

The Physician Shortage Problem in Texas

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For years, Texas and the rest of the nation have been faced with the possibility of a severe physician shortage to treat the growing number of baby boomers.¹ Now, that fear is closer to becoming a reality when an additional estimated 32 million individuals become insured by 2019, as a result of the recently-passed health care reform legislation.² According to the American Medical Association, the nation will likely see a shortage of 125,000-160,000 physicians by 2025, most in the primary care field, and too few to keep up with the flood of newly insured patients.³ In Texas, the population is outpacing the national growth rate resulting in an increased elderly and highest national uninsured population⁴ that is significantly affecting the central region of the state.⁵ To help combat this phenomenon, Texas legislators passed an amendment in 2009 to the state's Physician Loan Repayment Program to provide incentives to physicians who practice in medically underserved areas.⁶ At the federal level, the Patient Protection and Affordable Care Act (PPACA)⁷ includes several provisions intended to increase the needed supply of physicians and other health care workers.

The Primary Care System

Health care physicians in the primary care area generally encompass the following groups: general practitioners, general internal medicine practitioners, family physicians, and pediatricians. Other health care workers in primary care include nurse practitioners, physician assistants, and registered nurses. These groups are on the front lines of

¹ A 2006 article noted that the United States would require 39 percent more primary care physicians over the next 14 years to meet the increased demand. It also mentioned that Texas would be one of five states facing a shortage of such physicians. Medical News Today, *Physicians Group Predicts Family Doctor Shortage In At Least Five States by 2020*, Sept. 29, 2006, <http://www.medicalnewstoday.com/printerfriendlynews.php?newsid=52884>.

² See Congressional Budget Off'c, Health Care, <http://www.cbo.gov/publications/collections/health.cfm> (last accessed May 25, 2010); Am. Med. Ass'n, *Health Reform's Next Challenge: Who Will Care for the Newly Insured?*, [amednews.com](http://www.ama-assn.org/amednews/2010/04/12/prl10412.htm), Apr. 12, 2010, <http://www.ama-assn.org/amednews/2010/04/12/prl10412.htm>.

³ Am. Med. Ass'n, *Health Reform's Next Challenge: Who Will Care for the Newly Insured?*, [amednews.com](http://www.ama-assn.org/amednews/2010/04/12/prl10412.htm), Apr. 12, 2010, <http://www.ama-assn.org/amednews/2010/04/12/prl10412.htm>.

⁴ A Gallup Poll, Elizabeth Mendes, *Uninsured: Highest Percentage in Texas, Lowest in Mass.*, Aug. 19, 2009, <http://www.gallup.com/poll/122387/uninsured-highest-percentage-texas-lowest-mass.aspx>.

⁵ See KXAN.com, *Severe Doctor Shortage Hits Central TX*, Mar. 27, 2009, http://www.kxan.com/dpp/news/local/severe_doctor_shortage_hits_central_tx.

⁶ See Bill Analysis for H.B. 2154, 81st Reg. Sess. (Tex. 2009), <http://www.legis.state.tx.us/tlodocs/81R/analysis/html/HB02154S.htm>; Texas Insider, *Governor Perry Signs Historic Physician Loan Repayment Bill*, June 18, 2009, <http://www.texasinsider.org/?p=10866&print=1>.

⁷ The Patient Protection and Affordable Care Act, Pub. L. 11-148, 124 Stat. 119 (Mar. 23, 2010) as amended by The Health Care and Education Reconciliation Act, Pub. L. 111-152, 124 Stat. 1029, (Mar. 30, 2010).

providing health care to individuals on a first visit or providing basic health care over the course of their lives, as well as coordinating specialized care when needed.⁸

The shortage of these health care workers is due, in part, to the existing fee-for-service payment system that compensates physicians based on the volume of care provided rather than compensating for counseling, diagnosis, or dispensing prescriptions.⁹ Because primary care physicians rarely perform many intrusive procedures, they are at the bottom of the income scale—earning roughly \$173,000 annually compared to a radiologist (\$391,000 annually) or cardiologist (\$419,000 annually).¹⁰ One study on physician fees noted that they essentially remained the same between 1989 and 1995.¹¹ However, from 1995 to 2006, such fees were 25 percent lower than their inflation-adjusted levels from a decade earlier.¹² Additionally, the number of hours primary care physicians worked declined from nearly 57 hours per week to 51 hours. Ultimately, this results in a primary care physician working more hours to achieve a desired income. Many such physicians are simply finding the minimal extra income not to be worth it. In addition to the relatively lower pay that primary care physicians receive, they are more often than not paying down large sums of money in student loans.¹³

Texas' Physician Shortage

Two years ago, Texas had approximately 43,000 physicians engaged in patient care for a population of nearly 23 million.¹⁴ Last year, the Texas Academy of Family Physicians noted that while the national average for direct care physicians is 200 to every 100,000, Texas averages only 157 for every 100,000 individuals.¹⁵ Additionally, the director of the U.S. Census Bureau predicts that by the year 2040, there will be more than 50 million people in the state.¹⁶ In primary care, 114 Texas counties are considered full primary care health professional shortage areas and 47 counties are considered partial shortage areas.¹⁷ There are 25 Texas counties that currently do not have any physicians.¹⁸ This perfect storm of a state increase in overall population, expansive rural regions, and a growing elderly and uninsured population will result in a significant shortage of primary

⁸ The Henry J. Kaiser Family Found'n, *Primary Care Shortage: Background Brief*, Aug. 2009, http://www.kaiseredu.org/topics_im.asp?imID=1&id=1032.

⁹ *Id.*

¹⁰ *Id.*

¹¹ See Dan Bowman, *Physician Shortage Could Worsen if Decline in Fees, Hours Worked, Continues*, FierceHealthcare.com, Feb. 24, 2010, <http://www.fiercehealthcare.com/story/physician-shortage-could-worsen-if-trends-fees-hours-worked-continue/2010-02-24>.

¹² *Id.*

¹³ Medical students often shoulder between \$100,00 and \$150,000 worth of student loan debt upon graduation. See *Primary Care Shortage: Background Brief*, *supra* note 8; Parija B. Kavilanz, *Family Doctors: An Endangered Breed*, CNNMoney.com, (July 18, 2009), http://money.cnn.com/2009/07/16/news/economy/healthcare_doctors_shortage/?postversion=2009071610.

¹⁴ See Tex. Med. Ass'n, *Why Texas Needs More Physicians*, Jan. 25, 2007, <http://www.texmed.org/Template.aspx?id=5427>.

¹⁵ Kate McCann, *A Matter of Supply and Demand*, 59:3 TEX. FAMILY PHYSICIAN, (Summer 2008), <http://www.tafp.org/news/TFP/08No3/cover.asp>.

¹⁶ *Id.*

¹⁷ *Id.*

¹⁸ *Id.*

care physicians that cannot be met at the current rate of graduating physicians entering into primary care practice.

In an innovative approach to deal with this issue, Texas Tech University Health Science Center recently announced that it will begin offering a three-year medical degree at half the cost of a standard four-year program.¹⁹ The nationally accredited program Family Medicine Accelerated Track (FMAT) will satisfy all medical school requirements and will include a family medicine clerkship that spans the medical student's entire second year.²⁰

Additionally, members of the Texas Legislature responded to this issue during the most recent legislative session when it passed a significant amendment to the Physician Education Loan Repayment Program.

Texas' Physician Loan Repayment Program

In June 2009, Texas House Bill 2154 was signed into law by Governor Rick Perry strengthening the state's Physician Education Loan Repayment Program.²¹ The legislation is designed to bring physicians into medically underserved areas of the state and also to provide a cut in the franchise tax for approximately 40,000 small businesses.²² More specifically, the measure will seek to attract more than 225 physicians annually to the state's Health Professional Shortage Areas and will fund a loan repayment program for doctors practicing in those rural areas.²³ Within four years, Tom Banning, chief executive officer of the Texas Academy of Family Physicians expects the state to have 900 new physicians serving rural areas due to repayment program.²⁴

Health Care Reform Workforce Provisions

While it is arguable that any aggressive legislative action to control a shortage of physicians may need to occur at the state level, several provisions of the Patient Protection and Affordable Care Act (PPACA) include efforts to address the problem.²⁵ These provisions are intended to: (1) improve access by increasing the supply of needed health workers, primary care physicians in particular; (2) increase efficiency and

¹⁹ See Dan Bowman, *Primary Care Physician Shortage: Texas Tech University Health Sciences Center Has the Solution*, FierceHealthcare.com, Mar. 25, 2010, <http://www.fiercehealthcare.com/node/40279/print>.

²⁰ *Id.*

²¹ H.B. 2154, 81st Reg. Sess. (Tex. 2009).

²² See Health Access for Texas, *Texas Legislature Gives Final Approval to Historic Doctor Shortage Bill*, May 29, 2009, <http://healthaccessfortexas.org/news-releases/texas-legislature-gives-final-approval-to-historic-doctor-shortage-bill/>.

²³ *Id.* H.B. 2154, 81st Reg. Sess. (Tex. 2009); Texas Insider, *Governor Perry Signs Historic Physician Loan Repayment Bill*, June 18, 2009, <http://www.texasinsider.org/?p=10866&print=1>.

²⁴ Texas Insider, *Governor Perry Signs Historic Physician Loan Repayment Bill*, June 18, 2009, <http://www.texasinsider.org/?p=10866&print=1>.

²⁵ The Patient Protection and Affordable Care Act, Pub. L. 11-148, 124 Stat. 119 (Mar. 23, 2010) as amended by The Health Care and Education Reconciliation Act, Pub. L. 111-152, 124 Stat. 1029, (Mar. 30, 2010).

effectiveness by encouraging systems redesign; (3) address problems of distribution of health care workers; and (4) improve education and training to improve quality of care delivered. A summary of the pertinent provisions include:

- a 10 percent Medicare pay bump from 2011 to 2015 for certain services provided by primary care physicians and general surgeons working in health professional shortage areas;
- a Medicaid primary care pay increase to match Medicare levels in 2013 and 2014;
- \$1.5 billion in mandatory spending for the National Health Service Corps to increase the number of primary care physicians to practice in health shortage areas;
- redistributing unused Medicare-funded residency slots to programs that agree to train more primary care physicians and general surgeons;
- promoting training in outpatient settings where most primary care is delivered;
- improving upon grants, scholarships, and loan repayment programs in the primary care, dentistry, nursing, and mental health fields; and
- establishing a national work force commission to coordinate and implement work force planning and analysis.²⁶

Most recently, Department of Health and Human Services Secretary Kathleen Sebelius announced that the government would begin spending \$250 million as a first step to increase the number of physicians, nurses, and other health care providers.²⁷ The money includes \$168 million to train 500 new primary-care physicians over the next five years, \$30 million to encourage 600 nursing students to attend school full-time, and \$32 million to create 600 new physician assistants.²⁸

Conclusion

The United States currently has approximately 353,000 primary care physicians.²⁹ According to the Association of American Medical Colleges an estimated 45,000 more will be required by 2020. However, the number of medical school graduates entering the primary care field fell more than 25 percent between 2002 and 2007. A shortage of these physicians could result in patients traveling further and waiting longer for appointments, more utilization of emergency rooms for basic care, and delays in those seeking treatment because access to care is limited.³⁰

²⁶ *Id.* Am. Med. Ass'n, *Health Reform's Next Challenge: Who Will Care for the Newly Insured?*, *amednews.com*, Apr. 12, 2010, <http://www.ama-assn.org/amednews/2010/04/12/pr110412.htm>.

²⁷ Darryl Fears, *HHS to Spend \$250 million to Increase Number of Primary-Care Providers*, *WASH. POST*, June 17, 2002, <http://www.washingtonpost.com/wp-dyn/content/article/2010/06/16/AR2010061604528.html>.

²⁸ *Id.*

²⁹ Nat'l Center for Policy Analysis, *Medical Schools Can't Keep Up*, Apr. 14, 2010, http://www.ncpa.org/sub/dpd/index.php?Article_ID=19219; Suzanne Sataline and Shirley S. Wang, *Medical Schools Can't Keep Up*, *WALL ST. J.*, (Apr. 14, 2010), <http://online.wsj.com/article/SB10001424052702304506904575180331528424238.html>.

³⁰ *See* Ass'n of Am. Med. Colleges, *The Physician Shortage and Health Care Reform*, <http://www.aamc.org/newsroom/presskits/physicianshortagefs.pdf> (last accessed May 28, 2010).

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