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Florida's Physician Shortages Aggravated by a Lack of Training Slots

The Department of Health and Human Services predicts that the U.S. will face a shortage of 90,000 physicians in the next 10 years. The reasons: health reform will increase the insured population, our baby boomers are living longer, and one-third of the practicing physicians will retire. Policy changes related to the funding of physician training programs means that residents of Florida will likely face real challenges in finding physicians to care for them.

Florida is Unique

Florida is the third-worst state in the nation for physician shortages. This is due, in part, to the barriers to practicing medicine in the state. Physicians here pay the highest medical liability insurance rates in the U.S. – more than double the national average. The state also has a serious shortage of physician training programs.

Aging is another issue. More than 35% of Florida's physicians are over the age of 56ⁱ. And, Florida's high elderly population – 17% vs. the national average of 13% – is expected to grow to 26% by 2020ⁱⁱ.

Graduate Medical Education Slot Shortages

Graduate Medical Education (GME) is the second phase of medical training following four years of medical school. These Residency programs expose physicians-in-training to real-life cases and increase hands-on experience. Depending on the specialty, the length of the program varies from two to five years. Once their residencies are complete, physicians are certified to practice medicine on their own.

Florida ranks 44th in the nation in the ratio of (GME) training slots per 100,000 population and 41st in the number of medical school students (a disproportionate share of GME slots goes to schools in the Northeast). A report issued by Florida's Graduate Medical Education Committee shows that the state needs 2,500 additional slots just to meet the national averageⁱⁱⁱ.

Florida Hospital has 141 residents in 13 GME programs such as Family Practice, Emergency Medicine, General Surgery, Podiatry, and Internal Medicine.

GME programs are mostly funded by the federal government. The Balanced Budget Act in 1997 placed a cap on the number of slots paid by Medicare to teaching institutions. Since then, many teaching hospitals have taken greater financial responsibility for training physicians by funding slots over their caps. The average per-student cost is \$145,000 per year; Florida Hospital spent over \$9.6 million last year on over-cap GME students.

“Based on medical school reports, Florida will graduate 1,350 medical students in 2020,” said Florida Hospital SVP Rich Morrison. “By comparison, the state will have about 820 GME slots available for first-year residents.”

“That’s a shortfall of more than 500 residency positions just to accommodate Florida’s medical school graduates,” continued Morrison. “Physicians tend to practice where they’ve done their residency, and Florida has a shortage of residencies. This makes Florida an ‘exporter’ of medical school graduates.”

Medical Liability

Florida is one of a few states without tort reform or settlement limits – and (thus) has high numbers of malpractice claims and payouts. Florida had 770 paid medical malpractice settlements in 2009, compared with the national average of 180ⁱⁱⁱ.

The result is that the state’s medical liability premiums are by far the highest in the nation. The average primary care physician in Florida now pays \$41,946 for liability insurance; the national average is \$16,042. The average specialist in Florida pays \$171,231 for liability insurance; the national average is \$65,489.

The Economic Impact of Graduate Medical Education

Teaching hospitals are economic engines that stimulate local and state economies. In 2009, Florida’s teaching hospital GME programs drew down more than \$245 million dollars in federal funds. Between drawn-down federal and hospital-funded local dollars, Florida Hospital’s GME programs cost over \$21 million. The use of a standard economic multiplier shows that Florida Hospital’s GME programs have a \$46 million-plus impact on our community – in salaries, jobs created, retail purchases and community involvement.

Community Benefit

Nearly all GME programs provide critical access to care for underserved and vulnerable populations. Millions of dollars in care are provided every year by residents to disadvantaged individuals, patients with HIV/AIDS, victims of domestic violence, and uninsured and homeless people.

For example, family practice residents see over 3,000 new patients each year in the Community After-Hours Clinic at Florida Hospital, which provides free and low-cost medical services to uninsured patients. They and other residents donate many hours to community health efforts, schools and other charitable entities.

What Can Be Done?

“Our state must find a long-term solution for supporting GME programs; this would lower health care costs in the long run,” said Morrison. “We could begin with a state task force to make recommendations for the future. We also need to lay the groundwork for better collaboration among federal and state governments, private entities, and teaching hospitals.” Options could include:

- Enact tort reform to minimize medical liability insurance costs and reduce the number of lawsuits.
- Induce other tort changes to improve the climate for health care professionals and our patients.
- Consider a partnered approach – federal, state and local entities – to fund additional GME slots.
- Limit future federal and state GME funding cuts.
- Increase stakeholder support from all parties (such as insurance companies) that benefit from the education of physicians and other health care providers.

“Now is the time to stop Florida’s medical education ‘brain drain’ and prepare for our future,” Morrison concluded. “We must lessen our physician shortage and ensure access to quality medical care for our citizens.”

i US Census Bureau

ii Florida Medical Association

iii 2011 Report by Council of Medical School Deans

iii Florida Medical Association