

Transcript Details

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Doctor Shortage: Defining the Problem

PHYSICIANS SHORTAGE IN THE UNITED STATES

Our presidential election is only days away, 48 million people in America are uninsured and healthcare costs are rising 2 to 3 times faster than our nation's GDP. Where will America's Healthcare System be in 5 years?

Welcome to ReachMD's monthly series, focused on public health policy. This month we explored many questions facing healthcare today.

It is well known that the United States spends more than 16% of the total GDP in healthcare. Yet 56 million Americans lack adequate access to a primary care provider and <____> continue to arise. According to estimates from the John D. Stoeckle Center for Primary Care Innovation, the number of Americans over age 85 is projected to increase 50% by 2010, while 83% of Americans over age 65 are now diagnosed with the chronic medical conditions. Our guest today, however, goes against the convention of wisdom that we are suffering from the shortage of doctors.

Welcome to our special segment on public health policy. I am Dr. Leslie Lundt and with me today is Dr. Richard Scheffler, he is Distinguished Professor of Health Economics and Public Policy at the University of California at Berkeley, and holds the Chair in Healthcare Markets & Consumer Welfare endowed by the Office of the Attorney General for the State of California. Dr. Scheffler is also a Director of The Global Center for Health Economics and Policy Research as well as Director of the Nicholas C. Petris Center on Health Care Markets & Consumer Welfare.

DR. LESLIE LUNDT:

Welcome to ReachMD Dr. Scheffler.

DR. RICHARD SCHEFFLER:

Happy to be here Leslie.

DR. LESLIE LUNDT:

Yeah, we keep hearing about the doctors' shortage. <_____> the problem for us?

DR. RICHARD SCHEFFLER:

Well the doctors' shortage is a very complicated concept to think about. We certainly understand that having excess to a doctor is a fundamental key to good healthcare and fundamental key to the healthcare assistance, so there is always major concern and focus to make sure that we have an adequate supply of doctors. However, some of the ways people think about it are really inappropriate and lead to really very, very false conclusions. I live in Berkley, which is of course quite near San Francisco and Berkley is famous and San Francisco was famous for lot of things, a lot of tourists, but it also has some interesting characteristics that bears on this problem. It has the highest ratio of doctors per capita for a city of size and interestingly enough, it also has the highest per capita number of restaurants, places to have a meal and so I was interested in both tracks because when I give various presentations to my students or the medical students or to the public and I say you know we might not have a kind of doctors' shortage that you are thinking about. I always get the kind of puzzled look and often get a response. It goes something like this. Professor Scheffler, how can you possibly believe that we have enough doctors, particularly primary care doctors if when I need to see a doctor, I call up on the phone and sometimes it will take me a few days or week, or in some cases with the specialist it can be 2 to 4 weeks or even 2 to 4 months, so how can you possibly say even in the Bay area in San Francisco we have enough doctors? And then of course I have a lot of friends, who are really into eating good food plus what we call of foodies; I may say the same thing. Well when I need to find a good meal I find it really difficult. So I performed the little closer experiment with my students in San Francisco. I started by having them go to a listing of the best doctors in San Francisco in a magazine called the San Francisco Magazine and it puts out a really issue of the best doctors in the Bay area and I have them start to call these doctors in various specialties and ask them how long it would take to get an appointment, an initial first appointment to see them; and what I found is that on that list the average time it would take for this highly rated top 50 doctors was 27 days, almost an entire month; and then I did the same thing with the restaurants says this guide that people use call the Zagat guide, everybody knows it and it lists the restaurants and what I had my students call up as well and say I need a table for four for a Saturday night and how soon can I get in to have a good meal with my friends. The average waiting time was 41 days, often very large. So then to compare these results, I went back to my students and I said among those doctors, open the yellow pages and look for these specialties and just call a random doctor and how long would it take to get into see a doctor and the answer that we got was in some cases "you can come in right know" or "you can come in tomorrow or within 2 or 3 days." Same thing with restaurants; when we called up and we wanted to go to an average restaurant, not one in the Zagat guide, we can get a table at the same night or certainly within 2 or 3 days.

So what is the point of the story?

The point of the story is that just because we cannot get into to see a doctor where we want or get into the best restaurant does not mean there are not enough restaurants or doctors, because everybody knows that no one would starve in San Francisco. If you need to get a meal you could find one. If you wanted to go into a top restaurant, you have to wait. So the story that really of this lesson is that what people are doing when they are saying I cannot get into see a doctor when I need one right away is they are really quality shopping lots of people who are trying to get to the better doctors they find either in these magazines or what friends and relatives tell them. So just because people cannot immediately get in to see a doctor does not mean there are not enough doctors to go around, just like there not enough restaurants to go around.

DR. LESLIE LUNDT:

Well, you have questions sort of book called is there are doctors in the house and you make the suggestions that bits against the grain that maybe we really do not need to train more physicians after all?

DR. RICHARD SCHEFFLER:

Oh! I think that is right. It is clear in the book that I detailed the tremendous growth and the supply of physicians and how important they are to the healthcare system. I do not think anybody would deny that, but how does one think about whether we have the right number? Would it matter or is it important that we have too many or too few. There are couples of ways of thinking about the right number. The one is we have to have the right number of doctors to provide access, because without doctors you really cannot get anything in the healthcare system. They are the key; they open up the doors and they are obviously in the most important part of the healthcare system, from the patient's perspective. So we have to have doctors to have access. Now the question is how quick is this access? Could it have to be immediate or we wait for services? Really for some services, emergency services, we would like to have to happen right away and for other services, it doesn't. So society has to decide what kind of access they want to provide and that is one way of thinking about whether we have the right number of doctors, quite an important way of thinking about it; and if you take a broader perspective from society, we know that healthcare for this it is not only by doctors, but of course by nurses, nurse practitioners and hundreds of thousands of other healthcare workers. And so the question is do we have enough doctors in the health workforce looking not only at doctors, but other health professionals to produce the right level of health for our population. If we have too few doctors and we do not have enough to really produce the healthcare that we want on the global level that is not the right number. So we have to make sure from that perspective that we have the right number of doctors to produce the level of healthcare that the population in our country deserves and that we want.

Now, what would happen if we have too few doctors? Now what would happen is of course there would be some queue, there would be longer waiting list; but quite frankly, the population that would suffer the most would be those who are the most disadvantaged because clearly people who are private pay patients, who have very good insurance that can pay good fees or going to have adequate access to doctors and hospitals; and the population that would not have good access, if they have to see doctors would be those either without health insurance or those on Medicaid generally pays lower fees or people who just cannot pay any of the cost at all. So that is a danger in the system because we want the system to be fair and equitable. Now if you have too many doctors, there is also a danger because doctors like anybody else do better when they practice and we know that practice makes perfect. If we have too many doctors around, doctors and surgeons in particular will not be able to practice their trade at a level that keeps their skills up and so we could get poor quality care and things could be done that would not be in the best interest of the patient because doctors also have to generate revenue to pay their bills and to have an adequate income. In addition, we know that medical education is an expensive proposition. We know that medical students graduate with 150 dollars to 2000 dollars out of debt and also an estimate that I worked on recently mentioned in my book shows that it costs society about a million dollars or more to train every doctor, that is a lot of money. So we do not want to train too many and we do not want to have too few, but getting the number right is extremely important.

DR. LESLIE LUNDT:

So Dr. Scheffler how do physician's incomes are subject near and dear to our listeners, how does that affect the doctors' supply?

DR. RICHARD SCHEFFLER:

Well physician's incomes are the key component of the doctors' supply. We know for example that physicians like anybody else will plan to economic incentives and we know that there is a greater demand for residencies or specialties that are higher paid like Surgery and Radiology. So the market signal is that when you pay more in a particular specialty, doctors necessarily gravitate to that specialty. They pick their specialty for a complicated sort of reasons and economics clearly is only one of them. They pick up particular specialty because they enjoy it, they are good at it and it is a contribution they want to make, but the economics is also a part of it. So the incomes and salaries that we pay doctors often determine or help determine the specialty makes, which is extremely important. Also we know that doctors move geographically and we continue to have a problem in row and in some inter-city areas where they do not have an adequate supply of doctors and part of the reasons for that is clear that the incomes that they can generate are just not sufficient to practice at a level that they want and to provide reasonable salaries. So we have troubles locating doctors in <____> areas. Now on the more fundamental level when you think of a college student, who is very bright and could do anything and many doctors are exactly that; they could go to dental school, they could go to law school, they could get an MBA, they could be trained to do almost anything else because doctors are some of the best and brightest we have. Well when doctors' salaries go down or a lower than other professionals, this is clearly something that I consider especially when they have lot to undergo 8 to 10 years of training and leave the training with 100

dollars or 150 thousand dollars of debt. Well we may not be getting the best and brightest people going into the medical professions as salaries decline. Now putting my head on as an economist when we see salaries decline or flat, which is basically what has happened to doctors' incomes since about the mid 90s and more recently declined in real terms and have actually gone down.

DR. LESLIE LUNDT:

That is for sure.

DR. RICHARD SCHEFFLER:

So and of course doctors know that. That is not a good thing, but it is a market signal and what we know that putting my head on as an economist is that when salaries go down of an occupation, it generally means that people aren't interested in it and that its supply is adequate. If you have a real shortage as we know of anything, the price goes up and so when the price goes down that generally indicates that we have a surplus or an adequate supply of doctors. Using economic criteria, the slump in the incomes of doctors clearly suggests that we have an adequate supply or perhaps even an oversupply.

DR. LESLIE LUNDT:

Well thank you so much for helping shed lightness on this issue today.

DR. RICHARD SCHEFFLER:

You are welcome.

We have been speaking with Dr. Richard Scheffler about the so-called physicians shortage in the United States. I am DR. Leslie Lundt. You are listening to ReachMD XM157, The Channel for Medical Professionals. For our complete program guide and downloadable podcast visit our web site at www.reachmd.com. If you have comments or questions, please give us a ring toll free at 888 MD XM157. Thank you for listening.

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