

**A Diagnosis for Disaster:
Physician Shortages in the United States &
Why You Should Care about Health Care Reform**

The idea of health care reform did not start with the 2008 election of Barack Obama as President of the United States. In fact, many Americans may be surprised to learn the debate surrounding national health insurance and/or universal health care dates as far back as 1912 with Theodore Roosevelt, a member of the Progressive Party, and his presidential campaign.¹ In recent years, health care reform advocates and legislators such as the late Ted Kennedy and former President Bill Clinton have been discussing the need to overhaul the system with limited success. The idea is one that has always faced tough criticism and hard lobbying from dozens of parties including health care providers, insurance companies, and of course the general public. With the debate ranging hotly for so many years with very little progress or consensus, it is easy to understand why many people in the United States have grown tired of the topic and stopped listening. However, not listening and not caring could be one of the biggest mistakes of our time. Why? Because the health care debate has largely ignored increasing the supply of health care workers in the United States and the shortages of physicians in particular is predicted to reach levels that may make it impossible for even those with private insurance to obtain the primary and specialized care that they want and need. Continuing to discuss health care reform without examining ways to add physicians and other health care workers into the system is most certainly a diagnosis for disaster in the United States.

How did we get here? According to the Association of American Medical Colleges ("AAMC") Center for Workforce Studies our current physician shortage is related to historical medical school enrollment patterns.² Medical school enrollment reached a peak in the 1960's and 1970's due in part to Federal government funding that expanded medical schools and allowed a large college-educated "baby boomer" generation to pursue healthcare careers as physicians. For the first time many of these students were women and minorities (as opposed to mostly white males) that would have been previously limited to nursing or other healthcare support positions. Fearing that the workforce would be over saturated with practicing physicians, many schools began capping their enrollment during the 1980's and these caps have remained in place causing the supply of American-educated physicians to grow stagnant. In addition to fewer students entering graduate medical programs, in 1997 the Federal government placed limits on the number of Medicaid funded residency programs at hospitals throughout U.S.³ While Medicaid is not the only source of funding for residency programs, it is a primary contributor and hospitals desiring to train additional residents to provide direct patient care were forced to turn to other sources of funding or pay for their residents through profits. History has taught us that as funding sources (both public and private) dwindle, so do the number of residents and fewer residents means fewer licensed physicians that are able to enter the practice and provide direct patient care to the general public.

When all of these factors are combined, the picture of the American physician workforce is not one of health. Rather, it is a picture of an aging physician workforce nearing retirement, barely able to treat a growing population, with few replacements in sight. Simply put, our population growth has outpaced the number of graduating physicians in the United States each

year and a large percentage of our current workforce is about to retire. We need “ready to work” physicians and we need them fast.

The Federal government, due in large part to the efforts of Senator Kent Conrad of North Dakota, has enacted small steps over the years to address shortages including establishment of a J-1 visa waiver program which intends to relieve physician shortages in target areas. The J-1 waiver program, often referred to as the "Conrad 30 Program" dates back to 1961⁴ and in its current form, allows foreign physicians who completed residency in the United States on a J-1 visa to apply for a waiver of their two-year home residence requirement in return for providing three (3) years of service on behalf of specific Federal agencies¹ or in a medically underserved area (rural, inner city, poverty-stricken) in any of the 50 U.S. states.

Despite programs like the Conrad 30 Program that add hundreds of foreign physicians to underserved areas each year, the physician shortage continues to grow leaving many state health departments to wonder how they will be able to provide the needed services if millions of Americans that previously went without health care, due to their lack of insurance, begin to seek care on top the expected increases due to population growth and population aging. This is confirmed by the Association of American Medical Colleges which predicts that by 2025, the United States is expected to face a shortage of 124,000 - 159,000 physicians and that health care reform could increase the projected shortages by as much as 25% (155,000 - 198,750 needed physicians).⁵ A shortage of this magnitude could have a "profound impact on health care access, quality, and costs, especially for Americans who are already underserved ... Increased coverage combined with demographic changes, says [Dr. Edward] Salsbergⁱⁱ will put tremendous stress on an already broken system." Americans may be forced to wait longer, travel farther, and pay more for care that they currently receive.⁶

As many people celebrate the recent passage of H.R. 3962 in the U.S. House of Representatives, just as many others criticized the bill for going too far in some areas or not addressing critical needs in other areas like the physician shortage. In fact, the only measures within the passed bill that do address the supply of healthcare workers are found within Title II of the bill and are limited to scholarships, loan repayment incentives, and development of community based training programs (which could include residency programs) targeting physicians in areas of general internal medicine, pediatrics, and geriatrics. The bill also places significant emphasis on developing an education and training program to develop a workforce of physician assistants.⁷

What H.R. 3962 fails to explain is how the immediate physician shortage will be addressed. According to the Association of American Medical Colleges, it can take up to 14 years to educate and train a new physician.⁸ While the programs outlined in H.R. 3962 may impact the shortage over time, there is nothing that adds physicians that are currently eligible to provide direct patient care into the system. In other words, H.R. 3962 does nothing to attract and retain physicians that are ready and willing to work in the U.S., like foreign physicians.

ⁱ Department of Health & Human Services, Department of Veterans Affairs, Appalachian Regional Authority, and the Delta Regional Authority.

ⁱⁱ Dr. Edward Salsberg is the Director of the Center for Workforce Studies at the Association of American Medical Colleges.

What is lacking in terms of attracting and retaining additional "ready to work" foreign physicians may be found in a Senate Bill 628, introduced by Senator Conrad in March 2009 and currently pending before the Senate Judiciary Committee. Senate Bill 628 contains short term relief (provisions for J-1 and H-1B visa holders) and long term relief (permanent residence options for qualifying physicians). In terms of J-1 waivers, the bill eliminates the sunset date of the "Conrad 30 Program" making it a permanent part of the health care and immigration systems in the U.S. The bill also puts in place a system to increase the number of J-1 waivers available. In any year that a state uses 90% or more of their available J-1 waivers, the state would receive an additional 5 waivers in the next fiscal year. For states like California, Florida, Texas, and New York that use all of their waivers annually, this presents a monumental opportunity to fill additional vacancies in their most difficult underserved areas.

The bill also incorporates incentives for foreign physicians that entered the United States on an H-1B visa (rather than the J-1 visa). Such physicians face their own complex sets of problems including running out of H-1B time after completing their residency programs (not enough time to pursue permanent residence) and having to be counted against the annual H-1B cap if they desired to work at a for-profit hospital. The bill would allow H-1B physicians to obtain "exemptions," similar to J-1 waivers, for a commitment to work in medically underserved areas within the individual states. Upon approval of the H-1B "exemption," the foreign physician would no longer be limited to six (6) years in H-1B status thereby allowing the physician to complete the service commitment and have enough time to pursue permanent residency if so desired. For for-profit medical facilities located in underserved areas, this bill would dramatically change their ability to attract and recruit foreign physicians who normally would have declined positions because of the uncertainty of being selected in the annual H-1B visa quota (lottery system).

The most drastic change proposed by the bill is a provision that would amend INA § 201(b)(1) by exempting foreign physicians that obtained a J-1 waiver or an H-1B "exception" and completed their three (3) year term of service from the numerical limitations on immigrant visas. In layman's terms, J-1 waiver and H-1B "exempted" physicians would be immediately eligible to apply for permanent residence after completing their service requirement - they would be completely exempt from the Employment Based Preference system and the backlogs that plague foreign nationals, particularly those from India and China.

While short in length, the proposed Senate bill is a powerful piece of legislation that could immediately relieve a substantial portion of the physician shortage in the United States and continue to provide an influx of much needed workers for years to come. We should stand alongside Senator Conrad and others who advocate that the provisions of S. 628 should be included in the Senate's version of Comprehensive Health Care Reform in order to avoid the steadily growing "disease" that will soon overtake our physician workforce. No matter what happens with universal coverage and/or the "public option" we as health care consumers should be concerned with the number of physicians available to practice in the United States and urge our legislators to find measures to relieve the shortage on a short-term and long-term basis. Continuing to ignore the palliative measures suggested by health care organizations and politicians will only lead to increasingly severe symptoms and side effects that will inevitably have a fatal result.

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¹ Goodrich, Elisabeth and Sarah Anquist. A History of Health Care Reform: Nearly 100 Years of Legislative Milestones and Defeats. *The New York Times* (Jul. 19, 2009) Available online: www.nytimes.com.

² Salsburg, Edward. Physician Workforce Shortages: Implications and Issues for Academic Health Centers and Policymakers. *Academic Medicine*, vol. 81, no. 9 (Sept 2005).

³ Harris, Scott. Overview: Graduate Medical Education and Health Care Reform. Association of American Medical Colleges, *AAMC Reporter* (Jul 2009). Available online: www.aamc.org.

⁴ Aronovity, Leslie. Foreign Physicians – Data on Use of J-1 Visa Waivers Needed to Better Address Physician Shortages. United States Government Accountability Office (Nov. 2006). Available online: <http://www.gao.gov/new.items/d0752.pdf>.

⁵ Physician Shortage and Health Care Reform (Press Release), Association of American Medical Colleges, Press Release (Jul. 2009). Available online: <http://www.aamc.org/newsroom/presskits/physicianshortagefs.pdf>.

⁶ Ruiz, Rebecca. What Doctor Shortages Mean for Health Care. *Forbes Magazine* (Dec. 2, 2008). Available online: www.forbes.com.

⁷ H.R. 3962 passed by U.S. House of Representatives on November 7, 2009. Full Text of Bill available at <http://thomas.loc.gov>.

⁸ Physician Shortage and Health Care Reform (Press Release). *Supra* Note 4.