

### Background

By the time it is fully implemented, the federal health reform package (HR 3590 and HR 4872) will extend health insurance coverage to more than 30 million Americans – about two-thirds of those currently uninsured.

The increase in patients is expected to strain physician supply. Without enough doctors, patients could face longer waits for care, and some may have no choice but to resort to costly emergency rooms for treatment.

California already suffers from a physician shortage. The state has seen a long, steady decline in the number of physicians per capita and has severe shortages in certain specialties and some rural regions.

Lack of access to physician services is not unique to California; it is a national problem. Congress recognized that tackling this problem is one crucial element to ensuring patients can get access to care. Health reform includes many grants and demonstration projects designed to boost the physician workforce and encourage doctors to work in underserved areas.

### Opportunities in Federal Reform

#### Increasing the Supply of Physicians

HR 3590 makes a substantial new investment in the National Health Service Corps, a federal program that repays the medical school loans of doctors who practice in underserved areas. For states, it offers grants for programs that expand physician training and plan to meet health care workforce needs.

While the bill does not increase the overall number of physician residency slots, it does redistribute unused residency slots to areas where they are most needed. Hospitals can apply to the federal Health and Human

Services agency for more residencies. They must demonstrate that they meet certain requirements and have a plan for filling the slots.

#### Targeted Programs to Increase the Physician Supply in Rural Areas

The reform package offers funding to train physicians in rural settings and help them establish practices there. The bill also provides a 10 percent bonus in Medicare payments for physicians who practice in rural areas. While this increase is only temporary, it may allow physicians who already practice in rural areas to maintain or expand their practices.

#### Encouraging Young Physicians to Choose Primary Care

Several federal programs are aimed at increasing the number of primary care physicians, including geriatricians and psychiatrists. Grants targeted to medical schools, for example, would help them build primary care training, residency and internship programs.

In addition, the bill encourages states to develop medical home models for Medicaid. In medical homes, primary care physicians take responsibility for coordinating all care for their patients. This enhanced stature could make pursuing a career in primary care more appealing for medical students.

#### Building Capacity in Primary Care

The reform package helps primary care physicians expand their capacity to treat patients. For example, one specific grant project would help medical or osteopathic schools develop curricula that would train primary care physicians on establishing medical homes, managing chronic diseases and building collaborations with other providers.

### Concerns

The grants for workforce issues are competitive among states, and there is no guarantee California will receive federal funding. It's imperative that state lawmakers, medical schools and hospitals immediately begin working to capitalize on these opportunities.

The physician shortage must be taken seriously and the problem must be addressed to prevent unnecessary battles over scope of practice. Already, there have been calls for other health professionals, such as physician assistants and nurses, to take on greater roles in seeing and treating patients.

The quality of health care should not be compromised for expediency. Relaxing standards and allowing non-physicians to provide care outside of what they are trained to do carries big risks that ultimately endanger patients. That makes it all the more important to address the shortage as quickly as possible and get the most out of state and federal incentives to boost the physician workforce.

There is no federal funding in health reform for the development of new medical schools, which CMA believes is one essential part of increasing physician supply. CMA strongly supports establishing new medical schools at UC Riverside and UC Merced and will continue to urge state lawmakers to fund them.

### Next Steps for California Lawmakers

1. Draft a plan spelling out how California can maximize federal funding for the physician workforce.
2. Determine what legislative authority must be given to state agencies and departments to capitalize on federal workforce grants.
3. Develop a robust medical home model that can be implemented in the Medi-Cal program.
4. Fund new medical schools at UC Merced and UC Riverside or come up with a plan to pay for them.