



Perspective

Reform and the Health Care Workforce — Current Capacity, Future Demand

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As Democrats press to enact health care reform legislation, they have emphasized their commitment to greatly expanding coverage, slowing the growth of medical spending, and more tightly

regulating private insurers, if not also creating a competing public insurance option. But among the major questions that their policy prescription leaves unanswered is, How would a health care workforce that many (though not all) observers agree is already inadequate in some regions and specialties provide medical care to an additional 30 million newly insured people? After all, early lessons from health care reform in Massachusetts include the recognition that, as Dr. Mario Motta, president of the Massachusetts Medical Society, recently put it, “universal coverage doesn’t equate with universal access.”

The federal government has

invested virtually no money in monitoring trends in capacity, and Congress has paid little attention to questions related to the health care workforce. In the context of reform, there are two main reasons for sidestepping such issues: money and politics. As Republicans have increasingly attacked reform proposals for being too expensive, Democrats have accelerated their efforts to shave billions of dollars off the early cost estimates. Doing so has meant a variety of changes, including proposals to limit the size of hikes in Medicare fees to primary care physicians and to abandon attempts to increase the number of resi-

dency training positions funded by Medicare. Members of Congress also recognize that calculating how many physicians are enough is a long-term challenge, whereas legislators generally work within a much shorter time frame — from election to election.

Although policymakers have given short shrift to workforce issues, they have not ignored them altogether. Some workforce matters have been addressed both by the Obama administration’s efforts to revitalize the economy and as part of the discussion about health care reform. The \$787 billion economic stimulus package that President Barack Obama signed 4 weeks after taking office provided about \$500 million for training programs in health professions (medical, dental, nursing, and others), including \$300 million for expanding the National Health Service Corps.

Physicians who enlist in the corps provide primary care in underserved areas in exchange for help in paying for their education.

On July 28, Health and Human Services Secretary Kathleen Sebelius announced the availability of \$200 million of the economic recovery funds for expanding training in the health professions and said, “Health systems reform cannot happen without an adequate supply of well-trained, well-distributed providers.” Over the course of the reform debate, however, the administration has remained largely silent regarding expansion of the health care workforce, believing that it has its hands full securing enactment of nearly universal coverage; moreover, it is very cool toward the idea of a large new federal investment in producing more doctors.

The bills approved by three House committees (Education and Labor, Energy and Commerce, and Ways and Means) and two Senate panels (Health, Education, Labor, and Pensions [HELP] and Finance) all incorporate limited changes in policy related to the health care workforce. Under-scoring Democrats’ strong desire to maintain organized medicine’s support for reform, the House bills would eliminate the scheduled 21% reduction in Medicare’s physician fees due to take effect January 1, 2010. They also would permanently adjust the formula that led to these annual pay reductions, at a 10-year cost to Medicare of about \$250 billion. The measures also propose a new payment approach that, among other changes, would authorize higher growth rates for fees for primary care physicians when they are updated annually.

The Senate Finance Committee’s measure would also eliminate

the 21% fee cut in 2010, but it does not address the reductions scheduled for future years. However, in a surprise move, Senate Majority Leader Harry Reid (D-NV) announced on October 15 that the chamber would take up a bill separate from reform legislation that, like the House, would eliminate the scheduled reductions in Medicare’s physician fees over the next 10 years. Because the bill did not identify a source to pay for the cost of the amendment (\$250 billion), the announcement was met with some resistance among Senate Democrats and strong Republican opposition, making the likelihood of its enactment in that chamber uncertain.

The House bills include funding for a national pilot test of the “patient-centered medical home” delivery model that would provide extra payments to physicians who coordinate care effectively. These bills also support the development of a model for “accountable care organizations” — groups of providers who, encouraged by financial incentives to slow the growth of spending, would be held responsible for the quality and cost of care delivered to Medicare beneficiaries.¹ The House Ways and Means Committee considered, but ultimately rejected, a proposal for increasing by 15% the number of residency training positions supported by Medicare. Instead, the panel agreed to allow the redistribution of some 1000 training positions that had been unused by the teaching hospitals to which they had been assigned. The Senate Finance Committee’s bill adopts a similar approach, although it states a preference that the redistributed positions be filled by residents pursuing careers in primary care or general surgery.

The reform bill approved by the HELP Committee includes a number of provisions related to expanding the health care workforce, but most of its support is limited to the medical school training of physicians, dentists, nurses, and allied professionals. All these provisions fall under Title VII of the Public Health Service Act and are subject to annual appropriations, unlike Medicare, which is an entitlement program that faces such a hurdle only in cases in which spending has been capped — as the number of Medicare-funded residency positions has been.

Most legislators who are engaged in reform discussions are not oblivious to the state of the health care workforce and some shortages that already exist. For example, at a March 12 hearing devoted to workforce issues, Senator Max Baucus (D-MT), who chairs the Finance Committee, said: “Already, America has too many towns without doctors. . . . In rural America, we have roughly 7000 fewer primary care doctors than we need . . . and that’s just as the need for primary care doctors is increasing.” The committee’s ranking Republican, Senator Charles Grassley of Iowa, added that “in Massachusetts, health care reform efforts have increased the number of people covered, but there are reports that many people are now finding it difficult to find and get appointments with primary care providers.”

In a recent survey of Massachusetts physicians, those in 7 of 18 specialties reported shortages of doctors.² Also, 40% of family doctors (up from 30% in 2007) and 56% of internists (up from 49%) said they were not accepting new patients. The Massachu-

sets Medical Society's Motta, whose organization conducted the survey, believes that the "analysis can be instructive on a national level about what physician supply means for access to care when universal coverage is implemented."

Still, a recent report by the Government Accountability Office noted that less than 3% of Medicare beneficiaries reported major difficulties gaining access to physicians' services in 2007 and 2008³ — and that measure is the one barometer of workforce capacity that members of Congress follow closely. Indicators of physicians' willingness to serve Medicare beneficiaries and to accept Medicare fees as payments in full also showed increases between 2000 and 2008. Of greatest concern to Baucus, who requested the study, was a finding that, he said, "revealed disproportionate Medicare spending and potentially dangerous overuse of services in certain regions of the United States."

Many legislative hurdles must be overcome before Obama — faced with virtually unanimous Republican opposition — will be able to sign into law a measure addressing one of his major domestic initiatives. If he can declare victory, among the remaining challenges the public and private sectors will face is bolstering the capacity of the health care workforce to provide a large, newly insured population with access to care. Though there are about a dozen new medical schools under development and many existing schools are expanding their class sizes,⁴ it will be many years before these efforts will add capacity to the physician pool. The U.S. health care system may instead have to boost the number of international medical graduates coming into the country and expand the duties of nurse practitioners and physician assistants in order to accommodate millions of newly insured citizens. Indeed, the looming shortage

recently prompted the academic medical leader Arthur Garson, Jr., to propose the creation of a "Grandparents Corps" as a new primary care model.⁵

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This article (10.1056/NEJMp0909521) was published on October 21, 2009, at NEJM.org.

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