

## ISSUE

Severe workforce shortages threaten hospitals' fundamental promise of being open at full capacity to care for their communities. Some hospitals have been forced to reduce access to care, including reducing the number of inpatient beds available and postponing or canceling elective surgeries because they don't have an adequate number and mix of personnel to care for patients. Shortages are severe among both clinical and non-clinical workers. During the next few years, the physician shortage will have the most severe impact on care in Upstate communities.

The demand for physicians, registered nurses (RNs), and other health care personnel will continue to rise with the growing health care needs of the 70 million “baby boomers” that will begin to retire in 2010. According to the Association of American Medical Colleges, one in 10 physicians in the United States is older than 65. In Upstate New York, more than 52% of active patient care physicians are age 50 or older according to a recent report by the SUNY Center for Health Workforce Studies. Statistics from the New York State Department of Labor indicate that the projected percentage of annual growth of physicians and surgeons from 2004-2014 statewide is 10%. The projected growth rate varies across regions, but is an average of 14% annually for Upstate. Upstate New York demographic patterns will make the problem much worse over the next ten years. Physician workforce needs vary by community and current funding programs do not respond to these needs.

There are regional variances across New York State, but the impact of the physician shortage is most prevalent Upstate and in rural counties. The ratio of physicians to the population was lowest in the Mohawk Valley, with 147 physicians per 100,000 persons. The North Country region's primary care physician supply decreased by 8% between 2001 and 2005. And, in the nine-county Southern Tier region, the number of OB/GYNs declined by 28% in the nine-county Southern Tier region.

Group practice was the largest principal practice setting in 2005 with 37% of responding physicians. Solo practice (28%) and hospital practice (26%) were the next most frequent settings. Hospitals play a significant role in recruiting and retaining physicians to their service area, regardless of physician employment with the hospital.

Without decisive intervention, these trends will have a serious impact on hospitals' ability to care for patients and communities in Upstate New York.

## IHA perspective

**A Role for Hospitals.** Upstate hospitals are already playing a significant role in physician recruitment. Hospitals are doing the entire physician recruiting to a community. Private practices do not recruit or replace, and when a private practice is in need, the hospital takes over. Hospitals are actively establishing relationships with residency programs, teaching colleges, and encouraging young physicians to stay. Hospitals are paying fees to recruitment firms, in addition to sign-on bonuses, relocation expenses, and income guarantees. These un-funded and un-reimbursed expenses for medical staff involvement and employment are a growing and unsustainable cost for Upstate hospitals.

**A Role for the Federal Government.** Hospitals are undertaking steps to tackle the physician shortage within their own organizations; however, this complex problem cannot be solved by hospitals alone. The federal government has a critical role in the funding of an adequate health care workforce, including re-defining the National Health Service Corps, broadening Health Professions Shortage Area (HPSA) definitions, and removing workforce programs from the annual appropriations process to foster stability of funding.

**A Role for New York State.** New York State invests billions of dollars through the Health Care Reform Act (HCRA) to address health care workforce issues. In order to address the physician shortage crisis in Upstate New York, the State must take an active role in the recruitment and retention of physicians by targeting existing funding for a recruitment and retention program.

### **New York State Physician Recruitment and Retention Program**

- Fund SUNY/Center for Health Workforce Studies program to develop and maintain a database on New York State physicians. (\$500,000)
- Target existing or increased Graduate Medical Education (GME) funding for identified physician shortage regions. (\$10 million)
  - Targeted Graduate Medical Education (TME) funding would be made available for residents who will commit to practicing in underserved areas as identified by SUNY data.
  - Establish incentives to ensure specialists are adequately dispersed to underserved areas of New York State.
- Fund loan forgiveness program for physicians to stay in underserved areas of New York State after their residencies. (\$5 million)
- Identify and publish best practices for recruitment and retention.
- Provide adequate funding to hospitals and clinics to address the increased cost of physician recruitment and retention. (\$5 million)
- Establish funding for regional recruitment of physicians campaign, i.e. “Come Practice in Upstate New York.” (\$1 million)