

THE BABY BOOM AND ITS IMPACT ON YOUR MEDICAL CAREER

solution white paper

Physician supply and productivity drop as demand for care soars

Whether you're just starting out in medicine, or you're one of the thousands considering retirement or part-time work, here's what the Baby Boom means to you.

At the moment in time when technology, a strong economy, medical breakthroughs, and an aging population are driving the demand for healthcare services through the roof, the U.S. is faced with an aging physician population, created by the lack of increase in medical school capacity over the last 30 years. In addition, many newly trained physicians are committed to life/work balance and are unwilling to work the grueling hours of their predecessors.

The American Association of Medical Colleges (AAMC) recently reported that 12 states and 11 medical specialties are already experiencing a significant shortage of physicians, leaving 30 million people in federally designated health professional shortage areas. Additional AAMC research shows that more than 50 percent of active physicians are interested in working part time and that one in three would retire today if they could afford to.

A THREE-PART PROBLEM

The U.S. is facing a physician shortage, and this three-part problem will continue to intensify. The components include:

- Physician Supply
- Physician Productivity
- Patient Demand

PHYSICIAN SUPPLY

→ Graduation rates from U.S. allopathic medical schools have remained flat since 1980.¹ In the meantime, the U.S. population has increased 31 percent.²

→ The pipeline into medical schools is different as well, with only two percent of the men and women who complete a bachelor's degree going on to apply for medical school. In 1961, five percent of men graduating with a bachelor's degree applied for medical school.

→ Alternative career options are now much more common among physicians. The percentage of physicians selecting faculty or other non-practice positions has increased from about 48 percent in 1997 to 58 percent in 2005. And the percent of U.S. medical graduates who plan to pursue board certification has dropped from approximately 98 percent to 88 percent over the same time period.³

→ International recruiting is not a solution, as international medical graduates already make up 25 percent of physicians entering U.S. graduate medical education.⁴ The U.S. is relying on other countries to provide a vital resource in a time of international uncertainty.

→ In addition, 50 percent of the physicians from English-speaking countries are already practicing in the West. The World Health Organization has expressed grave concern about the migration of trained health workers away from poor countries and the impact this has on their fragile healthcare systems.

IMPACTS OF MIGRATION

...(W)hen large numbers of doctors and nurses leave, the countries that financed their education lose a return on their investment and end up unwillingly providing the wealthy countries to which their health personnel have migrated with a kind of "perverse subsidy." Financial loss is not the most damaging outcome, however. When a country has a fragile health system, the loss of its workforce can bring the whole system close to collapse and the consequences can be measured in lives lost. In these circumstances, the calculus of international migration shifts from brain drain or gain to "fatal flows."

—Excerpt from World Health Report 2006, Ch. 5, Managing Exits from the Workforce

1 AAMC Data Book, AAMC Facts, Jan. 2006

2 US Census

3 Donna B. Jeffe, PhD, Dorothy A. Andriole, MD, Heather L. Hagerman, MBA, and Alison J. Whelan, MD, Washington University School of Medicine, St. Louis, MO.

4 AAMC Center for Workforce Studies, Jan. 2006

PHYSICIAN PRODUCTIVITY

Age

- More than 250,000 U.S. physicians are over the age of 55. While some will say they are just hitting their prime, many more are looking for alternative practice options. And most of those options involve providing fewer hours of patient care.⁵
- This spring, the AAMC released preliminary results of a significant survey of physicians over 50.⁶ They found that more than 50 percent of these physicians, who are currently working full time, were interested in part-time practice options.
- In addition, they found that one in three would retire today if they could afford to. A full 43 percent said that they retired earlier than expected. They listed the increasing regulation of medicine, insufficient reimbursement, stress of practice, rising malpractice costs, and decreasing clinical autonomy among their top reasons for retiring.
- If physician retirement trends hold steady, the number of physicians retiring each year will grow from less than 9,000 in 2000 to more than 22,000 a year by 2020, slightly fewer than the total of new physicians completing training annually as of 2005.
- Interestingly, however, the survey found that doctors who have the option of working part time actually retire later than those who don't (at age 68 vs. 65).

FACTORS RELATED TO RETIREMENT DECISION

- Increasing regulation of medicine... 40.1%
- Insufficient reimbursement... 39.0%
- Stress of practice... 38.2%
- Rising malpractice costs... 38.2%

—Preliminary Data, AAMC Survey of Physicians Over 50 2006

Gender

- The gender shift in medicine has an impact as well. Today 47.1 percent of **medical school graduates** are female, and 29 percent of **all physicians** involved in patient care are female. In the survey of physicians over 50, the findings show that female physicians provide 40.3 hours of patient care per week, compared to their male counterparts' average of 47.3 hours of patient care per week.⁷

- Female physicians also plan to retire earlier—at 61 instead of 65, according to the AAMC survey.⁸

Generation

- In addition, much has been written—and debated—about the impact of changing values in the next generation of physicians. In a June 2006 survey of last-year residents conducted by VISTA Staffing Solutions, 73 percent of all respondents indicated that work-life balance was their most important lifestyle consideration as they make the transition from training to practice (82 percent for females and 65 percent for males).

LIFESTYLE CONSIDERATIONS

- 77% of residents said that lifestyle pursuits did dictate their selected practice.
- 81% responded that lifestyle pursuits did influence their geographical region of choice. Residents ranked the following items as their three most-important lifestyle considerations:

Lifestyle Consideration	% of Residents	Male	Female
Work-life balance	73%	65%	82%
Career satisfaction	44%	42%	47%
Financial stability	43%	43%	34%
Exercise/health	33%	30%	36%

—VISTA Staffing Solutions 2006 Survey of Final Year Residents

- Stephanie Pincus, MD, MBA, Emeritus Professor and Chair of the Department of Dermatology of the State University of New York at Buffalo and former Chief Academic Affiliation Officer for the Department of Veterans Affairs, confirmed this finding. She reports that many **Generation X physicians, those born between 1963 and 1977**, chose their area of medical specialization because it offered a controllable lifestyle (45 percent of men and 36 percent of women). They delayed child bearing until after age 30, and they want flexible schedules and work-life balance NOW.⁹
- Through a series of focus groups with residents, Pincus learned that young doctors will trade money for flexibility, and seek jobs in supportive organizations, not private practice. Most anticipate working 10 percent fewer hours than physicians of an earlier generation.

5 AMA Masterfile for 2005 Data (AAMC 2006)

6 Preliminary Data—AAMC Survey of Physicians Over 50 2006

7 AAMC Fact, AMA PCD 2006 Edition

8 Preliminary Data—AAMC Survey of Physicians Over 50 2006

9 As reported at AAMC Physician Workforce Research Conference, Washington, DC, May 2006

→ Through focus groups with medical students, Pincus learned that **Generation Y physicians (born after 1978)** will share these values. They will want flexibility and options, non-linear career paths, and “a life, not a career.” Unlike Gen Xers, however, they will not delay child bearing. Many indicated they wanted more than three children. They are anticipating career interruptions and plan on working less and making less money than today’s physician.

DEMAND

→ According to AAMC research, the top factors influencing demand for physician services are population growth, aging of the population, public expectations, and economic growth of the nation. Combined with our national commitment to healthcare interventions and improved diagnosis and treatment options, the impact is tremendous.

→ In addition, the U.S. Census Bureau reports that our population increases by 25 million every decade. This means the physician-to-population ratio will be declining just as the population of elderly reaches an all-time high.

→ The number of adults over 65 will double in the U.S. by the year 2030. In 2003, the last year for which National Ambulatory Medical Care Survey data is available, people over 65 made an average of 5.7 visits to a physician office or clinic each year. Those under 65 made an average of slightly more than four visits.¹⁰

→ In addition, the 11 most costly medical conditions are far more prevalent among the elderly.¹¹ For example, cancer rates in men jump from 1,000 cases per 100,000 men who are 55 to 2,500 cases per 100,000 men over 65.¹² The elderly also account for a disproportionate share of hospitalizations, procedures, and high-intensity services. Half of intensive care unit (ICU) days are paid for by Medicare.

→ Because the Baby Boom generation has witnessed the introduction of artificial joints, life-saving combinations of drugs, and the first pay offs from genetic research, they will naturally expect access to new treatment options as they age.

→ With 30 percent of the U.S. population suffering from obesity already, chronic illnesses are destined to increase. People will live longer and will be more likely to have chronic illnesses like diabetes, arthritis, and asthma.

→ Access to physicians, particularly for rural patients, will get increasingly challenging. Currently, 19 percent of the U.S. population lives in rural areas, but only 11 percent of the physician population lives in rural areas. Physicians are naturally and economically drawn to urban and suburban areas with the facilities and referral networks to support a practice or group.

POTENTIAL SOLUTIONS

The reality of a physician shortage has been hotly debated. Throughout the 1990s, the Council on Graduate Medical Education (COGME), the Institute of Medicine (IOM), the American Medical Association, and the American Association of Medical Colleges projected a surplus of physicians.

In May 2006, however, the AAMC testified before congress that previous analysis of the situation “missed the mark for several reasons.” These include the incorrect belief that health care would be dominated by managed care plans that would regulate the use of services, the fact that the U.S. population grew more rapidly than anticipated, and the fact that the studies were conducted during the 1960s and 1970s, a time when the physician-to-population ratio was growing due to an increase in medical school enrollment.

Increase training capacity

The AAMC is calling for a 15 percent increase in U.S. allopathic medical school graduates by 2015. By expanding existing schools and creating new ones, there could be 2,700 additional graduates each year. New and existing osteopathic schools are expected to increase enrollment by 2,000 to 3,000 per year as well over the next decade.

The AAMC is also asking congress to increase the number of resident physicians Medicare can pay for, so residency positions keep pace with medical student increases. Interestingly, the AAMC strongly supports increased diversity in medical education because students from racial and ethnic minorities are more likely to care for disadvantaged patients. In addition, students from rural areas are more likely to practice in rural areas.

LOCUM TENENS CAN HELP MAKE THE MOST OF A PHYSICIAN'S TIME AND SKILLS

“With 250,000 physicians over the age of 55, there is no question that the pool of retired, semi-retired, and wish-they-could-retire physicians will be huge in the decade to come. Locum tenens practice options can help make the most of the time and skills those physicians are able and willing to provide. Locum tenens removes the barriers of arranging payment for services, finding malpractice coverage, paying for practice overhead and marketing, and all the other components of traditional practice that keep excellent physicians from caring for patients on their own terms.”

—William D. Walklett, MD, Radiologist,
VISTA Medical Director

¹⁰ NAMCS 2003

¹¹ Thorpe, KE; C.S. Florence, and P. Joski (2004) Prepared by AAMC Center for Workforce Research

¹² CDC US Cancer Stats 2000

Finally, the AAMC advocates continued expansion of the National Health Service Corps to provide scholarships and loan repayment, and to help bring clinicians to rural facilities, community health centers, health departments, and other critical access facilities.

Visit www.aamc.org/workforce/start.htm for a complete review of AAMC data, testimony, and progress on this issue.

Based on the needs, preferences, and actions of physicians as described in this white paper, VISTA Staffing Solutions believes there are additional options that can help ensure access to care for patients and quality of life for physicians.

Keep physicians in the workforce with flexible practice options.

Two of the most telling statistics in this body of research are:

- More than 50 percent of full-time physicians are interested in part-time work, and
- One in three would retire today if they could afford to.

Physicians are driven toward retirement or non-patient-care careers by many factors, including the increasing regulation of medicine, insufficient reimbursement, the stress of practice, and rising malpractice costs.

On the other hand, they are motivated to remain active by career satisfaction, financial needs/obligations, a good income, and the needs of patients.¹³

MOTIVATIONS TO REMAIN IN ACTIVE PRACTICE

Career satisfaction	61.5%
Financial needs/obligations	47.3%
Good income.	40.1%
Needs of patients	34.5%

—Preliminary Data, AAMC Survey of Physicians Over 50 2006

Traditional medical practice exposes physicians to more of the stressors and fewer of the satisfiers in this equation. That's why flexible, temporary (locum tenens) practice options have so much to offer physicians considering retirement or part-time work.

Locum tenens practice gives physicians the ability to work when and where they choose. Positions range in length from a few weeks to more than a year. Practice settings vary from large hospitals to tiny clinics, and everything in between. Physicians are free to accept or turn down any position.

Based on the research in this article, it won't come as a surprise that most of the practices requesting locum tenens coverage do so because they are actively (some will say desperately) recruiting physicians. Other reasons include covering for physicians who have been deployed, who are ill or injured, who are on maternity leave, or who need time off for CME. Locum tenens physicians can step in and provide vital services to patients, protect the existing staff from burn-out, and help the organization preserve its referral networks.

For the physician considering retirement, this provides a great bridge. They have the flexibility to tie up loose ends at an existing practice; maintain their clinical skills, licenses, and certificates; and earn an excellent income that is overhead free.

Specifically, locum tenens companies find and evaluate quality opportunities. They help physicians with licensure and privileges. They provide professional liability insurance. And they coordinate and pay for housing, travel, and local transportation.

Physicians can leave the pressure of running a financially viable practice, the politics of being part of a medical staff, and the demands of more-than-full-time work behind. They can focus on providing great care to patients. They earn a daily rate, and the practices they work in take care of all billing and reimbursement issues.

INTERNATIONAL PLACEMENTS

Although they won't help ease the U.S. physician shortage, international placements are a rewarding option for physicians at any career stage. And because the shortage of health professionals is worldwide, putting your skills to use anywhere contributes to the solution.

VISTA Staffing Solutions offers international locum tenens and permanent placements in Australia and New Zealand, in just about every medical specialty. We're the only U.S. locum tenens company that offers both domestic and international work.

Because of travel, logistics, and practice standards, most of our international locum tenens assignments are six to 12 months long. Based on registration requirements, we can place only board certified doctors or doctors just completing a residency who are board eligible.

Logistics for international assignments vary a little from domestic assignment. VISTA will take care of all the details, including helping you secure a visa and registration (the equivalent of licensure). You can expect assistance with travel, housing, transportation, and malpractice insurance as well.

Volunteer opportunities also abound. Visit the Volunteer section of our website for a list of opportunities: www.vistastaff.com/physicians/volunteer.

Facilitate smooth career transitions.

Several of the same arguments hold true for physicians in mid-career. For many physicians there comes a time when the chemistry of a group practice changes, the management of a facility turns over, or they experience a significant shift in their personal situation. They realize this is not where they want to be and what they want to be doing for the next 10 or 20 years. They also understand the risks and hard work involved in establishing a new practice.

The U.S. physician workforce can't afford to lose mid-career physicians to non-patient care jobs. Their skills and time are too valuable.

Locum tenens is also a great option for mid-career physicians, particularly those who no longer have small children at home, who have a significant other who likes to explore new places, and/or who choose to use locum tenens work to finance another interest or passion in their lives. For example, VISTA has worked with a family medicine physician who bought a blueberry farm and only takes assignments in the off-season. And, one of our medical directors accepts assignments for six months of the year to fund his and his wife's volunteer orthopedic surgery work with children in Tanzania.

Many of the practices and facilities that contract for locum tenens coverage have on-going needs, so VISTA is very often able to schedule "repeat engagements" where a physician rotates through one or several practices over the course of a year. As always, the physician determines how much or how little to work. Some physicians prefer this arrangement so they work at least part of the time in repeat assignments with people and practices they know.

Long-term assignments of a year or more are also available. For a physician interested in relocating to a specific community, a long-term locum tenens assignment provides the opportunity to get to know the area, get the family settled, network with potential colleagues and facilities, and secure the optimum full-time position.

Locum tenens is also a risk-free way to find that next great practice. If both parties in a locum tenens assignment—physician and practice—believe the position is a great fit, the practice pays a very reasonable permanent placement fee to the agency. Physicians pay no recruitment or placement fees.

Get new physicians off to the right start.

The research presented on physician generations drives home the importance that newly trained physicians place on work-life balance. They look for positions in supportive organizations and are willing to trade flexibility for financial gain.

It's also obvious that if they don't get it right the first time, they are quick to move on. An estimated 60 percent of physicians change jobs one to five years after training. Those job changes are most often the result of a bad match between physician and practice expectations.

As common as practice changes are, they are not easy. VISTA recruiters talk with hundreds of physicians in transition every year, and they understand the stress, the emotion, the financial implications, and the hassle that can accompany a move.

PRACTICE SETTINGS



"One of the most rewarding aspects of locum tenens work is the opportunity to serve diverse patient populations. VISTA has ongoing opportunities in Indian Health Service facilities in the lower 48 states and Alaska. We have positions in military treatment facilities and VA medical centers. We fill needs in primary care clinics in Maine, migrant health clinics in California, and critical access hospitals everywhere.

"The physician shortage is being felt everywhere, but most acutely in areas of great need and great poverty. Working in these practices is extremely rewarding and remarkably educational. I encourage every physician to consider spending some time working with the under-served. I guarantee you will get more out of the experience than you ever dreamed."

—Dawn Meyerhoffer, VISTA Scheduling Director, Emergency Medicine/Indian Health Service

Locum tenens practice, on the other hand, gives recently trained physicians a chance to test the waters before making a permanent commitment. They can schedule work around vacation, earn a great income that is overhead free, pay off loans, and have time to study for boards or train for a triathlon.

Flexibility drives solutions

In all cases, the flexibility of locum tenens practice gives physicians a vehicle for continuing to serve patients without compromising their priorities.

Whether a physician's goal is to work part-time, pursue another passion in life, or establish a practice that offers the optimum work/life balance, locum tenens can capture the hours physicians have available and are interested in devoting to patient care. Those hours are a vital resource that the U.S., and the world's population, cannot do without.

If you are interested in making sure your skills and time are part of the solutions to the growing physician shortage, please call and talk with a VISTA recruiter today at **800-366-1884**. ■



275 EAST 200 SOUTH
SALT LAKE CITY UTAH 84111-2002
PH 801 487 8190 FAX 866 360 6020
800 366 1884 www.vistastaff.com

ABOUT THE AUTHOR

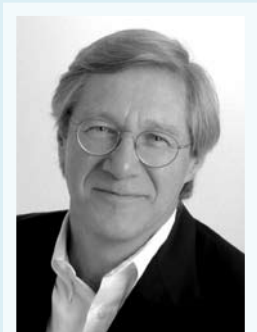
Therus C. Kolff, M.D., M.P.H., Chairman of the Board

Therus Kolff is an experienced business leader with the professional training and background of a physician.

Shortly after completing medical school at the University of Utah in 1976, Dr. Kolff joined Health Systems Research Institute, Inc., a non-profit organization formed by the University of Utah, the Intermountain Regional Medical Program, and the Robert Wood Johnson Foundation to develop innovative solutions to rural health care issues. He was part of a team that managed 22 clinics and five hospitals in nine western states. He was also the team leader for Yellowstone National Park Medical Services.

The need for traveling physicians who could fill in for geographically isolated practitioners and cover vacant positions was obvious and urgent, leading Dr. Kolff to establish the first locum tenens company in the United States in 1979 after he completed a Master's degree in health policy and management at Harvard. Dr. Kolff was central to establishing credentialing standards and protocols, supporting infrastructure, and an appreciation for the ultimate quality of patient care within the industry. At VISTA he is focused on fostering a peer-review, best-practices-driven culture and increasing the clinical knowledge of every employee owner. True to his passion for locum tenens, he is licensed to practice medicine in Georgia, Indiana, Kentucky, Maryland, Nevada, New Jersey, New Mexico, New York, and Pennsylvania.

For more information, visit www.vistastaff.com/kolff, or call **800-366-1884**.



Therus C. Kolff, MD, MPH
Chairman of the Board
VISTA Staffing Solutions