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# A Looming U.S. Doctor Shortage

By Alex Wayne

When the Affordable Care Act's insurance mandate takes effect in 2014, some 30 million newly covered patients—people generally treated in emergency rooms now—will be shopping for doctors. That's a problem because the U.S. has 15,230 fewer primary-care physicians than it needs, according to the U.S. Department of Health and Human Services.

Yet teaching hospitals aren't rushing to fill the void. The federal government foots most of the bill for residency programs—and Congress has capped enrollment at about 85,000 students for the last 15 years. “We're actually already later than we should be in addressing the issue,” says Tom Price, a Republican congressman from Georgia who's also an orthopedic surgeon.

Medical schools are pressing lawmakers to pass legislation introduced in August that would add 3,000 residencies a year through 2017. The cost to taxpayers: about \$9 billion. “It is an expense that is necessary,” says Allyson Schwartz (D-Pa.), a co-sponsor of the bill. Deficit-watching Republicans say the government should quit funding the program.

Medicare pays for more than 75 percent of doctor residencies. Atul Grover, chief public policy officer for the Washington-based Association of American Medical Colleges, says teaching hospitals pick up the tab for about 10,000 positions annually, at a cost of \$145,000 per resident. One way to lessen the burden on taxpayers would be to collect fees or taxes from insurers, Price says. That would amount to a “cost shift,” says Robert Laszewski, an insurance industry consultant in Alexandria, Va. Insurers “pass all premium taxes, state and federal, on to the customer,” he says.

The administration says taxpayers are already subsidizing doctor training too heavily. The government spent \$9.5 billion on the program in 2009, the most recent year available. That was \$3.5 billion more than what it actually cost for residencies, according to the Medicare Payment Advisory Commission, which monitors the spending.

But Washington isn't accounting for all the indirect costs associated with training, says Mike Rossi, who oversees government reimbursements at the University of Pennsylvania Health System. Of the \$120 million Medicare paid last year to support 855 Penn residents, \$96 million went toward direct expenses such as salaries; the remaining money was necessary to cover “clinical inefficiencies,” Rossi says, such as having residents perform multiple tests on a patient so they can get practice.

If funding issues aren't resolved, Grover's organization predicts the doctor shortage, including specialists, will climb to 130,000 by 2025. That may mean less preventive care and fewer hoped-for cost savings. Says Grover: “We're going to have to find ways to see more patients with fewer physicians.”

***The bottom line:*** *The U.S. is short on primary care doctors, just as 30 million people are about to acquire health insurance under Obamacare.*