

# Physician Workforce Study

*Executive Summary - 2008*

*Pre-Publication Copy*



**MASSACHUSETTS  
MEDICAL SOCIETY**

*Every physician matters, each patient counts.*

# The Massachusetts Medical Society 2008 Physician Workforce Study

## Executive Summary

### I. Introduction

The Massachusetts Medical Society has studied physician labor markets in Massachusetts over a seven-year period (2002-2008). The results provide a comprehensive picture of the current and past conditions in physician labor markets in Massachusetts.

The Massachusetts Medical Society's (MMS) seventh workforce study has identified 12 physician specialties that meet the classification for critical or severe conditions\* in the labor market.

The MMS has evaluated the status of the current physician workforce through both primary and secondary research. This research included a survey of practicing physicians, presidents of medical staffs<sup>1</sup>, department chiefs in teaching hospitals, medical groups, residency and fellowship program directors, and public opinion polls.

### II. Physician Shortages

In all seven MMS surveys, neurosurgery has been classified as facing critical or severe labor market conditions. In three of the seven years, the labor market for this specialty was categorized as being in a most critical condition. Without question, this specialty continues to operate with the most stressed labor markets among those surveyed.

Five additional specialties have typically operated in very stressed labor markets: anesthesiology, cardiology, gastroenterology, general surgery, and orthopedics. Of these, anesthesiology has experienced either critical or severe labor market conditions in six of the past seven MMS surveys. Among the remaining four, labor market conditions were classified as either critical or severe in five of the seven survey years.

Two specialties, internal medicine and family medicine, face critically stressed labor markets. Over the first four survey years, labor market conditions for these specialties

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\* Specialties categorized as "severe" are experiencing a *very high* degree of stress where demand for labor exceeds supply while "critical" specialties are experiencing the *highest* possible degree of stress as established by our criteria.

<sup>1</sup> The primary purpose of surveying Medical Staff Presidents is to determine how they are meeting the unique needs of their community populations. In our survey we received 25 responses from medical staff presidents, of these 23 (92%) were operating in small- or medium-sized community hospital settings. Thus in interpreting analyses with these data, this point should be kept in mind.

were soft, but during the past three years they have turned dramatically. Both are classified as critical in 2008.

One must conclude that patient demands on these specialties have outstripped supply. Furthermore, with the continued implementation of Chapter 58, a landmark healthcare reform law establishing mandatory health insurance enrollment for all Massachusetts residents, it seems very clear that these labor markets will face even greater stress. Addressing these deteriorating physician labor markets is a policy area in which the MMS can play a key role in working collaboratively with medical schools, hospitals, employers, payers, and the state and federal government.

**Table 1**  
**Physician Specialties Classified as Facing Critical or Severe Shortages**  
**2002-2008 Survey Years**

<b>Specialty</b>	<b>2008</b>	<b>2007</b>	<b>2006</b>	<b>2005</b>	<b>2004</b>	<b>2003</b>	<b>2002</b>
Anesthesiology	--	Severe	Severe	Critical	Severe	Critical	Critical
Cardiology	--	Critical	--	Severe	Severe	Critical	Severe
Dermatology*	Severe	*	*	*	*	*	*
Emergency Medicine	Severe	--	Severe	--	--	--	Severe
Family Medicine	Critical	Severe	Severe	--	--	--	--
Gastroenterology	--	Severe	Severe	Severe	--	Critical	Severe
General Surgery	Severe	--	Severe	Severe	Severe	Severe	--
Internal Medicine	Critical	Critical	Critical	--	--	--	--
Neurology*	Severe	*	*	*	*	*	*
Neurosurgery	Severe	Critical	Severe	Severe	Critical	Critical	Severe
OB/GYN	--	--	--	--	--	--	--
Oncology*	Severe	*	*	*	*	*	*
Orthopedics	Severe	--	Severe	Severe	Severe	Severe	--
Pediatrics	--	--	--	--	--	--	--
Psychiatry	Severe	Severe	Severe	--	--	--	--
Radiology	--	--	Critical	--	Severe	Critical	Critical
Urology**	Severe	Severe	**	**	**	**	**
Vascular Surgery	Severe	Critical	Severe	--	--	Severe	--

\* 2008 data only

\*\* 2007, 2008 data only

Of the 12 specialties operating in critical or severe labor markets, four that have only recently been added to the MMS survey, dermatology, neurology, oncology and urology, satisfied the previously established criteria for tightness in their existing labor markets. Dermatology, neurology, and oncology were added to the survey this year and urology was added to the survey last year. In each of the past two survey years, urology has been operating within severe labor market conditions.

The labor market conditions for two specialties—obstetrics/gynecology (OB/GYN) and pediatrics—have behaved quite differently from all other specialties surveyed. In none

of the survey years were their labor market conditions sufficiently stressed to be categorized as critical or severe.

**Table 2**  
**Physician Specialties Categorized as Critical or Severe in 2008**

<b>Specialty</b>	<b>2008</b>
Dermatology	Severe
Emergency Medicine	Severe
<b>Family Medicine</b>	<b>Critical</b>
General Surgery	Severe
<b>Internal Medicine</b>	<b>Critical</b>
Neurology	Severe
Neurosurgery	Severe
Oncology	Severe
Orthopedics	Severe
Psychiatry	Severe
Urology	Severe
Vascular Surgery	Severe

### III. Additional Findings

#### Snapshot of 2008 Findings – Across MMS Physician Workforce Study Surveys and Opinion Polls

##### *Practicing Physicians Survey Responses*

- In 2008 more than half (55%) of practicing physicians reported that, over the past three years, the amount of time needed to recruit physicians has increased. Forty percent reported that retaining existing physician staff had become more difficult.
- The percentage of family medicine physicians who are no longer accepting new patients has steadily increased over the past three years from 25% in 2006 to 35% in 2008. Internal medicine physicians' closed new patient panels increased over the past three years as well from 31% in 2006 to 48% in 2008. These results were similar to the results from a separate poll conducted with physician offices where 42% of internists and 35% of family medicine physicians were not accepting new patients in 2008.
- Recruitment times averaged more than one year for the following specialties: internal medicine (13 months), family medicine (14.5 months), cardiology (17 months), orthopedics (17 months), general surgery (19 months), urology (21 months), neurosurgery (22 months), vascular surgery (22 months),

gastroenterology (23 months), neurology (24 months), and dermatology (26 months).

- Thirty percent (30%) of practicing physicians responded that physician supply problems have made it necessary to alter the services they provide.
- The ability of a physician to refer patients to specialists continues to be a problem with over 70% of physicians reporting difficulty.
- Roughly one-half (44%) of the physicians surveyed responded that their practice is being altered or limited because of the fear of being sued. More than half of the physicians in the following specialties said they had altered or limited their practice because of the fear of being sued: neurosurgery (76%), urology (75%), emergency medicine (66%), OB/GYN (57%), family medicine (53%), general surgery (51%), and orthopedics (51%).
- For the period 2004-2008, approximately one out of four physicians reported that professional liability fees represented over 15% of the total practice operating costs. The top five specialties reporting professional liability costs exceeding 15% of total operating costs in 2008 were: OB/GYNs (85%), neurosurgeons (60%), emergency medicine (40%), general surgeons (40%), and orthopedic surgeons (35%).
- While more than eight out of ten (83%) physicians surveyed reported that they find their medical careers either very rewarding or rewarding, forty-seven percent (47%) of physicians responded that they are very dissatisfied or dissatisfied with the current practice environment. If given the choice, only 51% of physicians would choose to practice medicine again as their profession.
- One-half (50%) of the physicians reported being very dissatisfied or dissatisfied with the number of hours they are able to spend on patient care versus administrative tasks.
- Compared to their colleagues in other states, 62% of the physician respondents rate their current income level as very uncompetitive or uncompetitive. Eighty-five percent (85%) believe that over the next five years, their salary levels will either decline or remain the same.
- Eighty-four percent (84%) of physicians are maintaining or increasing their work hours, and almost half (44%) are very dissatisfied or dissatisfied with the number of hours they work versus their ability to pursue home life.
- Forty-two percent (42%) of physicians are considering changing their profession due to the current practice environment. One in three (33%) family

medicine physicians were planning a career change, an increase over the one in four (25%) who were planning a career change in 2007. The percentage of internal medicine physicians contemplating a career change has also increased from 26% in 2007 to 29% in 2008. Percentages for these two primary care specialties were at or above the sample mean in both 2007 and 2008.

- In addition to primary care, many specialties reported percentages that were higher than the sample mean (29%) for physicians contemplating a career change in 2008. These include: emergency medicine (53%), orthopedics (48%), urology (42%), radiology (40%), neurosurgery (38%), general surgery (37%), oncology (36%), OB/GYN (32%), and dermatology (31%).
- About one-fifth (18%) of physician respondents are planning or considering a move out of Massachusetts if the practice environment does not change.

### ***Community and Teaching Hospital Survey Responses<sup>2</sup>***

- Sixty-nine percent (69%) of teaching hospitals and 96% of community hospitals are currently experiencing difficulty filling physician vacancies.
- Fifty-two percent (52%) of community hospitals reported that physician supply problems necessitated altering the provision of services, and 70% report adjusting professional staffing due to physician supply problems.
- Thirty-three percent (33%) of teaching hospitals reported physician supply problems necessitated altering the provision of services, and 49% report adjusting professional staffing patterns.
- Massachusetts employs a large number of international medical graduates (IMGs), and is highly dependent on IMGs to fill its physician labor market needs. The questionnaire used in conducting the 2008 survey of department chiefs in teaching hospitals collected information on the number of new hires by physician specialty over a six-month period (March – August 2007) and the sources of those new hires. Of these new hires, slightly more than 23% were IMGs. Reliance on these IMGs to meet the staffing needs of teaching hospitals has been rising somewhat over the past two years.
- Fifteen of the 18 physician specialties in teaching hospitals had job vacancy rates higher than the 2.9% statewide average for all job industries in 2007. These include: dermatology, vascular surgery, radiology, neurology, family

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<sup>2</sup> The primary purpose of surveying Medical Staff Presidents is to determine how they are meeting the unique needs of their community populations. In our survey we received 25 responses from medical staff presidents, of these 23 (92%) were operating in small- or medium-sized community hospital settings. Thus in interpreting the analysis with these data, this point should be kept in mind.

medicine, gastroenterology, pediatrics, emergency medicine, internal medicine, OB/GYN, urology, oncology, neurosurgery, anesthesiology, and general surgery. The 7.3% overall job vacancy rate for the 18 physician specialties included in this year's survey is 2.5 times the statewide average for all jobs and would rank among the very highest in the state for major occupational groups .

- More than half of medical staff presidents at community hospitals reported that there were shortages in internal medicine (56%). Specialties where close to half of medical staff presidents reported shortages included general surgery (48%), family medicine (44%), and psychiatry (44%).

### ***Medical Directors of Medical Groups Survey***

- About 60% of medical directors of medical groups reported the need to alter services due to physician supply problems, an increase over the 33% reported in 2006.
- Over one-half (53%) of medical directors reported that physician supply problems have made it necessary to adjust staffing patterns.
- Three-quarters of the medical directors (77%) responded that over the past three years their ability to retain their existing staff of physicians has become more difficult.

### ***Residency/Fellowship Program Directors Survey***

- Slightly more than one-half (52%) of residents pursued the next step in their medical careers outside Massachusetts.
- Residency and fellowship program directors rate salary level (6%) and the on-call work schedule (11%) as the least likely reason residents plan to begin their career in Massachusetts. Intellectual (85%) and research (85%) opportunities top the list of professional reasons residents plan to stay in the Commonwealth.

### ***Physician Office Telephone Survey***

- *Family Medicine/General Practitioner(GP)*  
Among those who are accepting new patients, the average wait time for an appointment is 36 days, similar to last year's figure of 34 days.

- *Internal Medicine*  
Among the offices accepting new patients, the average wait time for an appointment is 50 days, which is similar to last year's figure of 52 days.
- *Cardiology*  
Among offices that are taking on new patients, the average wait time is 30 days, which is similar to recent figures (29 last year and 28 percent in 2006), and is still below 34 days in 2005.
- *Gastroenterology*  
Among offices that are accepting new patients, the average wait time for an appointment is 39 days. Though this is up from 36 days last year, it is close to the figures of 2006 and 2005 (41 and 42 days, respectively).
- *Obstetrics/Gynecology*  
Among those who are accepting new patients, the average wait time for an appointment is 44 days, which is similar to 46 days last year and up from 34 and 35 days in 2006 and 2005, respectively.
- *Orthopedic Surgery*  
Among those who are accepting new patients, the average wait time for an appointment is 21 days, which has remained fairly consistent except for a small dip in 2006 (18 days).

### ***Public Opinion Telephone Survey***

- The impact of Massachusetts health care reform legislation is evident from the decrease in the number of Massachusetts residents who report being uninsured since the law was passed. Just 2% of residents report having no insurance in the 2008 study, down from 6% in 2007.
- Other survey findings, however, suggest that the impact of health care reform has not been universally positive on Bay State residents. Specifically, more residents report having difficulty obtaining the care they need (24%, up from 16% last year). The most common explanations for difficulty obtaining care are cost, long waits for appointments, and difficulty finding the right doctor or health plan.
- Cost is still the biggest health issue facing Massachusetts according to residents interviewed. Almost one-half (46%) of state residents identify cost of health care or insurance as the single most important health issue facing Massachusetts.

- For the most part, residents (88%) are satisfied with the health care they received over the past year. As has been the case in the past, residents with higher incomes and more education say they are satisfied more often than those with lower incomes and less education.
- There is strong resistance to tying insurance copayments to insurers' internal quality and cost rating---76% of residents oppose this proposal. Similar opposition was recorded last year.
- Only one-third of residents are aware that the state and insurers have started posting quality and cost information of physicians and medical groups on the Internet. Notably, two-thirds of residents indicated they will access the information next time they need to choose a physician.
- Seventy percent of residents say they are satisfied with the amount of information available regarding the quality of care provided by specific doctors and medical groups.
- As has been the case in past studies, less than one-fifth (14%) of residents favor requiring patients to pay a larger portion of their medical costs via larger co-pays and deductibles. Three-quarters are opposed to increasing co-pays and deductibles; 56% are *strongly* opposed, while 19% say they are *somewhat* opposed.

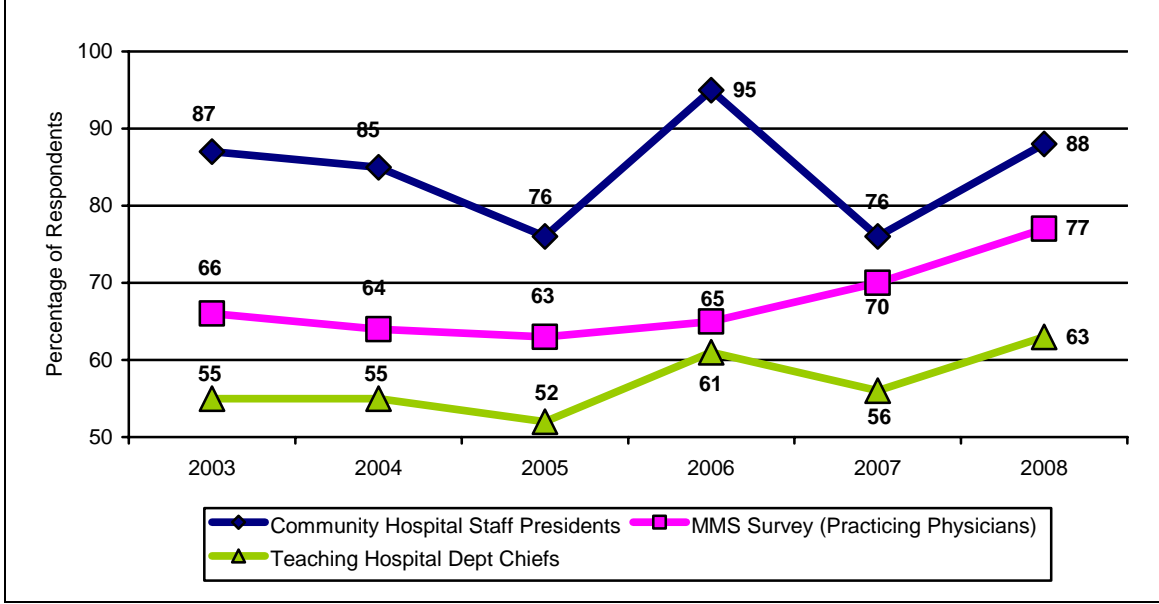
#### **IV. Evaluating Physician Recruitment**

There is considerable evidence to support the view of a seriously inadequate labor pool from which to recruit. Among established physicians, the factors include noncompetitive salaries, early retirement, dissatisfaction with the work environment, and high professional liability fees. Among physicians just beginning their medical careers, one half of the residents and fellows trained in Massachusetts medical schools prefer to pursue their careers elsewhere<sup>3</sup>.

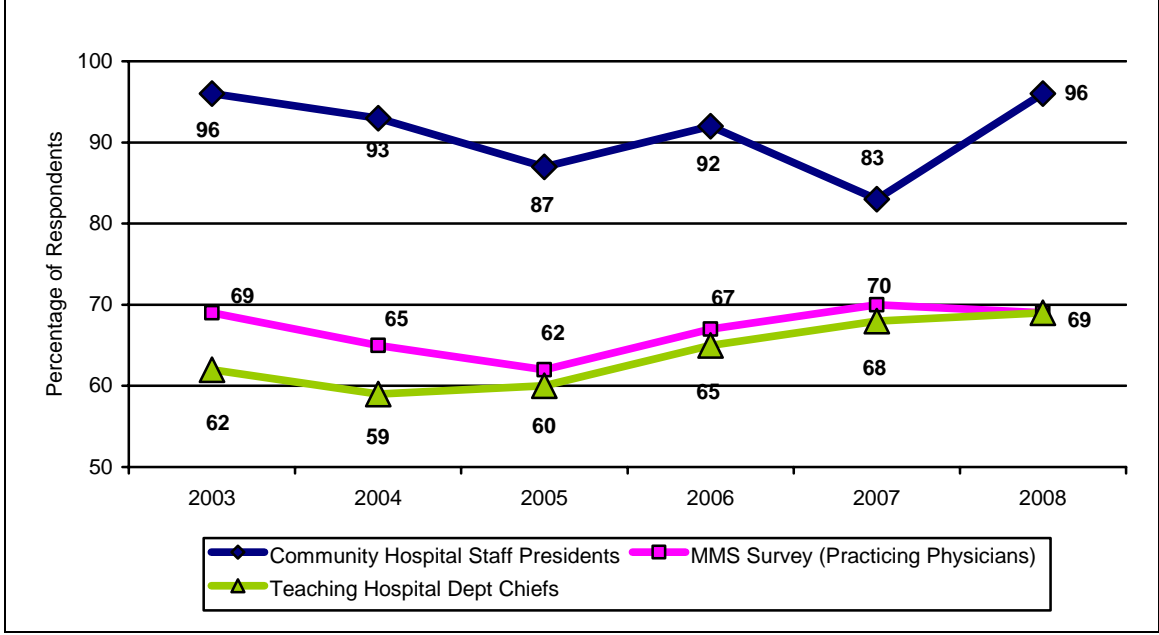
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<sup>3</sup> See analysis in section 4 of the full version of this report, *Survey Results Regarding the Opinions of Programs Directors of Residency/Fellowship Programs*.

**Chart 1: Percent Reporting that the Current Pool of Applicants is Inadequate to Fill Vacant Positions**



**Chart 2: Percent Responding That They are Experiencing Difficulties Filling Physician Vacancies**

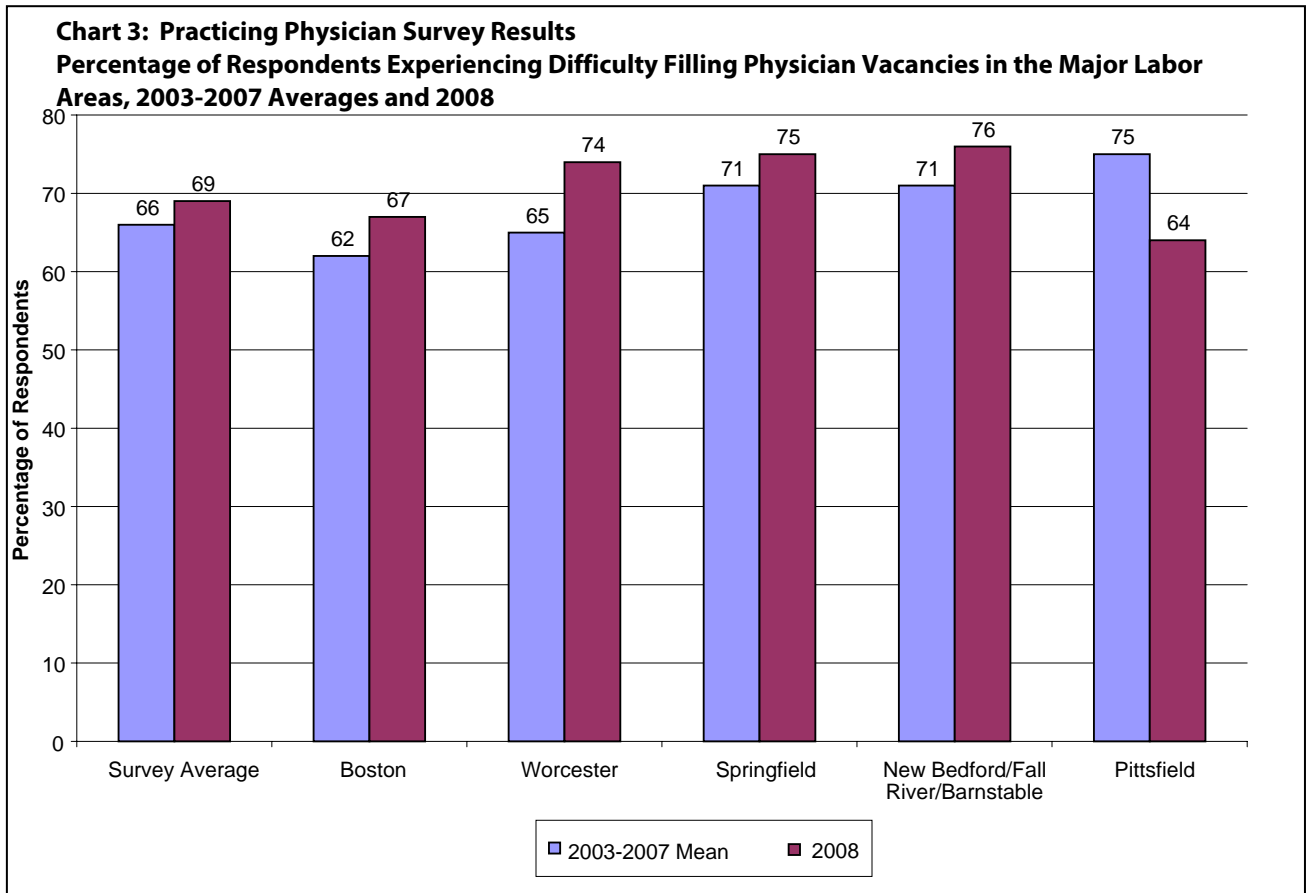


Community hospitals report that they are facing especially severe problems in terms of the inadequacy of the current pool of physicians and the degree of difficulty in recruiting physicians. Given the constant financial pressures, therefore, community hospitals find themselves confronted by competitive disadvantages.

## V. Regional Disparities across the Principal Urban Labor Markets in Massachusetts

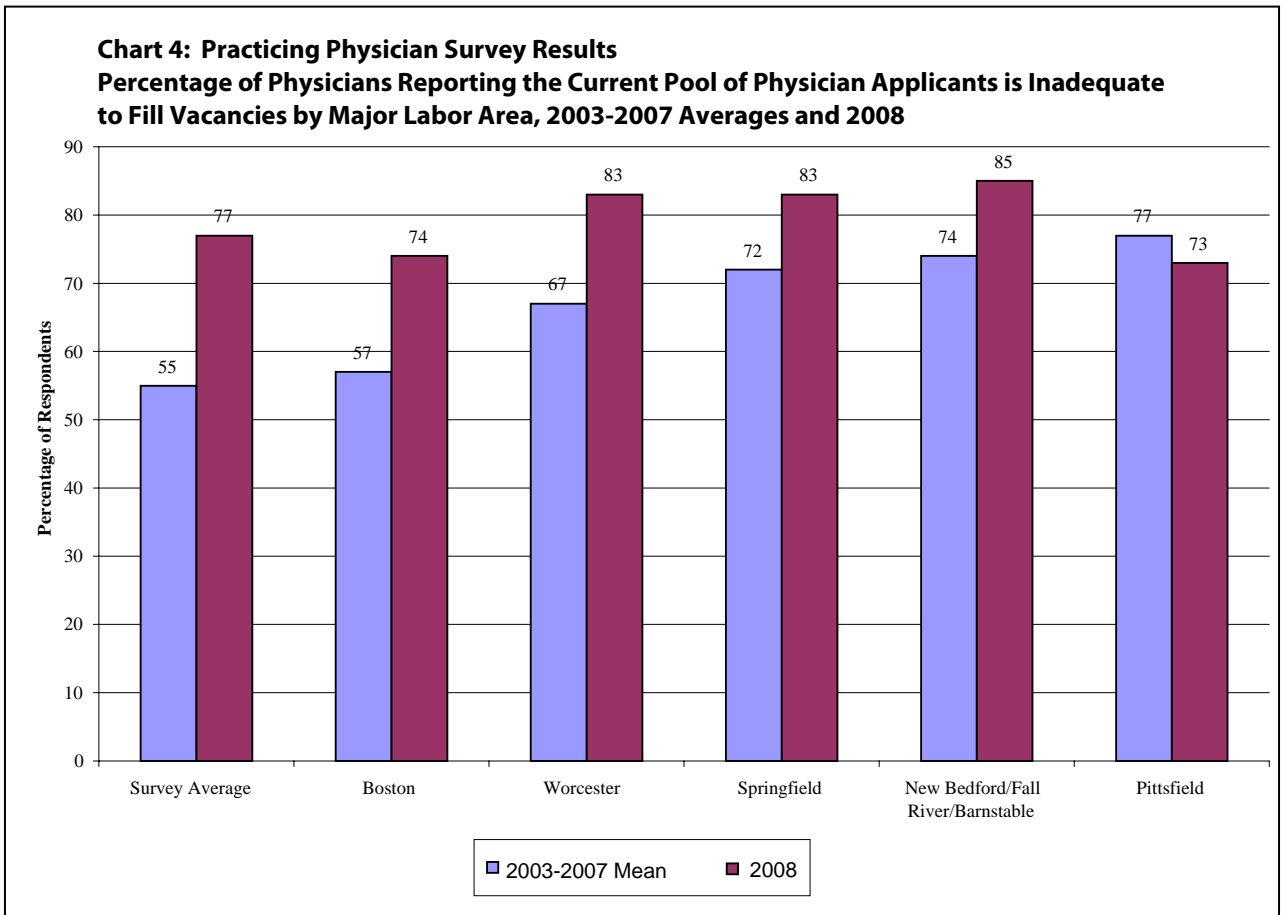
The geographic distribution of medical care facilities and health care professionals and the state of local physician labor markets clearly impact the provision of medical care. In analyzing the findings of the practicing physician surveys, we disaggregated the survey data into the following five labor market areas based on the locations of the facilities and physicians:

- Boston metropolitan area
- New Bedford/Fall River/Barnstable County (Cape Cod)
- Pittsfield (Berkshire County)
- Springfield urban area
- Worcester urban area



In 2008, difficulties in filling physician vacancies were quite severe in five labor areas. The percentage of physicians reporting difficulties in filling physician vacancies ranged from a low of 64% in Pittsfield to highs of 74 to 76% in Worcester, Springfield, and New Bedford/Fall River. The fraction of physicians reporting difficulties in filling vacancies in 2008 was above the 2003-2007 average in four of the five labor areas.

In a closely related question, the surveyed physicians were asked to indicate whether the current pool of applicants was adequate to fill existing vacancies. The percent of physicians reporting that the pool is inadequate are displayed in the following chart for each of the five local labor areas.



These survey results should be considered in relation to those shown in the preceding table. A substantial majority of the responding physicians in 2008 in each of the five urban areas reported that the current pool of applicants was inadequate to fill the existing number of vacancies. The percentage share of responding physicians reporting such an inadequate pool ranged from 73% in Pittsfield to a high of 85% in the New Bedford/Fall River/Barnstable area. In each area, except Pittsfield, the share of physicians with an inadequate pool has been rising.

## **Conclusions and Policy Considerations**

The Massachusetts Medical Society's seventh annual Physician Workforce Study again identifies serious concerns in many specialties, including primary care. The following policy recommendations address many of the key findings from the 2008 MMS Physician Workforce Study in an effort to improve the physician practice environment and reduce physician labor market shortages at a time when demand for healthcare services is on the rise in Massachusetts.

### **Physician Workforce Development and Improvement in Patient Care**

Work with stakeholders to create a practice environment that:

- Easily enables physicians to be current with technological support such as EHRs, registries and timely accurate data for improving care
- Streamlines the process for establishing a practice, including assisting those trained out of the US as appropriate,
- Reduces barriers to the recruitment and retention of physicians. This includes reducing medical debt and easing the impact of the high cost of housing.

### **Physician Practice Satisfaction and Improvement with Patient Care**

Work with stakeholders to create a practice environment that:

- Significantly reduces administrative burden allowing for more patient care
- Enables better coordination of care across specialties and between inpatient and outpatient settings
- Encourages a healthy balance of work and non-work activities, including implementation of appropriate support for practice viability and improvement to the current professional liability environment

Several researchers have outlined detailed demand-side approaches to the workforce crisis.<sup>4</sup> These can differ significantly from the supply-side priorities outlined above. While both approaches merit serious consideration, it is important to note again that the implementation of Chapter 58 and the rapid aging of the population render demand-side management extremely difficult at best. For these reasons, an approach using toolsets from both the demand side and the supply side has the highest likelihood of yielding the desired result – a physician workforce that is large enough to effectively and efficiently meet the health care needs of the population. It should be noted that Chapter 58 does try to address some of these issues. Successful implementation is critical.

While there are a number of worrisome findings in this report, we do report several positive findings. Most residents and fellows are believed to be drawn to the research opportunities in Massachusetts healthcare, and there is a favorable pull in terms of

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<sup>4</sup> Goodman DC, Fisher ES. Physician workforce crisis? Wrong diagnosis, wrong prescription. *N Engl J Med*. 2008 Apr 17;358(16):1658-61. <http://content.nejm.org/cgi/content/full/358/16/1658>

clinical opportunities. Also, the youngest physicians surveyed, (those under age 40) were the least likely to report dissatisfaction with the practice environment. Therefore, policies aimed at younger physicians and building on the unique and positive aspects of practice in Massachusetts are important to consider including outstanding teaching institutions and residency programs with the top researchers and clinicians in the country. It is important to note that despite a negative practice environment, the majority of physicians surveyed for this report still find the career of medicine rewarding. However, concerns with the balance of hours between practice and administrative duties and the tradeoffs between work and income need to be taken seriously since they have a strong independent effect on the probability of physician making a career change and moving out of state.<sup>5</sup>

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<sup>5</sup> See analysis in section 5 of the full version of this report, *A Multivariate Statistical Analysis of the Plans of Physicians to Change Careers or Relocate Outside of the State*