WHO WILL SAVE PRIMARY CARE?
Presented to: Mid-Atlantic Physician Recruiting Alliance

PRIMARY CARE VS. “SPECIALISTS”
WHAT’S THE DIFFERENCE?
PRIMARY CARE VS. “SPECIALISTS”

Primary care: A doctor who treats what you have

Specialist: A doctor who thinks you have what he treats

PRIMARY CARE CONSISTS OF...

Family Practice ~ Pediatrics ~ Internal Medicine
FAMILY PRACTICE

Recognized as a specialty: 1969 (the 20th specialty)

- Created to combat medical fragmentation
- Treats the whole person and the family, not the organ or system

<table>
<thead>
<tr>
<th>Total in-practice: 89,685</th>
<th>Total in-practice, CA: 8110</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Certified ……79%</td>
<td>Board Certified ……82%</td>
</tr>
<tr>
<td>IMG………………….18%</td>
<td>IMG………………….27%</td>
</tr>
<tr>
<td>Female……………32%</td>
<td>Female……………44%</td>
</tr>
<tr>
<td>55 and older………27%</td>
<td>55 and older………21%</td>
</tr>
</tbody>
</table>

Source: AMA Masterfile, 2009

INTERNAL MEDICINE

American Board of Internal Medicine Founded: 1936

- Manages multiple chronic diseases, often in a hospital setting, often treats the elderly

<table>
<thead>
<tr>
<th>Total in-practice: 106,660</th>
<th>Total in-practice, CA: 11252</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Certified………75%</td>
<td>Board Certified………74%</td>
</tr>
<tr>
<td>IMG……………………37%</td>
<td>IMG……………………34%</td>
</tr>
<tr>
<td>Female……………………33%</td>
<td>Female……………………42%</td>
</tr>
<tr>
<td>55 and older…………29%</td>
<td>55 and older…………19%</td>
</tr>
</tbody>
</table>

Source: AMA Masterfile, 2009
**PEDIATRICS**

American Board of Pediatrics Founded 1933

- Prevents and manages health problems in infants, children, teens and young adults

<table>
<thead>
<tr>
<th></th>
<th>Total in-practice: 55,314</th>
<th>Total in-practice, CA: 5651</th>
</tr>
</thead>
<tbody>
<tr>
<td>Board Certified</td>
<td>82%</td>
<td>79%</td>
</tr>
<tr>
<td>IMG</td>
<td>28%</td>
<td>27%</td>
</tr>
<tr>
<td>Female</td>
<td>54%</td>
<td>66%</td>
</tr>
<tr>
<td>55 and older</td>
<td>31%</td>
<td>20%</td>
</tr>
</tbody>
</table>

Source: AMA Masterfile, 2009

---

**THE GOOD NEWS:**

PRIMARY PHYSICIANS ARE BACK IN STYLE

---

MERRITT HAWKINS
an AMN Healthcare company

---

MERRITT HAWKINS
an AMN Healthcare company
MERRITT HAWKINS’ TOP RECRUITING ASSIGNMENTS: 2009

1. Family practice
2. Internal medicine
3. Hospitalist
4. General Surgery
5. Orthopedic Surgery
9. Pediatrics

STAFF CARE, INC. LOCUM TENENS “DAYS REQUESTED” BY SPECIALTY AREA

Primary care.............42.7%
Anesthesia................20.2%
Behavioral Health.....15.6%
Radiology...............10.6%
Surgery......................8.3%
Dentistry...............2.6%

Source: Staff Care 2009 Survey of Temporary Physician Staffing Trends
FINANCIAL IMPACT OF PRIMARY CARE PHYSICIANS

Annual Inpatient/Outpatient Revenue Generated for Affiliated Hospital

Family Practice.......$1,622,832
Internal Medicine....$1,678,341
Pediatrics...............$856,154

Source: Merritt Hawkins & Associates 2007 Survey of Physician Inpatient/Outpatient Revenue

FINANCIAL IMPACT ON A COMMUNITY OF ADDING ONE FAMILY PRACTITIONER PER YEAR

California......$985,881
Arkansas.........$845,862
Massachusetts.....$959,812
Georgia..........$1,028,774
Alabama.........$776,000

Source: Robert Graham Center for Policy Studies/American Academy of Family Practice
PRIMARY CARE PHYSICIANS: FROM "AFTER THOUGHTS" TO HEROES

(HERE THEY COME TO SAVE THE DAY!)

They are the key to....
• Prevention
• Coordination of care
• Holistic care
• Information technology

THEY WILL SOLVE THE COST/QUALITY CONUNDRUM

THE BAD NEWS:

PRIMARY CARE PHYSICIANS ARE AN ENDANGERED SPECIES
FAMILY PRACTICE: A JOB “AMERICANS JUST WON’T DO?”

In 2007, over 50% of first-year FP residents were international medical graduates (IMGs)

16% of FP residency slots went unfilled (By contrast: 100% of orthopedic surgery openings were filled)

An American Academy of Family Practice 2004 report warns “primary care will cease to exist in 20 years” if changes are not made.

Source: National Resident Matching Program

NO MORE INTERNISTS?

JAMA reports in September, 2008 only 2% of medical graduates plan to become general internists.

In 2007, 43% of first year internists were IMGs.

In 2006, American College of Physicians issues an Alert: “primary care, the backbone of the nation’s healthcare system, is at grave risk of collapse.”

ONE KEY TO THE SHORTAGE:

THE PRIMARY CARE GIVER
OF TOMORROW IS A
WOMAN

% of medical residents who are female:

Family practice........47%
Pediatrics.................65%
Internal medicine....40%
OBGYN.....................68%

Source: Association of American Medical Colleges

THE NUMBER OF RESIDENTS CHOOSING PRIMARY CARE HAS DECLINED BY 60% in the LAST TEN YEARS

- 60%

Source: Newsweek, 9/12/08
MEDICAL STUDENTS ARE TAKING THE ROAD TO SUCCESS

Radiology
Ophthalmology
Anesthesiology
Dermatology

WHAT’S UNDERMINING INTEREST IN PRIMARY CARE?

In 2008, some 9,000 primary care physicians responded to a survey Merritt Hawkins & Associates conducted on behalf of the Physicians Foundation to find out.
OVER THE LAST FIVE YEARS, THE PRACTICE OF MEDICINE HAS BECOME...

More satisfying........5.6%
Less satisfying.......78.06%
No change.............16.34%


WHAT DO YOU FIND UNSATISFYING ABOUT MEDICAL PRACTICE?

Reimbursement.........................90%
Government regulations..............89%
Malpractice/defensive medicine...88%
Managed care............................88%
Long hours..............................84%
Running a practice....................77%
Lack of clinical autonomy............72%

PAY RATES/ PRIMARY CARE VS. SPECIALISTS

<table>
<thead>
<tr>
<th>Specialty</th>
<th>Average income offer</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family practice</td>
<td>$173,000</td>
</tr>
<tr>
<td>Internal medicine</td>
<td>$186,000</td>
</tr>
<tr>
<td>Pediatrics</td>
<td>$171,000</td>
</tr>
<tr>
<td>Orthopedic Surgery</td>
<td>$481,000</td>
</tr>
<tr>
<td>Cardiology</td>
<td>$419,000</td>
</tr>
<tr>
<td>Urology</td>
<td>$401,000</td>
</tr>
<tr>
<td>Anesthesiology</td>
<td>$344,000</td>
</tr>
<tr>
<td>Radiology</td>
<td>$391,000</td>
</tr>
<tr>
<td>Gastroenterology</td>
<td>$393,000</td>
</tr>
</tbody>
</table>


COMPENSATION

**Family Practice**

- American Medical Group Association (AMGA)…………………………..$212,032
- Hospital & Healthcare Compensation Service (HHCS) ...............$191,612
- Sullivan Cotter & Associates……………………………………..$189,907
- Medical Group Management Association (MGMA)………………..$181,944
- Merritt Hawkins …………………………………………………..$173,000
- Hay Group…………………………………………………………..$172,500

Source: Merritt Hawkins & Associates 2009 Compilation of Physician Compensation Surveys
### Internal Medicine

<table>
<thead>
<tr>
<th>Organization</th>
<th>Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Medical Group Association (AMGA)</td>
<td>$222,377</td>
</tr>
<tr>
<td>Hospital &amp; Healthcare Compensation Service (HHCS)</td>
<td>$214,928</td>
</tr>
<tr>
<td>Sullivan Cotter &amp; Associates</td>
<td>$195,743</td>
</tr>
<tr>
<td>Medical Group Management Association (MGMA)</td>
<td>$191,221</td>
</tr>
<tr>
<td>Merritt Hawkins</td>
<td>$186,000</td>
</tr>
<tr>
<td>Hay Group</td>
<td>$183,500</td>
</tr>
</tbody>
</table>

Source: Merritt Hawkins & Associates 2009 Compilation of Physician Compensation Surveys

### Pediatrics

<table>
<thead>
<tr>
<th>Organization</th>
<th>Compensation</th>
</tr>
</thead>
<tbody>
<tr>
<td>American Medical Group Association (AMGA)</td>
<td>$217,000</td>
</tr>
<tr>
<td>Hospital &amp; Healthcare Compensation Service (HHCS)</td>
<td>$208,814</td>
</tr>
<tr>
<td>Sullivan Cotter &amp; Associates</td>
<td>$186,641</td>
</tr>
<tr>
<td>Medical Group Management Association (MGMA)</td>
<td>$182,052</td>
</tr>
<tr>
<td>Merritt Hawkins</td>
<td>$171,000</td>
</tr>
<tr>
<td>Hay Group</td>
<td>NA</td>
</tr>
</tbody>
</table>

Source: Merritt Hawkins & Associates 2009 Compilation of Physician Compensation Surveys
“RELATIVE VALUE” IS PLACED ON PROCEDURES

- Placing a coronary artery stent... 24 RVUs
- 1 hour of diagnosis... 2.5 RVUs

MEDICARE TAKES AMA’s LEAD

Relative Value Scale Update Committee (RUC)

Only 3 of 29 members represent primary care
REAL INCOME FOR PRIMARY CARE DOCTORS DECREASED BY 10% FROM 1995-2003

-have cost/reimbursement issues or time issues compelled you to...

CLOSE YOUR PRACTICE TO ANY CATEGORY OF PATIENT?

Yes....53%

No.....47%

IF YES, WHICH TYPES?

Medicaid...........34%
Some HMO...........30%
Indigent...........16%
Medicare...........12%

Source: The Physicians' Perspective, Medical Practice in 2008, conducted by Merritt Hawkins & Associates for the Physicians' Foundation

ESTIMATE THE AMOUNT OF UNCOMPENSATED CARE YOU PROVIDE EACH YEAR

$15,000 or less...........18%
$15,001 to $25,000...16%
$25,001 to $35,000...11%
$35,001 to $50,000...15%
$50,001 or more........40%

Source: The Physicians' Perspective, Medical Practice in 2008, conducted by Merritt Hawkins & Associates for the Physicians' Foundation
WHICH MOST ACCURATELY DESCRIBES YOUR CURRENT PRACTICE?

At full capacity..............................45%
Overextended and overworked...32%
Able to see more patients...........23%

Source: The Physicians’ Perspective, Medical Practice in 2008, conducted by Merritt Hawkins & Associates for the Physicians’ Foundation

IF I HAD MY CAREER TO DO OVER AGAIN, I WOULD...

Choose to be a surgical/diagnostic specialist...41%
Choose not to be a physician.....................26%
Choose to be a non-clinical physician..........4%
Choose to be a primary care doctor.........27%

Source: The Physicians’ Perspective, Medical Practice in 2008, conducted by Merritt Hawkins & Associates for the Physicians’ Foundation
WOULD YOU RECOMMEND A MEDICAL CAREER TO YOUNG PEOPLE?

Yes...40%

No....60%


THE SHORTAGE IS NOT CONFINED TO PRIMARY CARE

WE HAVE BEEN PRODUCING THE SAME NUMBER OF PHYSICIANS SINCE 1980

(About 24,000 a year)
RESIDENCY CHOKING POINT

Medical School Enrollment: 17,000+ and growing

+ 7,000 International Medical Graduates

Residency: 24,000 and stagnant

In practice: Negative growth by 2016

Source: MGT of America

MEANWHILE, THE EARTH STOOD STILL

Well, not quite...
50 MILLION PATIENTS ADDED

75 MILLION BABY BOOMERS BEGIN TURNING 65 in 2011
By 2030, the entire country will be as old, on average, as Florida is now.

Source: U.S. Census Bureau

An Old Problem – Misdistribution

As of March 31, 2009 there are 6,080 Primary Care Health Professional Shortages Areas (HPSAs) with 65 million people living in them.

17,000 practitioners needed to address these shortages

Source: Bureau of Health Professions
**An Old Problem – Misdistribution**

**4,091 Dental HPSAs with 49 million people**
10,000 practitioners needed

**3,132 Mental Health HPSAs with 80 million people living in them**
5,352 practitioners needed

Source: Bureau of Health Professions

---

**A GROWING GAP**

The Coming Gap Between Physician Supply & Demand (2020)

**Demand**
1.1 Million

**Supply**
0.9 Million
PROJECTED SHORTAGE OF PHYSICIANS BY SPECIALTY BY 2025

Primary care............37%
Surgery....................33%
Other patient care....23%
Medical specialties.... 7%

Source: Association of American Medical Colleges/Modern Healthcare/December 1, 2008

MEANWHILE, HERE COMES HEALTH CARE REFORM...

THE GOAL:
EXPAND ACCESS
HOW MANY MORE PCs?

Total additional primary care doctors needed if universal access achieved

35,000

(at a cost of $9 billion a year)

Source: The Lewin Group

WE HAVE SEEN THIS MOVIE BEFORE
**A TEST CASE: MASSACHUSETTS**

340,000 of the state’s 600,000 uninsured gained coverage

**RESULT:**

*New York Times, April 4, 2008

---

**WE HATE TO SAY “I TOLD YOU SO,” BUT...**

“**WITHOUT MORE DOCTORS, UNIVERSALAccess IS A MOOT POINT,”**

By Joseph Hawkins
HealthWeek,
May 20, 1991
SO HOW DO WE GROW THE NUMBER OF PRIMARY CARE DOCTORS...

...SO ACCESS IS ENHANCED, QUALITY IMPROVES, COSTS GO DOWN AND HEALTHCARE IS SAVED?

FIRST, THERE ARE NO “BAD GUYS”

Specialists are not the problem. In fact, we need more of them.

WE HAVE TO LOOK AT THE BIG PICTURE.
### CUTTING SPECIALISTS

**July, 2009:**
CMS proposed cutting reimbursement to specialists up to 30% and increasing reimbursement to IMs, FPs, GPs, and Geriatricians 6% to 8%.

### SPECIALISTS SHORTAGE

15 specialty societies have released reports projecting shortages in their specialties including:

<table>
<thead>
<tr>
<th>Cardiology</th>
<th>Psychiatry</th>
</tr>
</thead>
<tbody>
<tr>
<td>Geriatrics</td>
<td>General Surgery</td>
</tr>
<tr>
<td>Pediatric subspecialties</td>
<td>Dermatology</td>
</tr>
<tr>
<td>Emergency Medicine</td>
<td>Neurosurgery</td>
</tr>
<tr>
<td>Oncology</td>
<td></td>
</tr>
</tbody>
</table>
RETHINK GME

Incentives needed to reshape residency programs to meet our needs in Primary Care, Geriatrics, General Surgery, Psychiatry

WITHOUT ROBBING PETER TO PAY PAUL

- Loan forgiveness to medical students
- Grants to build primary care programs
- Focus on community health center/alternative campus residencies

TEXAS STEPS UP – June 29th, 2009

$160,000 in Loan repayment for 4 years in a HPSA

<table>
<thead>
<tr>
<th>Year</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Year 1</td>
<td>$25,000</td>
</tr>
<tr>
<td>Year 2</td>
<td>$35,000</td>
</tr>
<tr>
<td>Year 3</td>
<td>$45,000</td>
</tr>
<tr>
<td>Year 4</td>
<td>$55,000</td>
</tr>
</tbody>
</table>

Source: Texas Academy of Family Physicians
DEVELOP A NATIONAL COMMISSION TO ALLOCATE RESIDENCY POSITIONS AMONG SPECIALTIES, AS WAS PROPOSED IN 1994 BY THE PHYSICIAN PAYMENT REVIEW COMMISSION

REMOVE THE CAP ON GME FUNDING

New Bill to boost residency slots introduced, May 2009

Senator Bill Nelson (D-FL), Congressman Joseph Crowley (D-NY) introduce bill to increase residency positions by 15%.

Council on Physician and Nurse Supply recommends 30% increase (7,000 more graduates per year)
Increasing acuity demands a system driven by M.D.s

A NEW WORKFORCE PARADIGM
THE "CONE OF COMPLEXITY"

- Medical specialists
- Primary care physicians
- Pharmacists
- Advanced practice Nurses/PAs
- Nurse specialists
- Therapists
- LPNs
- Nurses aides
MOST IMPORTANT

BRIDGE THE INCOME/PRESTIGE GAP

Relative to surgical and diagnostic specialists, which best describes primary care physicians in the medical hierarchy?

<table>
<thead>
<tr>
<th></th>
<th>Top Dogs</th>
<th>Equal partners</th>
<th>Junior Partners</th>
<th>2nd Class Citizens</th>
<th>NA</th>
</tr>
</thead>
<tbody>
<tr>
<td>Percentage</td>
<td>3%</td>
<td>14.7%</td>
<td>31.4%</td>
<td>53.6%</td>
<td>1%</td>
</tr>
</tbody>
</table>

CAN THE MEDICAL HOME SAVE PRIMARY CARE?

**Medical home:** A data-driven delivery model in which a primary care physician, working closely with the patient, leads a team of specialists and other healthcare professionals, who provide for or facilitate all the patient’s needs.
UNFORTUNATELY, THE MEDICAL HOME RESTS ON A SHAKY FOUNDATION

Team Leadership + Prevention + Education = Physician time

REMEMBER OUR SURVEY?

77% of PRIMARY CARE PHYSICIANS ARE AT FULL CAPACITY OR ARE OVEREXTENDED AND OVERWORKED

WHAT ABOUT “HYBRID PRACTICE?”

Dr. Charles Vargas, FP, Franklin, North Carolina

- 2.5 days charity care
- 2.5 boutique care

The “Modesto Model”
WHAT DID THE REFORM BILL SAY ABOUT WORKFORCE?

- Create a workforce advisory committee to develop national workforce strategy
- Redistribute unused residency slots, emphasize primary care
- Promote training in outpatient settings
- Move scholarships / grants to train rural, minority primary care doctors

THE ONLY SHORT-TERM FIX

Move the cap, allow more International Medical Graduates
CONCLUSION: THERE IS NO SILVER BULLET

WE MUST REFORM THE MEDICAL PRACTICE ENVIRONMENT

• One standardized insurance form for all carriers
• Tort reform
• Clinical autonomy
• Practice sharing/open access scheduling/mid-levels

AND TRAIN MORE DOCTORS

INCOME DISPARITIES CAN BE SURMOUNTED IF WE LET DOCTORS BE DOCTORS

"Something has got to be done, and urgently, to assist physicians, especially primary care physicians. The whole thing has spun out of control. I plan to retire early even though I still love seeing patients. The process has just become too burdensome."

~Family Physician, Texas

Source: The Physicians’ Perspective, Medical Practice in 2008, conducted by Merritt Hawkins & Associates for the Physicians’ Foundation
WHO WILL SAVE PRIMARY CARE?

Presented to:
Mid-Atlantic Physician Recruiting Alliance

MERRITT HAWKINS
an AMN Healthcare company