



Georgia Board for Physician Workforce Spotlight on Critical Issues August 2006

Achieving an optimal supply, specialty mix, and distribution of physicians requires creative strategies. The state's population is growing rapidly and only recently has Georgia seen an increase in physician supply. Within the last two years, medical schools in the state have begun to increase class size and a new osteopathic medical school opened its doors in August 2005. Additionally, the number of accredited residency training positions in Georgia has increased by 12% over the last five years.

This fact sheet highlights five critical issues and potential responses. Issues include:

- < Rising medical education debt;
- < Changes in demographics and work preferences;
- < Ongoing decline in state and federal funding for Georgia's medical education system;
- < Ability of the medical education system to respond to workforce needs; and
- < Disparities in physician specialty mix and distribution across rural and urban areas; and

Rising Medical Education Debt

The rate of tuition increase has leveled off for the 2005 academic year. Georgia medical schools reported tuition increases of approximately 2% or less for the current year, compared to double-digit increases the previous academic year. Medical students rely heavily on educational loans and help from their families to pay for medical school and related expenses.

Medical School	Total Enrollment 2005-2006	% of Students who are GA Residents	Tuition Only ¹ For Incoming Freshmen Academic Year 2005-2006
Medical College of Georgia (MCG)	711	100%	\$11,850
Morehouse School of Medicine	196	51%	\$24,000
Mercer Univ. School of Medicine ¹	239	100%	\$30,220
Emory Univ. School of Medicine	462	33%	\$36,000
Philadelphia College of Osteopathic Medicine (GA Campus) ²	84	36%	\$33,587

¹ As reported by the medical schools. Figures reflect tuition only, **EXCEPT** in the case of Mercer. Mercer University School of Medicine sets an annual rate, which includes both tuition and fees.

² Philadelphia College of Osteopathic Medicine, Georgia Campus, accepted its first medical school class in August 2005.

An annual survey conducted by the Georgia Board for Physician Workforce shows an 8% increase from 2002 to 2005 in the percentage of residency program graduates with educational debt totaling \$80,000 or more (42% versus 50%). This issue is not unique to Georgia. The Association of American Medical Colleges (AAMC) reports in its most recent AAMC Databook that the median debt of medical school graduates has increased dramatically over the last 20 years (now \$115,000 for public medical school graduates and \$150,000 for private medical school graduates).

Mounting medical education debt represents a significant financial burden. This growing burden may: discourage students from pursuing a career in medicine; lead medical students to select subspecialties with higher incomes rather than a primary care field; and/or make rural practice less attractive due to higher percentages of self-pay, Medicare, and Medicaid patients.

Changes in Physician Demographics and Work Preferences

Demographic changes and different work preferences among physicians present important challenges, which must be considered when examining the overall capacity of the physician workforce and its ability to meet the needs of the state. Reductions in physician work hours due to the pending retirement of physicians from the baby boom generation and the increasing presence of women in medicine must be recognized and anticipated.

- Research shows work habits differ across generations. Physicians in the baby boom generation have traditionally exhibited a willingness to work long hours and a tendency to give work precedence over family and quality of life issues. New physicians entering the workforce today are the opposite. They place greater emphasis on family and quality of life issues. Accordingly, a drop in average work hours is anticipated as new physicians replace retiring physicians.

Physicians by Gender		
Year	% Male	% Female
1994	83.8	16.2
1996	81.6	18.4
1998	80.0	20.0
2000	79.0	21.0
2002	79.1	20.9
2004	79.4	20.6

- Another change in the physician workforce is the increasing presence of women. This change is also anticipated to cause overall reductions in the average work provided by physicians. Research is beginning to show that the practice patterns of male and female physicians differ. Women still bear the majority of responsibility for family and home life, and therefore, female physicians tend to limit work hours or take time off to focus on

Ongoing Decline in State and Federal Funding for GA's Medical Education System

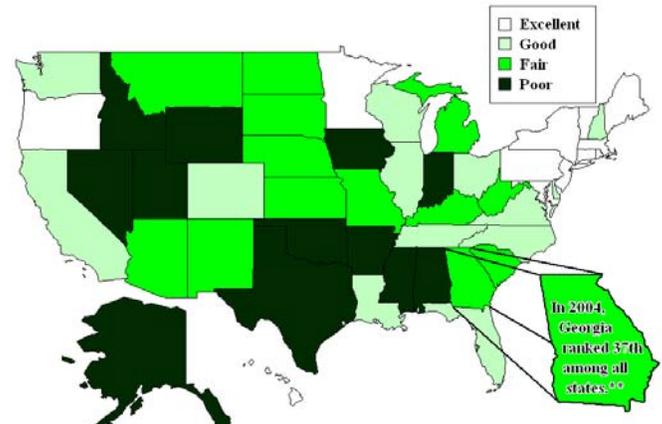
State and federal funding for medical education has steadily decreased, despite a growing and aging population. The medical education system not only trains physicians, but provides other significant contributions to the public good. For example:

- Teaching hospitals provide the majority of specialty care, trauma and emergency care, high-risk maternal/infant care, and other advanced medical services. Teaching hospitals and medical schools are also major employers and economic contributors in Georgia communities. In rural settings, each rural physician contributes 17 jobs and has a total economic impact of \$2 million to the local economy.

Ability of the Medical Education System to Respond to Workforce Needs

- Georgia ranks **9th in population**, but **37th in physician supply** (down from 35th four years ago, but up from 38th two years ago). The U.S. Census Bureau currently ranks Georgia as the 6th fastest growing state.
- The rate at which new, practicing physicians are added to Georgia's workforce rebounded slightly in 2002-2004 to 1,030 (up from 748 in 2000-2002, but still well below the peak of 1,682 in 1992-1994).
- Increasing demand for physician services, slow growth in physician supply, and changes in practice patterns are among the indicators of a developing physician shortage in Georgia.
- Georgia ranks 34th among the 46 states that have a medical school in the number of medical students per 100,000. Over the last 2-3 years, Georgia's medical schools have responded and begun to increase class sizes.
- Even counting the new osteopathic medical school, Georgia's medical student to population ratio of 19 per 100,000 is significantly below the national average of 28 per 100,000. However, as the osteopathic school builds to a total enrollment of approximately 400 students, Georgia should see its ratio improve to an estimated 22 medical students per capita.

Distribution of Physicians, U.S. 2004*
per 100,000 population



- Increasing the number of residency programs to accommodate the increase in medical school graduates is far more difficult. The largest source of funding for graduate medical education (or residency training) is the federal government, which provides funding to pay for Medicare and Medicaid's share of medical education costs. Caps have been placed on the number of residency slots the federal government will fund. Therefore, there is no incentive for existing hospitals to expand or for additional hospitals to become physician training sites.

Disparities in Specialty Mix and Distribution of Physicians: Rural Versus Urban Practice

Georgia has experienced considerable growth in most primary care specialties over the last decade; however, challenges with the geographic distribution of physicians persist. This is particularly true for Pediatrics and OB/GYN. Physician distribution remains more favorable in urban than rural parts of the state. This issue is of critical importance to Georgians, since the distribution of physicians helps determine access to healthcare.

- The rate of physicians in five core specialties varies significantly between Metropolitan Statistical Areas (MSA's) and Non-MSA's.
- For example, the rate of Pediatricians per 100,000 population is nearly five times greater in Georgia's MSA's than Non-MSA's.
- The rate and distribution of General Surgeons is also a big concern, especially as it relates to trauma care availability.

Georgia Physician Workforce 2004 Selected Specialties by MSA/ Non-MSA Designation				
Specialty	MSA		Non-MSA	
	Number	Rate*	Number	Rate*
Family Practice	1,633	18.8	660	7.6
Internal Medicine	2,122	24.4	530	6.1
Pediatrics	1,309	15.1	279	3.2
OB/GYN	934	10.8	237	2.7
General Surgery	579	6.7	154	1.8
*Rate per 100,000 population				

Potential Responses

1. Expand financial aid programs for medical students and new physicians entering practice. Focus on need-based, service cancelable scholarships at the medical school level and loan repayment programs for newly practicing physicians to help reduce the medical education debt burden.
2. Promote increased physician productivity through use of new technologies and the building of partnerships.
3. Restore funding support for medical education. State and federal financial support for medical education has decreased at a time when the population is aging, the productive capacity of the physician workforce is changing, and there is a growing demand for doctors. Between FY 2001 and FY 2005, funds provided to the GBPW to support medical education were markedly reduced as the cost of medical education rose.
4. The state must examine its strategy and make the necessary investment to not only sustain, but to expand Georgia's medical education infrastructure to meet the needs of the population.
5. Continue to expand support for programs that encourage rural practice and assist physicians in finding job opportunities in communities throughout Georgia. Explore incentives to promote medical practice in underserved areas to help ensure all Georgians have access to healthcare.

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