healthcare providers cite physician shortages and difficulty with recruitment and retention for many specialty physicians, PCPs continue to represent the largest overall percentage of need, particularly in upstate New York.

There are many reasons why the recruitment and retention of PCPs has been challenging, including:

- an aging primary care workforce;
- fewer medical residents choosing primary care;
- medical school debt; and
- lack of interest in practicing in rural/under-served areas of the state.

These primary care shortages are occurring during an unprecedented transformation of the healthcare delivery system in New York State. Recruitment of PCPs and other specialists is a growing challenge as HANYS' members continue to increase their primary care services and decrease hospital admissions.

This report is based on the findings from *HANYS' 2014 Annual Physician Advocacy Survey* and represents responses from 94 hospitals/health systems across New York State, excluding New York City, for a response rate of 65%. This report covers the period from September 2013 through August 2014. HANYS has issued annual reports on New York State's physician shortage since 2008.

Since the response rate from upstate New York represents 64 hospitals/health systems (68% of respondents), a separate section is devoted to those findings. The upstate section represents the following regions: northeast, central, Rochester, and western New York. These areas include under-served parts of the state where the ability to recruit and retain physicians to communities is even more challenging.

Respondents were asked questions about:

- current staffing;
- number of primary care clinics;
- the need for additional physicians;
- the impact of healthcare reform transformation in their communities; and
- recruitment strategies.

Since the inception of Doctors Across New York in 2008, HANYS has strongly advocated for consistent and adequate funding; yet, there have only been three funding cycles in the past six years. While other reform initiatives are needed to create an adequate pipeline of PCPs, implementation of those steps will take time. The active recruitment of these physicians is a much more immediate problem.

The New York State Council on Graduate Medical Education (COGME) has recognized this issue and will release recommendations later this year to expand the primary care pipeline. COGME has acknowledged the need for DANY to be consistently funded, and to have a predictable application and funding cycle. Providing consistent funding for this program each year could certainly result in a paradigm shift among medical students and residents as they choose their specialties, especially if they have an opportunity to reduce their medical school debt.

Recommendations

New York State should:

- Adequately fund the Doctors Across New York program each year and make funding cycles predictable.
- Provide funding through the Delivery System Reform Incentive Payment (DSRIP) process to help providers recruit needed physicians and other allied health professionals to their communities.
- Develop a plan to expand the pipeline of primary care physicians who are likely to choose to practice in rural and under-served areas.
- Fund the Primary Care Services Corps program so that other allied health professionals can also receive debt relief for working in under-served communities.

Physician Need

Respondents to *HANYS' 2014 Physician Advocacy Survey* continue to indicate difficulty recruiting physicians, particularly for primary care.

- All survey respondents (94 hospitals/health systems) identified a need for 942 physicians across the state, excluding New York City.
- Of that need, nearly 200 are PCPs.
- Seventy-seven percent indicated that their primary care capacity is not sufficient to meet current needs, and 75% are concerned about their ability to meet future needs.
- Eighty-six percent of respondents indicated that PCPs are very difficult to recruit.
- Ninety-two percent of respondents indicated that they are actively trying to recruit PCPs to expand access to primary care.
- Seventy-six percent of respondents indicated that their physicians are leaving their communities largely because of aging/retirement.
- Sixty-five percent indicated that their ability to recruit doctors remained the same or worsened.

Primary Care Capacity

HANYS' members continue to expand their primary care capacity and transform their healthcare delivery systems. In many communities, they are the sole providers of primary care.

- Respondents across the state, excluding New York City, indicated that they provide primary care services at a total of 542 clinics within their systems.
- Sixty-nine percent of those respondents indicated that the percentage of primary care that they provide has increased over the past three years; for 37% of respondents, that growth increased by more than 5%.
- Eighty-six percent indicated they are providing care coordination services in their primary care clinics.

IMPLICATIONS OF PHYSICIAN SHORTAGES

- Healthcare providers that applied to become Performing Provider Systems as part of the state's DSRIP program could face serious challenges if they are unable to recruit the primary care staff they need.
- Seventy-five percent of respondents indicated that there are times when their emergency department (ED) is not covered for certain specialties, requiring them to transfer patients to another facility.
- Twenty-one percent reduced and/or eliminated services as a result of physician shortages. This is in addition to reductions that have happened in past years.

Delivery System Reform Incentive Program and State Health Innovation Plan

At the same time that New York State is experiencing a PCP shortage, its healthcare delivery system is undergoing a comprehensive transformation to achieve the Triple Aim: increased access to care, improved quality, and lower costs. Instead of being based on volume and fee-for-service, the emerging patient-centered healthcare delivery system will focus on coordinating patient care, population health improvement, and paying for quality.

The success of this transformative approach to care will depend on the availability of an adequate number of primary care providers (both physicians and non-physician clinicians). A large number of DSRIP applicants have cited the shortage of PCPs and behavioral health specialists as an impediment to their success.

State Health Innovation Plan (SHIP), the recently-funded federal grant to the New York State Department of Health (DOH), recognizes that lasting healthcare delivery system reform will require a high performing primary care system, and proposes statewide implementation of an enhanced medical home model, Advanced Primary Care (APC).

The APC model is the next planned step in this transformative process. According to DOH, the APC model “seeks to create seamless integrated care systems that

rely on evolving health information technologies and an **emerging primary care workforce** that aims to promote population health and improve well-being for New Yorkers.”

Over the next five years, this model is predicated on the following:

- the success of the Medicaid Redesign Team reform initiatives;
- the success of SHIP;
- the improvement of the quality of primary care services to Medicaid recipients;
- the state’s commitment to the *Prevention Agenda*;
- the rollout of electronic health records; and
- the state’s commitment to promote and implement value-based reimbursement.

In its SHIP application to the Centers for Medicare and Medicaid Services (CMS), DOH identified healthcare workforce challenges, including regional shortages, primary care workforce shortages, hospital downsizing, and an aging workforce. In addition, the Affordable Care Act (ACA) reimbursement increases for PCPs expired on December 31, which could result in even fewer physicians accepting Medicaid patients.

New York State will be highly dependent on the Patient-Centered Medical Home (PCMH) model to coordinate care and achieve Medicaid savings to stay below the global spending cap. This patient-centric approach to care relies on an interdisciplinary care team that collectively takes responsibility for the health of the patient, and facilitates partnerships between patients and their personal providers.

Without an adequate investment in the primary care workforce, New York State

will be challenged to meet SHIP goals.

Many of the workforce recommendations of SHIP will take time to realize. This is coming at a time when Medicaid expansion, combined with ACA, has created a surge in enrollment for both the Medicaid program and the privately insured. While HANYS supports SHIP's workforce goals, which include refining admission criteria to attract students who may be more likely to practice primary care in under-served areas and creating rural residency programs, these initiatives will all take several years before realizing any positive outcomes.

The following highlights of this survey continue to suggest that the shortage of PCPs will create significant obstacles to the state's vision of widespread implementation of the APC model. This survey represents a microcosm of the greater primary care universe of private practices, Federal Qualified Health Centers, and non-responding hospitals/health systems.

The population of those 65 and older is anticipated to

National Data on Primary Care Shortages

A newly released study by the American Association of Medical Colleges (AAMC)¹ concludes that demand for physicians continues to grow faster than supply, creating a shortfall of between 46,100 and 90,400 physicians by 2025. For primary care, these shortfalls will be in the range of 12,500 to 31,100 physicians. An aging population with multiple chronic conditions is driving these numbers. The population of those 65 and older is anticipated to grow from 316 million to 347 million from 2013 to 2025.

Additionally, the expanded health coverage from ACA alone is projected to increase demand for PCPs by approximately 4,300 to 6,900. Demand for non-PCPs is expected to exceed supply by 28,200 to 63,700 physicians.

A paper published in the *Annals of Family Medicine*² states that population growth will be the greatest driver of expected

increases in primary care utilization.

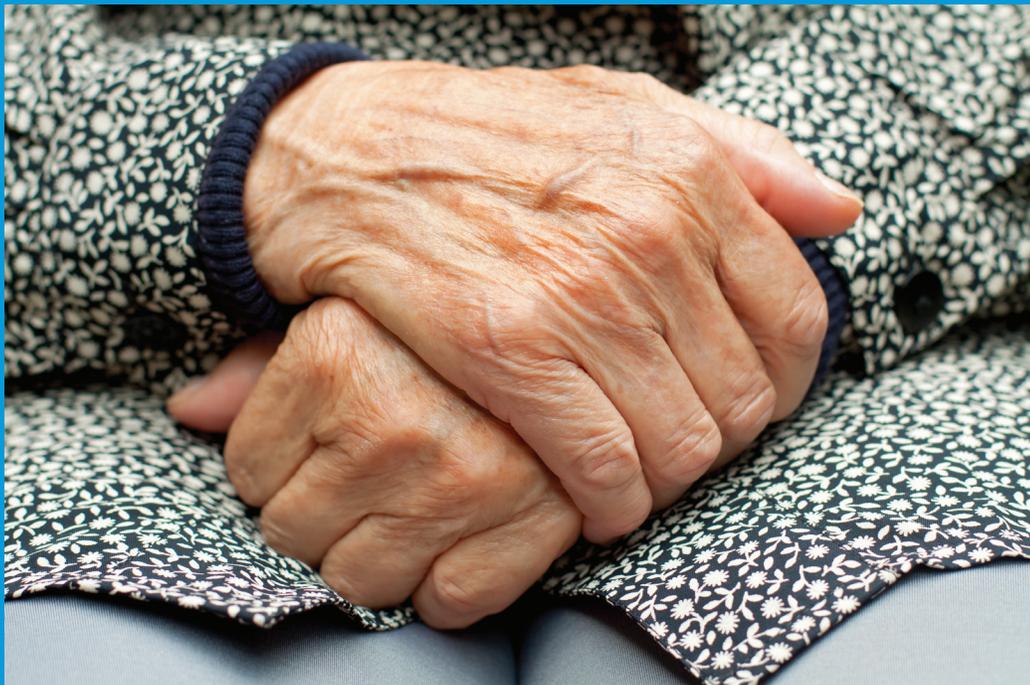
Aging and insurance expansion will also contribute, but to a lesser extent. The authors calculate that the total number of visits to PCPs is projected to increase from 462 million in 2008 to 565 million in 2025, requiring an additional 52,000 PCPs nationally. To meet a target of one provider for every 2,000 patients, the Health Resources and Services Administration (HRSA) estimates that an additional 17,722 primary care practitioners are already needed in shortage areas across the country.³

Further, as the population ages, another 35,000 to 45,000 adult primary care practitioners may be needed by 2025.

- 1 The Complexities of Physician Supply and Demand: Projections from 2013-2025, March 2015
- 2 Projecting US Primary Care Physician Workforce Needs: 2010-2025, *Annals of Family Medicine*, Volume 10, No. 6, November/December 2012
- 3 National Institute for Health Care Reform Policy Analysis, No. 7, December 2011

grow from 316 million to 347 million from 2013 to 2025.

This need is all coming at a time when healthcare reform is moving toward a patient-centered care model to help control healthcare costs and encourage patients to use more primary and preventive care in place of costlier specialty care.



The American Association of Family Practitioners (AAFP) has recommended that the primary care workforce needs to grow from 209,000 to 261,000.⁴ A recent *Annals of Family Medicine*⁵ paper asserts that “an expanded primary care workforce is necessary to meet our country’s population health needs and to address the priorities of better access, better health, a better healthcare experience, and reduced costs.”

The authors state that this could be accomplished through the “Four Pillars for Primary Care Workforce Development”:

- building a pipeline;
- changing the process of medical education;
- practice transformation; and
- payment reform.

A December 2014 report by the Office of the Inspector General of the U.S. Department of Health and Human Services on access to care for Medicaid recipients across the country found:

- slightly more than half of physicians could not offer appointments to new enrollees of Medicaid managed care providers;
- eight percent were not accepting new patients; and
- the median wait times for appointments was two weeks; however, more than 25% had wait times of more than one month and 10% had wait times longer than two months.

Even more striking, 35% of physicians could not be found at the location listed by the plan.

4 *Family Physician Shortage Could End With Targeted Policies That Value Primary Care*, AAFP, March 13, 2014 <http://www.aafp.org/media-center/releases-statements/all/2014/family-physician-shortage-end-value-primary-care.html>

5 The Four Pillars for Primary Care Physician Workforce Reform: A Blueprint for Future Activity, *Annals of Family Medicine*, Vol. 12, No. 1, January/February 2014

State Data

According to a study by the Robert Graham Center⁶ on projecting the PCP workforce, New York State will need an additional 1,220 PCPs by 2030. This represents an 8% increase above the current PCP workforce. For potential solutions, the study's authors recommend the following:

- physician reimbursement reform;
- dedicated funding for primary care Graduate Medical Education (GME);
- increased funding under Title VII for primary care training; and
- medical school student debt relief.

⁶ *New York: Projecting Primary Care Physician Workforce*, Robert Graham Center, Policy Studies in Family Medicine and Primary Care, 2013

COGME will issue a report later this year on New York's primary care shortage that includes numerous recommendations to address the shortages, from medical school admissions through practice, including:

- giving additional weight to students from medically under-served areas who commit to a career in a shortage specialty in an under-served area;
- explore opportunities to provide scholarships to students from disadvantaged backgrounds;
- the undergraduate medical education and GME programs should explore new educational tracks for primary care and medically under-served areas;
- awards for residents who commit to practice in an under-served area upon completing their residency; and
- consistent funding for DANY, with an annual cycle and predictable timeline for the application process.

The recommendations of COGME closely mirror those of AAFP.

Statewide Findings

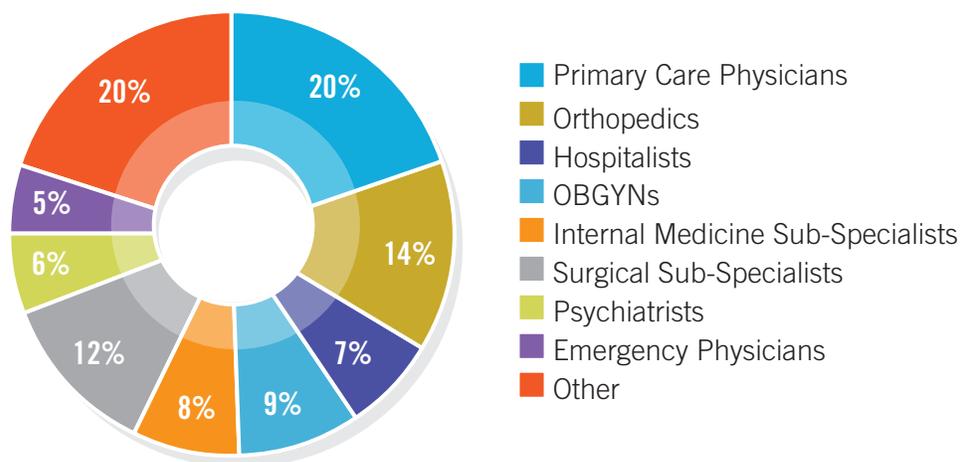
Need for Primary Care Physicians Statewide

Respondents reported a total need of 942 physicians, of which 192 were PCPs (20%).

HANYS also inquired about the number of primary care clinics that each hospital/health system operates. The 94 respondents identified a total of 542 primary care sites. In addition, 69% indicated that they had increased their primary care capacity over the past three years.

In many communities in upstate New York, these hospitals and health systems are the sole providers of primary care in their communities. Further, the total number of primary care sites operated by hospitals/health systems that did not respond to the survey is likely much greater, and would greatly increase the actual need.

Need for Physician by Specialty



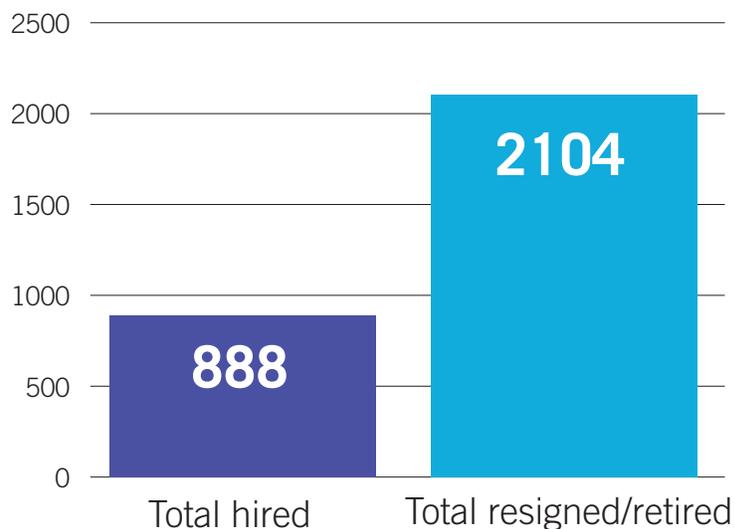
Change in Overall Physician Supply and Migration Statewide

Hospital employment of physicians has been increasing. Respondents reported that among their total physicians, 26% are directly employed, and among new hires, that number rose to 33%.

In 2014, respondents reported hiring a total of 888 new physicians; however, a total of 2,104 physicians either resigned or retired, a net loss of 1,216. The top three reasons for leaving employment included:

- aging/retirement** 76%;
- better economic opportunities elsewhere** 61%; and
- better opportunity for spouse/significant other** 35%.

New Physician Hires vs. Departures 2014



Recruitment of PCPs Statewide

86%

Eighty-six percent of respondents indicated that PCPs are very difficult to recruit, citing the following reasons:

shortage	50%;
geographic location	60%; and
salary requirements	49%.

With respect to specialists, respondents indicated that the following were the most difficult to recruit:

Specialty	Percent Reporting Difficulty Recruiting
Psychiatrists	63%
Hospitalists	47%
Emergency Physicians	45%
General Surgeons	35%
Orthopedists	31%

Primary Care Strategies Statewide

The chart below indicates responses to survey questions on strategies providers are using to expand access to primary care. Clearly, hospitals/health systems are doing everything possible to enhance their primary care services, yet the shortage of providers makes this more challenging.

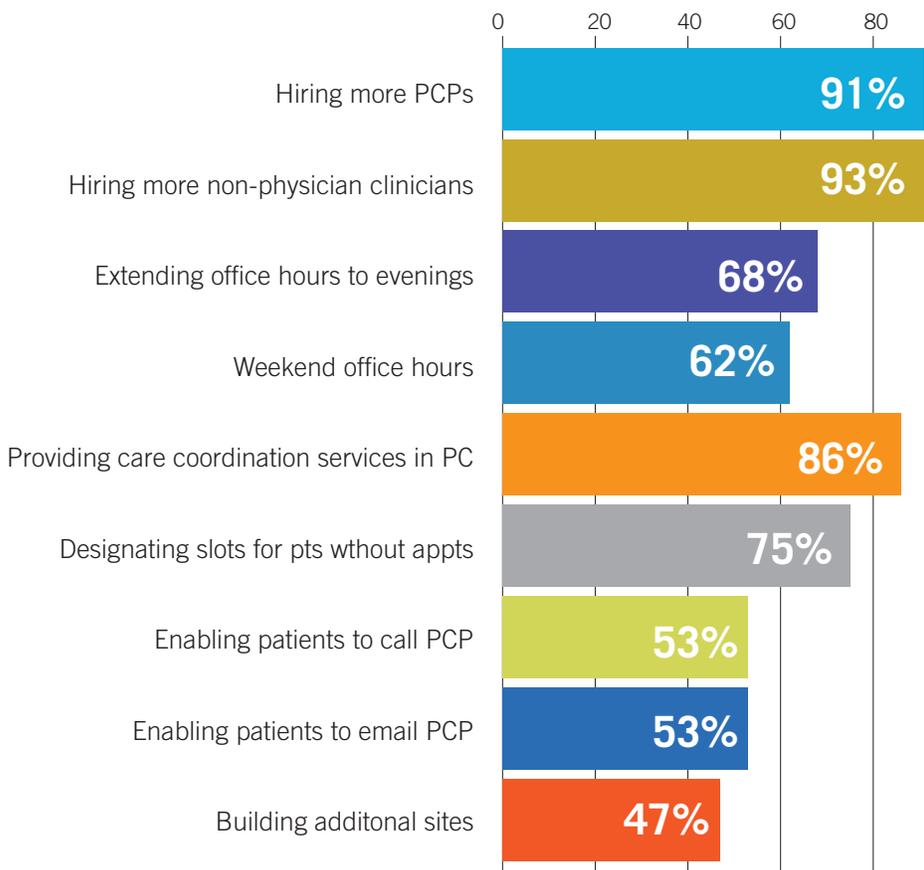
Respondents were asked several questions about their primary care capacity. Seventy-seven percent of respondents indicated that their current primary care capacity was **insufficient** to meet current needs, and 74% indicated that their current capacity is **insufficient** to meet future needs. HANYS also asked about ability

to recruit non-physician clinicians such as nurse practitioners (NPs) and physician assistants (PAs). Seventy-two percent indicated that they are planning to recruit a significant number of NPs, PAs, and physicians to meet future needs.

The percent of primary care services provided in the community by physicians and primary care practitioners employed by the hospital/health system ranged from a low of 0% (four facilities) to a high of 90% (five facilities), with a median of 40%. In many rural communities, the hospital/health system is the sole provider of primary care services.

With the increasing emphasis on primary care and care coordination, identifying an adequate supply of PCPs will continue to be a challenge, especially in rural and under-served parts of the state.

Statewide Primary Care Strategies



EMERGENCY ROOM COVERAGE/ SUB-SPECIALTY CARE

74%

Seventy-four percent of respondents indicated that there are times when they have

to transfer patients from their emergency room because it is not covered for certain specialties.

The specialists that were most reported as being in short supply included:

Specialist	Percent Reporting
Neurologists/Neurosurgeons	52%
Surgical Sub-Specialists	49%
Medical Specialists	27%
Orthopedists	22%
General Surgeons	10%

Further, 21% of respondents indicated that they had to either reduce or eliminate services at their facilities due to a lack of coverage of certain specialties.

These numbers are in addition to reductions/eliminations that have been reported in past years.

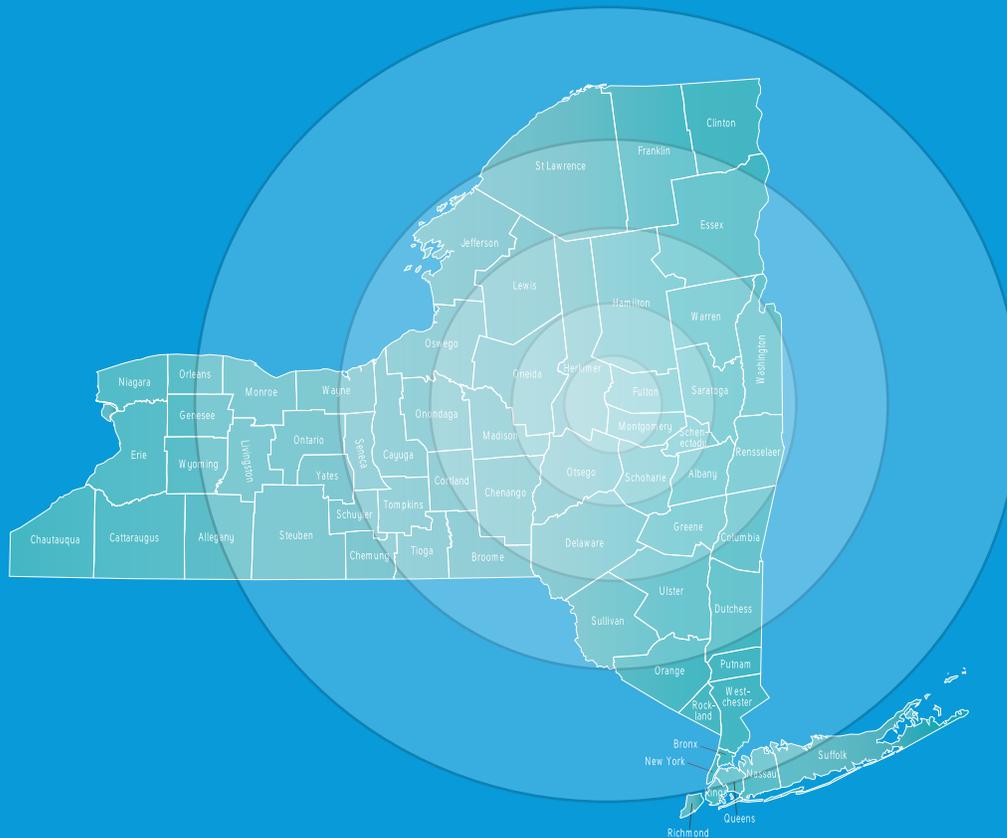
HANYS is hopeful that the state's new telemedicine law will help those providers who are unable to hire certain sub-specialists because of their geographic location to offer better access to their patients through telemedicine.

DOCTORS ACROSS NEW YORK

Since its inception, HANYS has been actively advocating for increased funding for this very important program that provides loan repayment or practice support to physicians who are willing to work in under-served areas. The funding for DANY has not kept pace with demand. While the statute authorizing this program was passed in 2008, there have only been three cycles of applications, resulting in only 262 awards. HANYS and the Workforce Advisory Group, a group of 12 statewide stakeholders, have been advocating for at least 250 awards to be made each year.

The most recent award cycle represented 38 waitlisted candidates from cycle 3 applications, as DOH received many more qualified applicants than could be awarded. These awards will be able to retain those 38 physicians in under-served communities, which is important. However, more DANY funding is needed, as many providers in under-served areas utilize DANY as an important recruitment tool.

Twenty-nine percent of survey respondents indicated that they had successfully used a DANY award to recruit or retain a physician in their area, and 25% will consider applying for future funding.



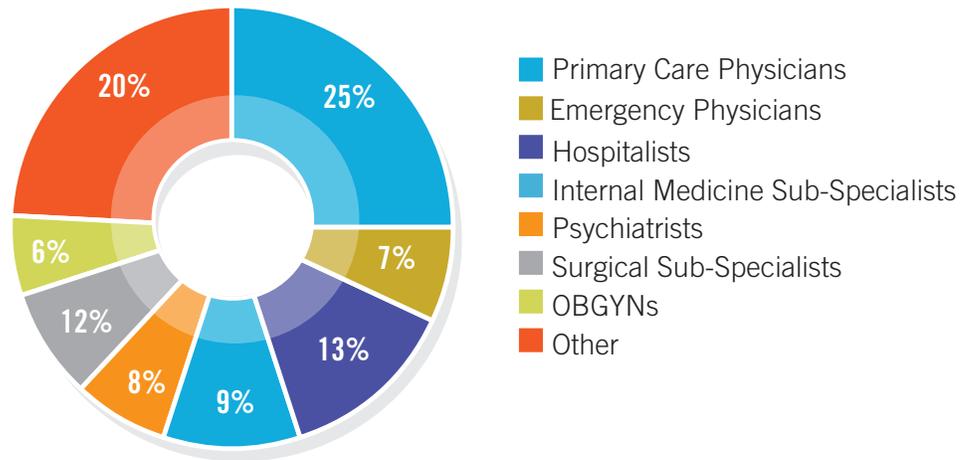
Upstate Findings

Sixty-eight percent of upstate providers responded to this survey. Since many of them (53%) are located in rural underserved areas, it is worthwhile to devote a section of the report for these regions. The upstate regions include northeast, central, Rochester, and western New York.

Need for Physicians Upstate

The upstate providers identified a total need for 615 new physicians, which represents 65% of the total need reported. The breakout by specialty is as follows:

Percent of Need Upstate

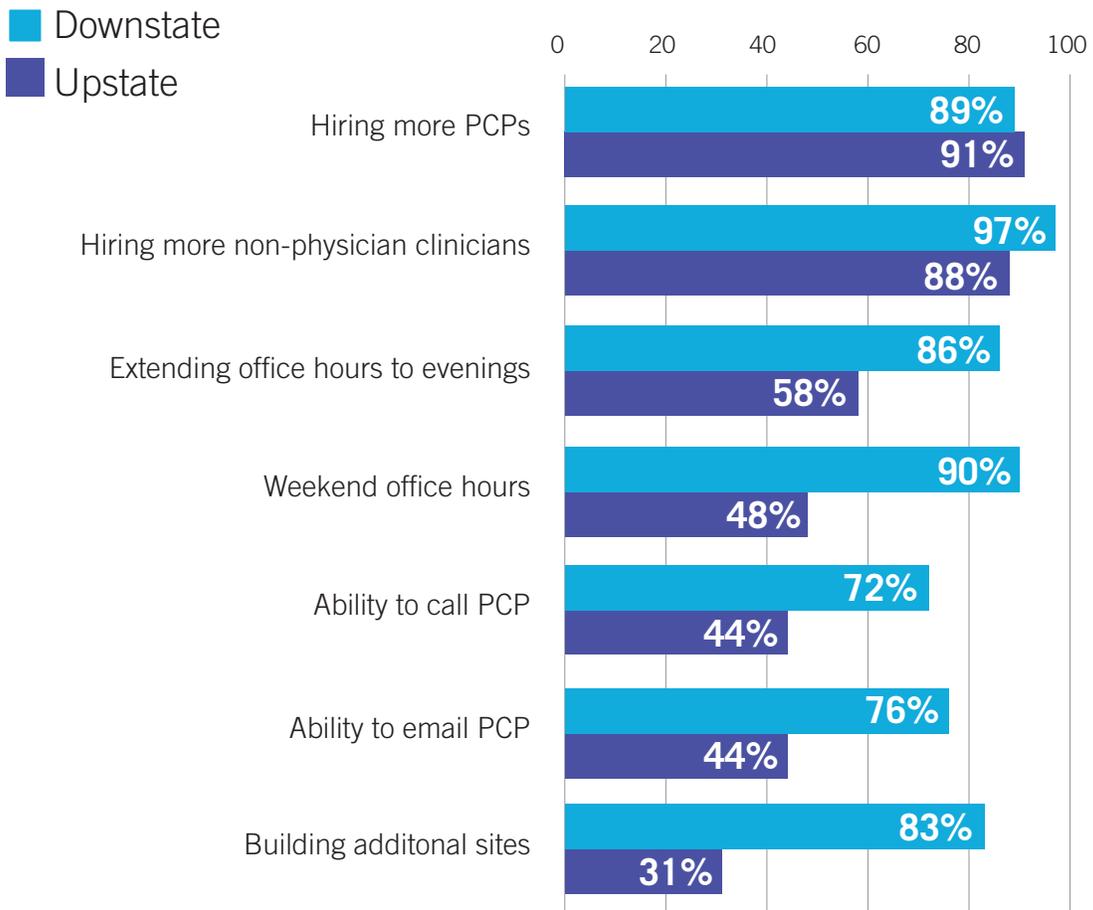


PCPs represent 25% of the total physician need in upstate New York's regions, with an overall need of 154 PCPs at 64 hospitals/health systems. Further, 78% of upstate facilities indicated that PCPs were very difficult to recruit. Reasons cited for the difficulty include:

Reasons	Percent Reporting
Shortage of PCPs	66%
Geographic Location	63%
Salary Requirements	39%
Aging	27%

Upstate providers use many of the same strategies to respond to healthcare reform as the rest of the state, with some important differences. Upstate hospitals are somewhat less likely to expand office hours on nights and weekends. They are also less likely to add more sites. Possible explanations could include a lack of an adequate number of physicians to be available to patients when they call, and a lack of access to capital to expand their sites.

Downstate vs. Upstate Primary Care Strategies



Seventy-seven percent of upstate providers indicated that their current primary care capacity is insufficient to meet need, and 75% reported that their current capacity is insufficient to meet future need.

Northeastern regions also expressed difficulty with recruitment of the following specialists:

Specialty	Percent Reporting Difficulty
Psychiatrists	53%
Orthopedists	41%
Internal Medicine Sub-Specialists	41%
Surgical Sub-Specialists	34%
Obstetricians	30%

DANY Awards in Upstate Regions

Respondents in the northeastern region of the state were more likely to use a DANY award to recruit a physician to their community (40%), as opposed to 29% of respondents across the state. This makes sense, given that the northeastern region and other upstate regions represent a larger percentage of HPSAs and other under-served areas. DANY awards would be much more difficult to obtain in the northern metropolitan (Hudson Valley) and Nassau-Suffolk (Long Island) regions.

Emergency Room Coverage

As would also be expected, a much larger proportion of upstate hospitals (86%) indicated that they had to transfer patients from their ED to other hospitals due to lack of coverage for certain specialties, compared to the rest of the state (74%). Neurologists were among the specialties that were not available to ED patients, with 66% of respondents reporting. They are followed by surgical sub-specialists (55%) and medical sub-specialists (39%).

26%

Additionally, 26% of upstate respondents indicated that they had to either reduce or eliminate services in the past year due to provider availability.



Conclusions and Recommendations

New York continues to experience a shortage of physicians, especially PCPs in upstate New York. While many will argue that New York has more than enough physicians and that our ratio of patients to physicians is lower than most states, the problem is recruiting physicians in under-served parts of the state. This will not happen without an adequate incentive program, such as DANY, where physicians might be willing to move to under-served areas of the state to erase a large portion of their debt.

New York should develop a plan to expand the PCP pipeline, in line with COGME's recommendations.

Implementing those recommendations would help turn the tide over time, but the more immediate need is to adequately fund DANY to help these communities recruit the needed primary care and specialty physicians that they desperately need.

Because of the geographic location of many of the survey respondents (53% are located in rural under-served areas), they are likely the main primary providers of care in their communities. Programs like DANY and the Primary Care Services Corps can help these communities recruit the providers that they need.

HANYS continues to recommend the following:

- Adequately fund the DANY program each year so that medical students and residents are aware that it is a viable resource for them when making their practice decisions.
- Continue to fund the Primary Care Services Corps program so that other allied health professionals can also receive debt relief for serving in under-served communities.
- Adopt COGME recommendations that would, among other things, alter medical school admissions to attract a group of students who are more likely to practice in rural and under-served areas, and create rural residency programs to provide residents with hands-on experience in a rural setting.
- Provide funding through the DSRIP process to help providers recruit the needed physicians and other allied health professionals to their communities.

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