

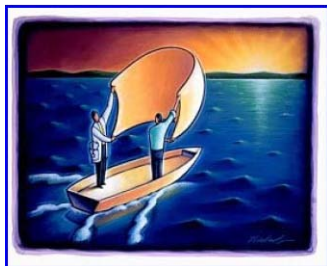
Addressing the Anticipated New Jersey Physician Shortage

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By Patricia A. Costante

In recent months, there have been several reports published that have forecasted dramatic physician shortages in New Jersey. The New Jersey Physician Workforce Task Force Report published by the New Jersey Council of Teaching Hospitals projects a shortfall of more than 2,800 physicians by the year 2020. Even more alarming is the fact that the 2009 report of the Resident Exit Survey (an annual report prepared by New Jersey Council of Teaching Hospitals) shows a precipitous decline in the number of graduating medical residents who are choosing to practice in New Jersey. In 2009, only 32% of graduating residents stated that they intended to establish a practice in New Jersey, which represents a 15 percent decline in just one year. This report indicates that the anticipated 2,800 physician shortage may be closer to 3,250.

While the recent reports from the New Jersey Council on Teaching Hospitals have brought renewed attention to the issue, the impending physician shortage is not a new concept. Since 2005, a number of reports and studies have been published by at least 29 states and the Association of American Medical Colleges that have stated that the United States will be facing a shortage of 150,000 doctors by 2025.



The anticipated physician shortage in New Jersey will likely be felt at perhaps the worst possible time, as we all start to experience the impact of President Obama's healthcare reform. Under the Patient Protection and Affordable Care Act, primary care physicians, identified as general practitioners, internists, family physicians and pediatricians, will play a significant role in coordinating the care of each of their patients, especially those with multiple chronic conditions. The New Jersey Physician Workforce Task Force has concluded that there is already a current shortage within primary care specialties. As New Jersey's insured population gets set to expand by nearly 1.3 million patients, the supply of primary care physicians will clearly be insufficient to respond to the growing

need. There are also many specialties that are predicted to have shortages, particularly neurosurgery and pediatric subspecialties.

As someone who lives in New Jersey and works closely with New Jersey physicians, I can attest to the fact that New Jersey physicians are among the best in the nation, and the quality of care that they provide to their patients is second to none. The information contained in the reports is worrisome, and has led me to think a great deal about how the looming physician shortage will impact our physicians' ability to continue to deliver the high quality of care to which we have grown accustomed.

The Impact on New Jersey Residents

When a resident decides not to practice in New Jersey, that decision is felt in a number of ways. We feel it in lost revenue. A single physician practice on average can generate \$1.5 million in direct revenue annually and approximately \$12 million indirectly by purchasing supplies, leasing office equipment and space and by hiring office staff. We will also feel it in lost jobs and lost taxes. Perhaps most importantly, the impact will be felt when we go to the doctor.

A physician shortage will affect the quality of care that New Jersey patients receive. It may mean that New Jersey patients have to wait longer and travel further for appointments, possibly leading to delayed treatment or postponed routine physician visits. While the impact of a physician shortfall will be felt by everyone, the New Jersey residents who will feel it the most are the ones that can least afford to as the effects will be felt most severely by the poor and the elderly. People between ages 65 and 80 require more medical care than any other group. With the first wave of the nation's 78 million baby boomers due to turn 65 next year, New Jersey's older population will be among the first to experience the effects of the physician shortage, a shortage that will surely worsen with time.

I am also concerned about the physicians who are currently in practice, some of whom are already carrying heavy patient loads. As they become increasingly overloaded, how many of them will choose early retirement or other career options?

Identifying Solutions and Strategies

Some of the reasons cited by respondents to the Exit Survey report for leaving New Jersey after completing medical school here include the high cost of living, the high tax burden, and the high costs associated with establishing a medical practice in New Jersey.

Obviously it would be great to throw money at the problem. But with New Jersey's budget crisis and the significant cutbacks Governor Christie is making to our educational system, it is clear that we are going to have to be more creative in our approach to the looming physician shortage. However, we must also keep in mind that other states with even smaller budgets have done much more than New Jersey to welcome young physicians to their states. They have introduced a variety of incentive programs and strategies aimed at encouraging physicians to practice in their most underserved areas.

Some of these incentives include loan repayment for physicians who agree to practice in an area for a specified period of time, visa waivers for foreign doctors, and flexible work hours for residents who are looking to balance work with life. They work to reduce the 'red tape' that physicians in direct patient care often experience. They offer better Medicaid rates, caps on pain and suffering and prompt pay laws for HMOs.

If New Jersey is going to compete with 49 other states to attract and retain new physicians, we will need to adopt some of these strategies and create some inducements of our own.

The New Jersey Physician Workforce Task Force has offered its own list of recommendations:

- Create a fellowship-training fund and physician recruitment fund targeting physicians leaving the state for additional medical training.
- Expand the current loan redemption program to target specialties with the most significant shortages.
- Establish a three-year state tax forgiveness program, practice subsidy fund, and a loan assistance program for new physicians.
- Establish "incentive grants" for medical schools and teaching hospitals that reward retention of graduates post graduation.
- Enhance state funding for medical education and postgraduate physician residency programs.
- Establish a Center for Medical and Health Workforce Planning to address, monitor and refine recommendations going forward.

While there is no magic bullet that is going to reverse the physician shortage trend in New Jersey, we have seen from other states that developing and implementing a physician-friendly strategy can be beneficial. I believe that ensuring that New Jersey patients have access to the quality healthcare they need should be a priority not only for local and state legislators; it should also be a priority for the companies and businesses that rely on New Jersey and its residents to drive their business. We all need to find ways to become healthcare advocates.

One finding that continues to stand out to me as significant from the Resident Exit Survey Report is that natives of New Jersey are by far the most likely to report plans to practice in New Jersey after completing training. Clearly, we need to do a better job of retaining our young talent in New Jersey. As part of my commitment to New Jersey's healthcare community, MDAvantage recently partnered with the Edward J. III Excellence in Medicine Foundation to introduce the Edward J. III Excellence in Medicine Scholarship Fund. Through this new fund, we have demonstrated a long-term commitment to supporting medical education in New Jersey. We were very pleased to be able to award scholarships this year to three medical students at the University of Medicine and Dentistry of New Jersey that represent the best and brightest that New Jersey has to offer. Moving forward, we look forward to expanding our scholarship program to recognize and support those New Jersey residents who have demonstrated excellence in academics and a strong commitment to the community.

Now is the time to start developing and implementing physician recruitment and retention strategies to ensure that we will be able to meet New Jersey's future healthcare needs. New Jersey's business and healthcare leaders must partner with our legislators and key policy makers to make our state a friendlier environment for our physicians. Investing in the future of our state's physicians is a long-term commitment, and we need to act immediately to create a more appealing place for physicians to open and maintain their medical practices.

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