



California and Michigan: Recent Physician Workforce Assessments

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Overview of Presentation

- National physician supply and demand
- State-level concerns
- California and Michigan physician supply and demand forecasts
- Resulting policy actions/recommendations



National Physician Supply and Demand

- *1945 – 1970s*: Concern with physician shortages; federal policies to stimulate increased supply
- *1980 – 2000*: Concern with potential surpluses and primary care/specialist mix; federal guidelines and encouragement to limit growth
- *2000 - present*: Growing concern with potential future shortages



COGME 16th Report

- January 2005
- Forecast shortage of physicians between 85,000 and 96,000 in 2020
- Recommended increase of 3,000 new medical school positions



Limitations of COGME's 16th Report

- Lack of attention to specialty-specific variations in supply and demand
- Lack of attention to regional variations in supply and demand



State-level Concerns

- California
 - University of California begins an assessment of its health professions programs
 - Had formalized the 1990s policy recommendations of the COGME
 - Unique in its health care delivery system and its population characteristics



State-level Concerns

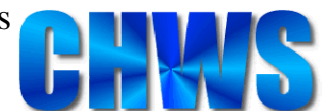
- Michigan
 - Blue Ribbon Committee on Physician Workforce forms in 2004
 - Sought to understand how the forecasts from COGME's 16th report might affect Michigan
 - Wide-ranging slate of stakeholders



California and Michigan Statistics

	California		Michigan	
	2000	2015	2002	2020
Population	34,653,395	42,370,899	10,207,421	10,695,993
% Over 65	10%	12%	12%	16%
% White, non-Hispanic	50%	42%	78%	75%
% African- American, non-Hispanic	7%	6%	14%	15%
% Asian- American	12%	14%	2%	5%
% Hispanic	31%	37%	4%	6%
% Uninsured	19%	N/A	11%	N/A

Sources: US Census Bureau, California Department of Finance, Woods & Poole Economics





Physician Workforce Forecasting

- Similar approaches
- Existing models
 - Adapted national level models
 - PSM, PDM
- Multiple scenarios
 - System-level changes
 - Practitioner-level changes



Supply Forecasting

- Multiple scenarios
 1. Baseline
 2. Reduced work hours
 3. Increased productivity
 4. Reduced work hours/Increased productivity



Selected Supply Model Parameters

	California	Michigan
Annual Entrants	1,900	923
Annual Net Migration	900	-430
Separation Rate	1.4%	1.5%



Demand Forecasting

- Multiple scenarios
 1. Baseline
 2. State economy grows
 3. Unnecessary services removed from Baseline
 4. Unnecessary services removed from Scen. 2
- Insurance environment
 1. Constant insurance environment
 2. Expanded insurance environment

California Physician Supply and Demand in 2015

Constant Insurance Environment

FTE Physician Demand per 100,000 Pop

Demand Scenarios

Supply Scenarios	FTE Physician Supply per 100,000 Pop	Demand Scenarios			
		1	2	3	4
		258.3	282.8	245.4	268.7
		Comparison of supply and demand $[(\text{Supply}-\text{Demand})/\text{Demand}]*100$ <i>Negative values denote shortages.</i>			
1	253.6	-1.8%	-10.3%	3.3%	-5.6%
2	238.4	-7.7%	-15.7%	-2.9%	-11.3%
3	266.7	3.2%	-5.7%	8.7%	-0.7%
4	249.9	-3.2%	-11.6%	1.8%	-7.0%

California Physician Supply and Demand in 2015

Expanded Insurance Environment

FTE Physician Demand per 100,000 Pop

Demand Scenarios

Supply Scenarios	FTE Physician Supply per 100,000 Pop	Demand Scenarios			
		1	2	3	4
		282.9	309.6	268.7	294.2
		Comparison of supply and demand $[(\text{Supply}-\text{Demand})/\text{Demand}]*100$ <i>Negative values denote shortages.</i>			
1	253.6	-10.3%	-18.1%	-5.6%	-13.8%
2	238.4	-15.7%	-23.0%	-11.3%	-19.0%
3	266.7	-5.7%	-13.9%	-0.7%	-9.3%
4	249.9	-11.6%	-19.3%	-7.0%	-15.0%

Michigan Physician Supply and Demand in 2020

Constant Insurance Environment

FTE Physician Demand per 100,000 Pop

Demand Scenarios

Supply Scenarios	FTE Physician Supply per 100,000 Pop	Demand Scenarios			
		1	2	3	4
		316.8	354.4	229.7	256.9
		Comparison of supply and demand $[(\text{Supply}-\text{Demand})/\text{Demand}]*100$ <i>Negative values denote shortages.</i>			
1	312.8	-1.3%	-11.7%	36.2%	21.8%
2	297.2	-6.2%	-16.1%	29.4%	15.7%
3	344.1	8.6%	-2.9%	49.8%	33.9%
4	328.5	3.7%	-7.3%	43.0%	27.9%

Michigan Physician Supply and Demand in 2020

Expanded Insurance Environment

FTE Physician Demand per 100,000 Pop

Demand Scenarios

Supply Scenarios	FTE Physician Supply per 100,000 Pop	Demand Scenarios			
		1	2	3	4
		332.1	371.6	240.8	269.4
		Comparison of supply and demand $[(\text{Supply}-\text{Demand})/\text{Demand}]*100$ <i>Negative values denote shortages.</i>			
1	312.8	-5.8%	-15.8%	29.9%	16.1%
2	297.2	-10.5%	-20.0%	23.4%	10.3%
3	344.1	3.6%	-7.4%	42.9%	27.7%
4	328.5	-1.1%	-11.6%	36.4%	21.9%



Responses to the Assessments

- California
 - University of CA Health Sciences Committee issued a report summarizing all of the workforce assessments
 - For medicine, the report recommended:
 - Increase enrollment 10% by 2008 (about 265 slots)
 - Increase residency training program enrollment by 15-20% immediately
 - Assess the feasibility of developing a new medical school before 2020



Responses to the Assessment

- Michigan
 - Blue Ribbon Committee is currently reviewing the forecasts
 - The committee has initiated a number of meetings with the state's representatives in Congress and officials in the state government
 - Working recommendations include the expansion of graduate medical education opportunities and funding in the state
 - Recognition that strategies and programs to retain physicians trained in the state need to be developed and strengthened