How States Will Solve the Healthcare Workforce Crisis: What to ask for from the Feds

Robert Phillips MD MSPH
The Robert Graham Center
Agenda

- Healthcare Reform about the Economy this time
- Primary Care seen as a solution
  - Lower costs, better population health
- Giving everyone insurance without sufficient access to primary care = EXPENSIVE
- Assuring Access to Primary Care
  - State examples
  - Workforce urgency
- What to ask for from the Feds
Why Health Reform Now?

"We suffer from a fiscal cancer… the real problem is health care costs."

U.S. Comptroller General David Walker
60 Minutes March 4, 2007

"We can't allow the cost of health care to continue strangling our economy."

President Obama April 15, 2009

"Over the long run, the deficit impact of every other fiscal policy variable is swamped by the impact of health-care costs."

Health Costs Are the Real Deficit Threat
That's why President Obama is making health-care reform a priority.

By PETER R. ORSZAG

THE WALL STREET JOURNAL
WSJ.com

OPINION | MAY 15, 2009
The Curve We’re On

Spending on Health Care as a Percentage of Gross Domestic Product Under an Assumption That Excess Cost Growth Continues at Historical Averages

Source: CBO
Health Care Spending

- 16% of the US Economy ($2.3 trillion)

BUT

- From 2000 – 2005 healthcare devoured nearly 25% of our Economic Growth

- Now consumes 1/3rd of Federal and State Taxes
Will more spending on healthcare improve health?

HEALTH, EDUCATION, AND DEFENSE SHARES OF U.S. GDP, 1955 - 2005

<table>
<thead>
<tr>
<th>Year</th>
<th>Health</th>
<th>Education</th>
<th>Defense</th>
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<tbody>
<tr>
<td>1955</td>
<td>4.3%</td>
<td>3.8%</td>
<td>9.7%</td>
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<tr>
<td>1960</td>
<td>5.1%</td>
<td>5.0%</td>
<td>9.1%</td>
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<tr>
<td>1965</td>
<td>5.6%</td>
<td>6.1%</td>
<td>6.8%</td>
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<tr>
<td>1970</td>
<td>7.0%</td>
<td>7.3%</td>
<td>7.7%</td>
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<tr>
<td>1975</td>
<td>8.1%</td>
<td>7.2%</td>
<td>5.2%</td>
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<tr>
<td>1980</td>
<td>8.8%</td>
<td>6.6%</td>
<td>4.7%</td>
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<td>1985</td>
<td>10.1%</td>
<td>6.4%</td>
<td>5.8%</td>
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<td>1990</td>
<td>12.0%</td>
<td>7.1%</td>
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<td>1995</td>
<td>13.4%</td>
<td>7.2%</td>
<td>3.5%</td>
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<tr>
<td>2000</td>
<td>13.2%</td>
<td>7.5%</td>
<td>2.9%</td>
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<tr>
<td>2005</td>
<td>15.5%</td>
<td>7.9%</td>
<td>4.4%</td>
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</table>
Keep Health Reform THE Priority

"We can't allow the cost of health care to continue strangling our economy."
President Obama April 14, 2009

"The cost of health care is crushing businesses and families"
Kathleen Sebelius, Secretary of HHS
May 5, 2009
“Meaningful, comprehensive reform must increase the value placed on primary care and redefine the role that primary care provides in our health system.”

Sen. Max Baucus, chair
Senate Finance Committee
April, 2009
Turning back to Primary Care

“Primary Care that is squarely centered on each patient’s individual needs is the only hope for fixing the broken US healthcare system,”

Paul Grundy, MD, IBM director of Healthcare, Technology and Strategic Planning.

Healthcare IT News by Richard Pizzi, Associate Editor 10/15/07
The Honorable Bernat Soria, MD PhD Health Minister of Spain
October 17, 2008 Patient Centered Primary Care Collaborative Summit, Washington, DC.
Spain’s Conversion: A Guide for the US?

- National Health System ----1986
- 1986--First Primary Care Health Center
- 2006--13,000 PC Health Centers
  - 1 : 1,350 = PC:population
- 8.4% of GDP
- 4th among the 19 most developed countries
- 6th among 191 countries

The Honorable Bernat Soria, MD PhD Health Minister of Spain

October 17, 2008 Patient Centered Primary Care Collaborative Summit, Washington, DC.
Why Primary Care? Massachusetts

- Percent uninsured 2003:
  - Children: 7.6% (120,000)
  - Adults: 12.7% (709,000)

2008:
- 3% uninsured
- 31% trouble with Access

Tremendous increase in ER use

http://www.kff.org/uninsured/upload/7451_04_Data_Tables.pdf
2008 Massachusetts Health Insurance Survey
Need to build Primary Care Capacity Now

- So, with a higher per capita GDP, fewer uninsured and less rural-urban separation than Louisiana, Massachusetts struggles to guarantee comprehensive primary care access for its population—and to hold down costs.
Insuring Everyone

- **Massachusetts cost model for the US**
  - Cost of care for all people currently without a usual source of care
    - $125 billion - $145 billion annually

- **Enhanced Primary Care**
  - If all states had Medicare spending of best 5 states: **Save $70 billion annually**
  - Give everyone cost outcomes of Community Health Centers: **Save $450 billion annually**
Assuring Access to Primary Care (beyond insurance)

- Improving the capacity and effectiveness of current primary care
- Resolving shortages and poor distribution
- Making sure Louisiana’s physician pipeline is working for Louisiana
Core Features of the Medical Home

- Personal Physician
- Physician Directed Medical Practice
- Whole Person Orientation
- Care is Coordinated and/or Integrated
- Quality and Safety
- Enhanced Access
- Payment Reform
Improving capacity, effectiveness

- New care models---Patient Centered Medical Home
- Needs Facilitation for practices to transform
- Needs blended payment models
- Needs connections to community resources
North Carolina

- Community Care of North Carolina
  - Practice and Community base care coordination
  - Blended payment model (Medicaid FFS + PMPM)
  - Even without full PCMH model saving $200-$300 million annually and able to pay Medicaid rates 95% of Medicare

http://www.communitycarenc.com/
Vermont Blueprint for Health

- Blueprint Integrated Pilot Program
  - Public-private (commercial insurers and Medicaid)
  - Enhanced payments to PCMH practices
  - Community Care Teams
    - Build out capacity of small practices by putting shared resources in the community
  - Community Activation and Prevention Teams
  - Health Information Technology information integration
  - Robust Evaluation

http://healthvermont.gov/blueprint.aspx
New Mexico Health Extension Rural Offices (HEROs)
Modeled after the Agricultural Extension Program
Community Engagement in every county
Connects academic health center resources to practices and communities
Guides health care workforce preparation for underserved areas
Increase accountability to health of communities
County Health Report Cards

Chaves County
Denton, Magruder, Lake Arthur, Roswell, Mimbres, Elfrida

**BACKGROUND DATA**

- **Quick Facts**
  - Land area (square miles): 3,433
  - Persons per square mile (2000): 10.3
  - Median household income (2000): $29,575
  - Persons below poverty level, 2004: 70.0%
  - Unemployment rate in October 2009: 9.3%
  - High School Graduation Rate 2007-2008
    - Deming Consolidated School: 72.4%
    - Roswell Municipal Schools: 90.0%
    - Lake Arthur Municipal Schools: 87.6%
    - Roswell Independent Schools: 93.8%

**Legislative Districts**

- House:
  - Dist. 31, Rep. Octavio J. Kiefer
  - Dist. 33, Rep. Carla Jaramillo
  - Dist. 34, Rep. Howard C. Liner

- Senate:
  - Dist. 16, Sen. Steven Poore
  - Dist. 21, Sen. Linda J. Parker
  - Dist. 22, Sen. Paul Sandoval
  - Dist. 23, Sen. Paul White
  - Dist. 24, Sen. Jeff Kimbell

**LEADING CAUSES OF DEATH**

<table>
<thead>
<tr>
<th>Cause</th>
<th>Chaves County</th>
<th>New Mexico</th>
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<tbody>
<tr>
<td>Heart Disease (9.6%)</td>
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<td></td>
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<tr>
<td>Cancer (8.3%)</td>
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<td></td>
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<tr>
<td>Accidents (4.5%)</td>
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<td></td>
</tr>
<tr>
<td>Chronic lower respiratory (4.4%)</td>
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<td></td>
</tr>
<tr>
<td>Injuries (3.5%)</td>
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<tr>
<td>Diabetes (2.6%)</td>
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**Healthcare Clinics and Resources**

- New Mexico Medical Center, Roswell
- La Casa De Bella Salud Inc., Roswell
- Second Medical Clinic, Roswell

**UHS Health Professionals (Jan. 2009)**

<table>
<thead>
<tr>
<th>Discipline</th>
<th>Chaves County</th>
<th>New Mexico</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family Practice (30)</td>
<td></td>
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<tr>
<td>Internal Medicine (9)</td>
<td></td>
<td></td>
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<tr>
<td>Pediatrics (9)</td>
<td></td>
<td></td>
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<tr>
<td>Physical Therapy (8)</td>
<td></td>
<td></td>
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<tr>
<td>Occupational Therapy (5)</td>
<td></td>
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<tr>
<td>Dentistry (5)</td>
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</tbody>
</table>

**UNM HPC ACTIVITIES IN CHAVES COUNTY (2009)**

**Education**

- UNM SOM students (2003-2009) 8 resident graduates practicing in county (90%)
- Current Health Sciences Center students from Chaves County:
  - 6 Medical students
  - 6 BSN students
  - 1 Physician Assistant student
  - 1 Physical Therapy student
  - 1 Occupational Therapy student
  - 1 Dental Hygiene student
  - 2 Medical Lab Science students
- 2003-2009 students (119) months supported by Area Health Education Center

- 2 Months of student Community Health Experience assignments community service projects
What lies ahead: Will there be a Primary Care Shortage?

- What’s to come:
  - Substantial decline in US student interest
  - Increased reliance on international students
  - Increased interest in specialization and alternative careers
  - Increased opportunity to specialize
  - Contraction of primary care training programs
  - Majority of PAs now subspecialize; NPs?

- Current physician expansion effort not promoting primary care
Is it a Primary Care Shortage?

- **Problems:**
  - **Distribution**
    - Still concentrated in desirable areas
    - Relative shortage in underserved and rural areas
    - True for physicians, NPs and Pas
  - **Scope**
    - Primary care physicians performing non-primary care tasks to remain solvent
But We’re producing more medical students and expanding residency programs?

- Medical Schools expanding, building—increase output 28% by 2012 (AAMC)
- Residency expansion (despite cap)
  - Allopathic grew 8% 23,443–25,171
  - Osteopathic grew 14.8% 2849
  - Now nearly 28,000 positions

Primary care losing ground: GME

- Between 2002 and 2006
  - Residency positions grew +7.9%
  - Subspecialty positions grew +24.7%
    - (33% between 2001 and 2008)
  - Primary care positions grew +2.3%
  - Family Medicine positions fell -2.8%
- However...the estimated number of graduates going on to practice primary care fell 15% (from 28.1% to 23.8%)

Erosion of Primary Care Training Capacity

- Since 1996 training cap was put in place, primary care positions in the annual Match have fallen by
  - 57% for primary care internal medicine
  - 34% for primary care pediatric positions
  - 18% for family medicine
Residency expansion

- Growth of specialty/subspecialty spots is bleeding primary care
- PC grads could fall to 17% of residency grads in next 5+ years
- COGME: Hospital incentives all wrong, bending GME to their financial needs
Poor Medicare Access
Shortage and Underservice
Federally Qualified Health Center Service Areas (overestimates coverage but shows distance of reach for these health centers)
Dr. Ricketts’ Study of New Orleans Physicians after Katrina/Rita

Analysis Results

- 4,249 in AMA file matched with 4,436 LA BME file (98%)
  - 171 not in practice, 9 deceased
  - 1,771 indicated new practice location
    - 481 to neighboring parish
    - 366 to other Louisiana location
    - 924 to other state
      - Texas 152
      - Florida 81
      - California 60
      - Mississippi 55
      - Georgia 54
Conclusions

- Close to 50% of physicians experienced dislocation of practice
  - Younger and primary care physicians LESS likely to move
- Dispersion was to adjacent, populous, or familiar states
- Some evidence of disproportionate impact on African American physicians
Louisiana Healthcare Workforce

- You have your work cut out for you
- Do your medical schools and residency demonstrate commitment to help?
- How do you redirect the pipeline?
Specialty and Geographic Distribution of the Physician Workforce:

What Influences Medical Student & Resident Choices?

Funded by the Josiah Macy, Jr. Foundation
Past research

- student-related factors
- curriculum factors
- institutional factors
- debt
- Market factors
What we found

- Debt had a curious effect
  - No debt -- less likely PC, rural, underserved
  - Middle debt (up to $150k) – more likely
  - High debt -- likelihood declines

- HOWEVER: Students who trade debt for service (NHSC) are 2-7 x more likely to choose study outcomes—and remain for 6-10 years beyond their obligation

(scholarships and loan repayment work!)
What we found

- Income gap growth—cuts likelihood of choosing Primary Care in half
Market doesn’t absolve Schools

- Rural birth – 2.4 x rural practice
  1.8 x Family medicine
- Public Medical School
  1.8 x FM and Rural
- Interest in Serving Underserved
  3 x an FQHC
  4 x Rural Health Center
- Inner City, Rural and Primary Care

Clerkships and Electives Matter

Factors Affecting Medical Student and Resident Career Choices. Graham Center 2009. Funded by the Josiah Macy Jr. Foundation
Recommendations (relevant to Louisiana)

- More debt for service*
- Decrease disparities in physician income
- Purposeful medical school admissions*
- Shift training: community, rural, underserved*
- Support primary care Departments & Residencies*
- New Medical schools: public and rural

Louisiana Interagency Task Force on the Future of Family Medicine
BUILDING A PRIMARY CARE WORKFORCE
Lessons, Ideas, Dialogue
What to ask of Feds (now)

- Consider a Medicare Waiver similar to UTAH for Graduate Medical Education payments
  - Preserve current GME positions
  - Flexibility with specialty and location of training
- COGME and Senator Bingaman both support Louisiana’s retention of GME cap
What to ask of Feds (now)

- Medicare Demonstration project for GME
  - Does redirecting GME payments to community based settings produce more primary care physicians, physicians willing to locate in (Medicare) shortage areas, physicians who serve Medicare patients?
  - Does it reduce Medicare costs?
Congress

- Plan to have a bill by August recess
- Writing much of it now – June
- Senate: Health Education Labor Pensions, Senate Finance
- Elephant: Budget Neutrality
Items of Interest

- Primary Care Payment
- Primary Care Workforce
  - National Workforce Commission
  - State Grants
- Residency training expansion
  - Purports to help primary care
- Primary Care Extension Program
- Community Health Team grants
What to ask of the Feds (in current legislative proposals)

- Medical school support (then use!)
  - Proposed Faculty Loan Repayment increase
  - Proposed Disadvantaged Student scholarships increase
  - Sustained growth of National Health Service Corps support
- Increased funding for Title VII

In draft Senate HELP Committee bill
What to ask of the Feds (in current legislative proposals)

- State Healthcare Workforce Development Grants--Comprehensive Planning and workforce strategy development ($150m)
- Primary Care Extension Service ($120m)
  - Competitive grants to states
  - People in counties to help practices technical assistance with move to Medical Home; connect to communities and universities
  - Orient and involve teaching hospitals to communities (like New Mexico’s HERO program)
What to ask of the Feds (in current legislative proposals)

- Grants to support a community health team to support a medical home model
  - Grants to states to accomplish what is underway in Vermont, West Virginia
  - Community based interdisciplinary teams that help small practices deliver medical home services, help transitions in care, help connect to public health