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Joan Claybrook, President

## Claims of a Doctor Supply Crisis Not Supported by Facts

### *Hidden Beneath the Rhetoric are Statistics Compiled by Professional Medical Associations That Show a Robust Physician Workforce*

The American Medical Association (AMA) makes the following claim on its website:

*America's patients are losing access to care because the nation's out-of-control legal system is forcing physicians in some areas of the country to retire early, relocate or give up performing high-risk medical procedures. There are now 21 states in a full-blown medical liability crisis – up from 12 in 2002. In crisis states, patients continue to lose access to care. In some states, obstetricians and rural family physicians no longer deliver babies. Meanwhile, high-risk specialists no longer provide trauma care or perform complicated surgical procedures. That is why medical liability reform is the AMA's top legislative priority.<sup>1</sup>*

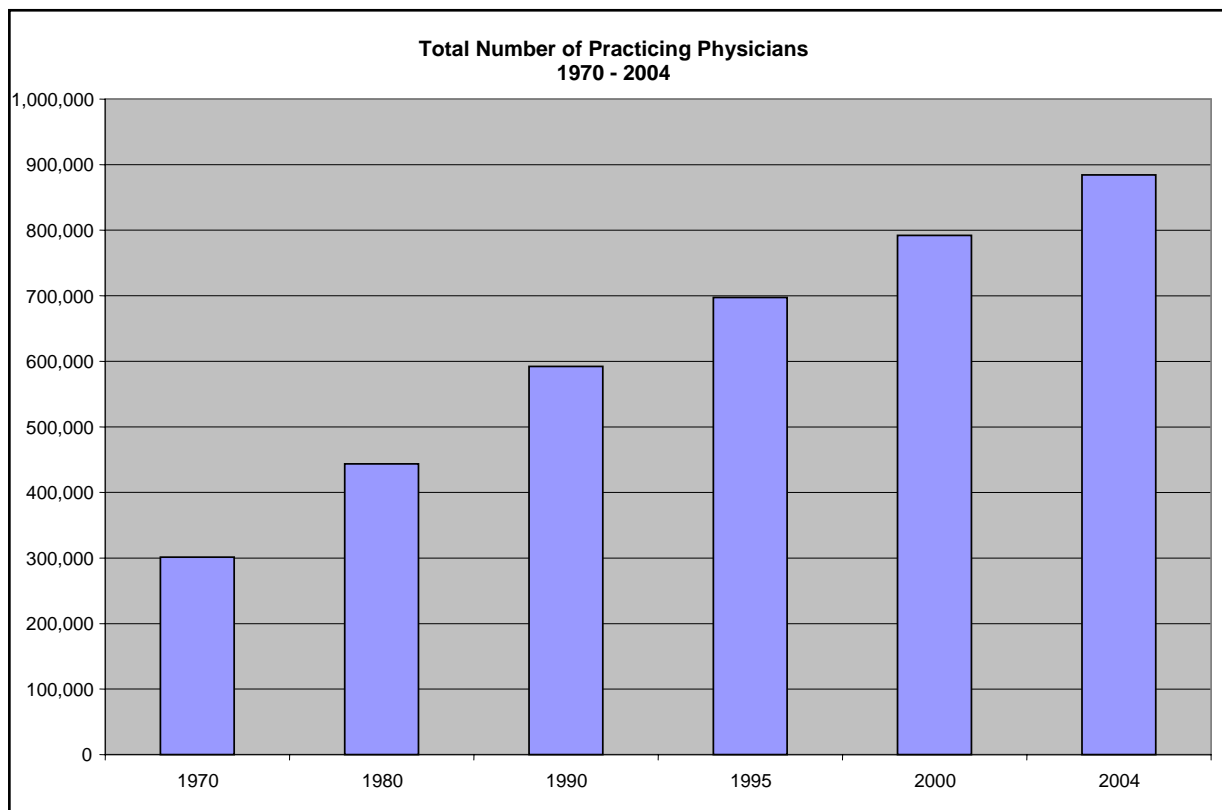
But recent statistics, mostly from the AMA itself, actually refute these assertions. A brief review of some of the pertinent facts tells the real story.

#### ❖ Physician supply continues to outpace population growth\*

**The number of practicing physicians in the United States has increased four times faster than population growth.** A newly-released AMA report counts 297 practicing physicians per 100,000 people in the U.S. in 2004, the most recent year for which statistics are available. In 1965, there were 139 physicians per 100,000 people; in 1980 there were 195 per 100,000 people. According to the AMA, the number of physicians practicing in the U.S. surged 203 percent from 1965 to 2004—four times faster than population growth, which increased just 49 percent over the same period.<sup>2</sup>

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\* Physician numbers are for non-federal M.D.s only, and exclude both osteopaths and M.D.s practicing at federal facilities. Thus, the data represent *underestimates* of total physician supply.



Source: Table A-8, AMA's Physician Characteristics and Distribution in the U.S., 1992 Edition, p. 33; Table A-14, AMA's Physician Characteristics and Distribution in the U.S., 1996-97 Edition, p. 32; Table 5.14, AMA's Physician Characteristics and Distribution in the U.S., 2002 Edition, p. 342; Table 5.14, AMA's Physician Characteristics and Distribution in the U.S., 2006 Edition, p. 324.

**The physician population continues to grow faster than general population, even in AMA's so-called "crisis states."** Each of the 21 states that the AMA claims is currently experiencing a "full-blown" medical liability crisis has seen its respective population of physicians expand faster than its population from 1995 to 2004, which includes the 2001-2003 period during which medical malpractice premium rates peaked.<sup>3</sup>

**The number of high risk specialists has also increased dramatically since 1975.**

For example, the AMA reports that from 1975 to 2004, the number of:

- general surgeons increased 18.8 percent, from 31,562 to 37,502
- neurological surgeons increased 80 percent, from 2,926 to 5,288
- obstetrician/gynecologists increased 93.5 percent, from 21,731 to 42,059<sup>4</sup>

**The upward trend in the number of general surgeons, neurological surgeons and obstetrician/gynecologists continued even during the years when medical malpractice premium rates spiked.**

The AMA reports that during the period 1995 to 2004, the number of:

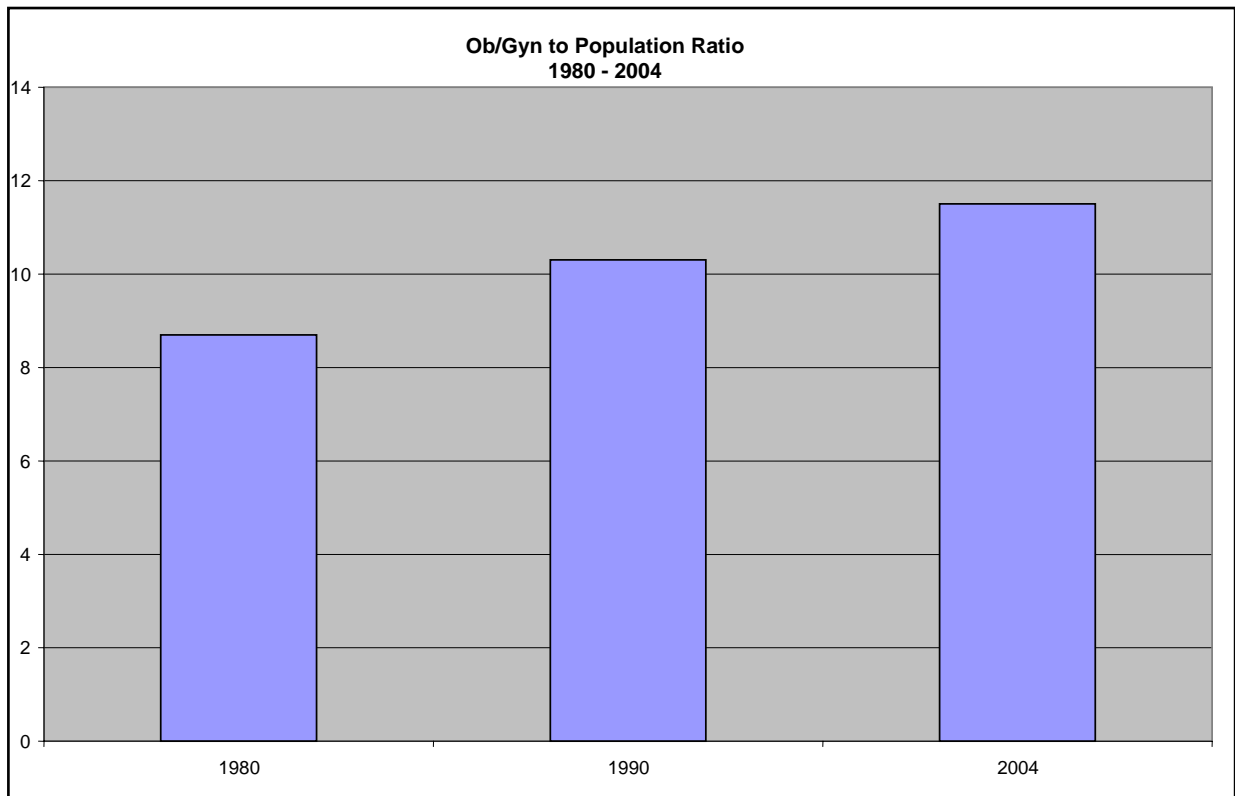
- general surgeons grew 2.1 percent, from 36,716 to 37,502
- neurological surgeons grew 5.8 percent, from 4,997 to 5,288
- obstetrician/gynecologists grew 4.5 percent, from 40,241 to 42,059<sup>5</sup>

**The 2005-2006 class entering U.S. medical schools is the largest on record.** The Association of American Medical Colleges (AAMC) has reported an upsurge in enrollment of first year medical students. The fall 2005 class counted more than 17,000 students up 2.1 percent over the 2004 class of 16,648 students.<sup>6</sup>

**In 2006 the number of U.S. medical school seniors applying for and filling available residency training positions hit a 20 year high.** More than 15,000 U.S. medical school seniors applied for residency positions through the National Resident Matching Program (NRMP), the highest number in more than 20 years. Some 93.7 percent of U.S. medical school seniors were matched to a first-year residency program at U.S. teaching hospitals.<sup>7</sup>

❖ **Ob/Gyn supply continues to climb—even as birth rates drop**

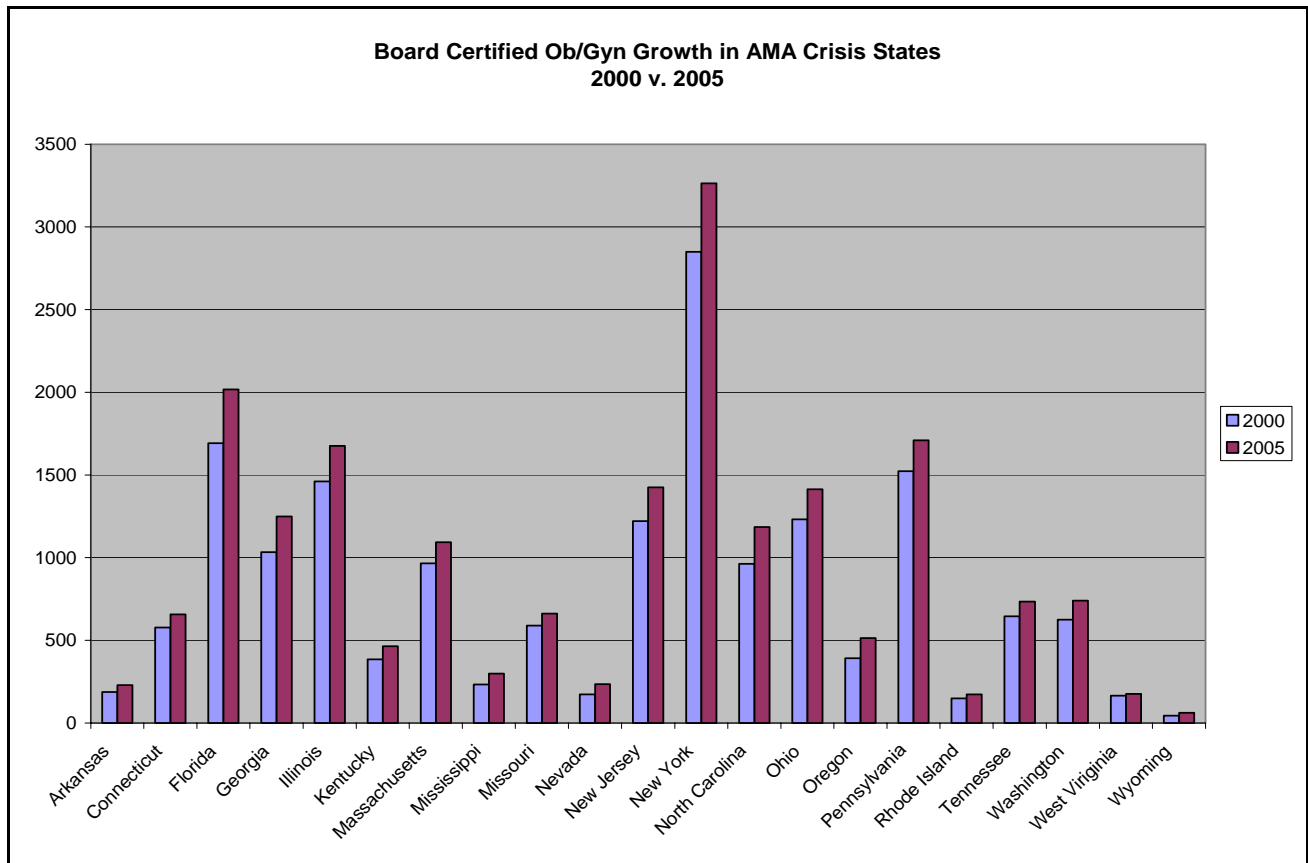
**The physician-population ratio for office-based ob/gyns has risen steadily since 1980.** In 1980 there were 8.7 obstetric/gynecology specialists for every 100,000 people. By 1990 that ratio had climbed to 10.3 ob/gyns per 100,000, an increase of 18 percent. The upward trend has continued, even in the face of malpractice premium rate spikes: in 2004 the ratio reached 11.5 ob/gyns per 100,000 people, an overall increase of 32 percent since 1980.<sup>8</sup>



Source: Table 5.21, AMA's Physician Characteristics and Distribution in the U.S., 2006 Edition, p. 333

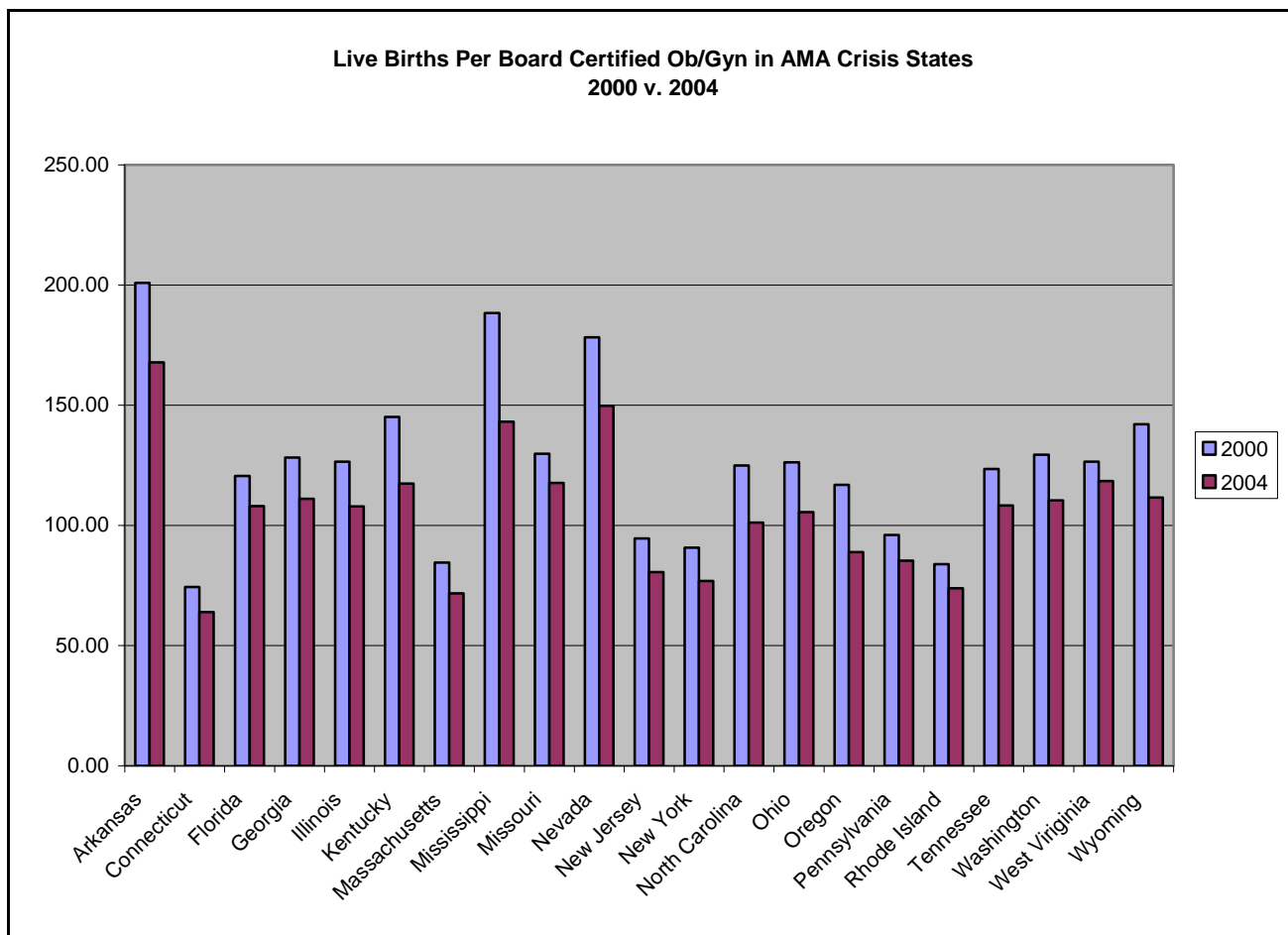
**While the number of ob/gyns has continued to rise, the birth rate in the U.S. has dropped substantially since 1990.** In 1990 the birth rate per 1,000 persons was 16.7, according to the Centers for Disease Control (CDC). The birth rate had fallen to 13.9 per 1,000 persons in 2002, a decline of 17 percent from 1990. This was the lowest level since national data have been available. CDC’s preliminary report for 2004 indicates a slight up-tick to a rate of 14.0 births per 1,000 persons, still well below the 1990 level.<sup>9</sup>

**The number of ob/gyns has increased even in AMA-designated “crisis states.”** Not only have the numbers of office-based ob/gyns steadily improved since 1980, the past five years have seen an increase in ob/gyns even in those states the AMA says are experiencing a “medical liability crisis.”<sup>10</sup>



Source: AMA Medical Liability Crisis Map; Table 7 from 2001 and 2005 Annual Reports of the American Board of Medical Specialties; Tables 1 and 4 from Live Births for 2000 and 2004, National Vital Statistics Reports, Vol. 52, No. 19, May 10, 2004 and Vol. 54, No. 8, December 29, 2005

**The increase in board certified ob/gyns in AMA “crisis states” has occurred despite declining birth rates in those states.** Each of the 21 states designated by the AMA as being in a liability “crisis” saw a decline in the number of live births per ob/gyn between 2000 and 2004. In the most dramatic instance, Mississippi has seen a decline of over 23% in the number of live births per board certified ob/gyn.<sup>11</sup>



Source: AMA Medical Liability Crisis Map; Table 7 from 2001 and 2005 Annual Reports of the American Board of Medical Specialties; Tables 1 and 4 from Live Births for 2000 and 2004, National Vital Statistics Reports, Vol. 52, No. 19, May 10, 2004 and Vol. 54, No. 8, December 29, 2005

**Across the U.S., interest in obstetrics/gynecology residency positions is also growing.** Since 2003, interest in obstetrics/gynecology residency positions has been increasing. 98 percent of these positions were filled this year, 72 percent by U.S. medical school seniors (up from 68 percent three years ago).<sup>12</sup>

**Employment in U.S. health care has shown a steady rise since 1990.** Health care employment as a proportion of all non-farm employment has increased fairly steadily since the early 1990s. In 2005, 9.2 percent of all workers, or 12.3 million people held health care jobs, up from 7.5 percent (8.2 million) in 1990.<sup>13</sup>

❖ **Physicians are not shutting their doors, access to care is not compromised**

**An August 2003 Government Accountability Office (GAO) study found that claims by the AMA and others that doctors are being driven from states, retiring early or dropping certain medical procedures could not be substantiated or did not affect access to health care on a widespread basis.** The GAO study examined in-depth five states on the AMA's crisis list: Florida, Mississippi, Nevada, Pennsylvania and West Virginia. The study failed to reveal convincing evidence that increased malpractice insurance premium costs had caused a significant number of physicians to move, retire or reduce high-risk services.<sup>14</sup>

**A National Bureau of Economic Research (NBER) study found that malpractice costs “do not seem to affect the overall size of the physician workforce.”** The NBER study examined whether or not malpractice liability is driving physicians out of practice. The study concluded that there is no evidence that medical malpractice premium rate spikes are affecting the overall size of the physician workforce.<sup>15</sup>

**A new Florida study has failed to substantiate claims that medical malpractice premium spikes have compromised access to medical care.** A March 2006 study of patient access to care and physician activity levels in high risk procedures for two specialties, neurosurgery and obstetrics, in Florida was unable to document persuasive evidence that the recent spike in medical malpractice insurance premiums has compromised access to care. Among other findings, the study revealed that those obstetricians who stopped doing high-risk deliveries were those with a low volume of patients—which may be desirable given the documented correlation between outcome and volume of procedure. Moreover, when a rural physician exits the market, there is usually another one coming on board to take up the slack.<sup>16</sup>

❖ **The supply of rural physicians is healthy and growing**

**The number of physicians practicing in rural areas has increased steadily since 1970, with a notably sharp rise from 2000 onward.** The number of physicians practicing in non-metropolitan areas was 37,341 in 1970. That number grew fairly steadily until 2000, when the rural physician population reached 78,169. Between 2000 and 2004, however, a period spanning the malpractice premium rate spike years, the number of rural physicians shot up 64% to 122,922.<sup>17</sup>

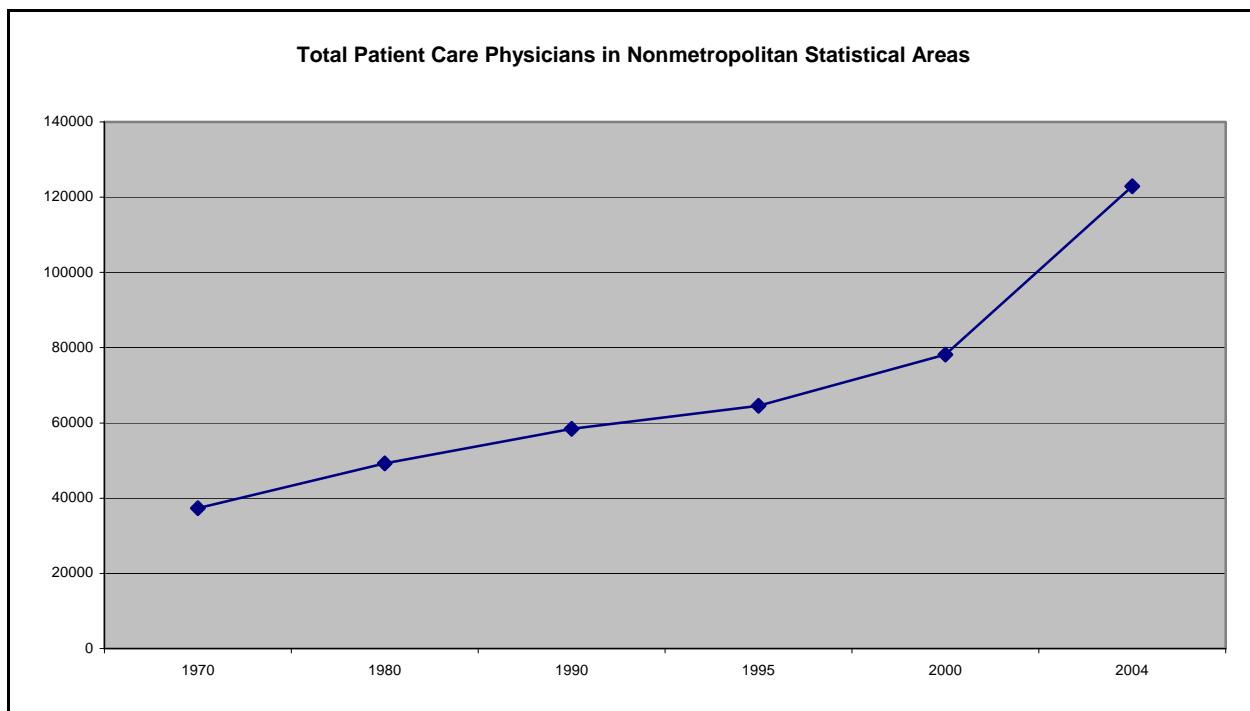


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**Rural populations have fewer physicians per capita, but their access to healthcare is equal to or surpasses that of urban populations.** While the physician-population ratio in rural areas is smaller than that in metropolitan areas, researchers caution this disparity should not be interpreted to indicate a shortage of rural doctors.<sup>18</sup> The difference could mean that there are *too many* doctors in urban areas. In fact, a recent study comparing urban and rural healthcare from the perspective of physicians and patients found that, apart from mental health services, access to care may be slightly better in rural areas: only 6 percent of rural patients reported unmet health needs in the previous year as opposed to 7 percent of urban patients.<sup>19</sup> Researchers attribute the fact that rural residents receive less medical care than urban residents to lower incomes and rates of health insurance coverage among rural populations.

**Doctors choose where to practice based on quality of life decisions, not medical liability concerns.** Like most people, doctors make decisions about where to live based on a variety of quality of life measurements. The American Academy of Family Physicians surveyed graduating family practice residents to determine the main factors that influence their decisions about where to locate.<sup>20</sup> The top 10 considerations, in order of ranking, were:

1. Significant other's wishes
2. Medical community friendly to family physicians
3. Recreation/culture
4. Proximity of family/friends

5. Significant other's employment
6. Schools for children
7. Size of the community
8. Initial income guarantee
9. Benefits plan
10. Proximity to spouse's family/friends

Other research indicates that physicians choose not to locate in rural areas because of lower salaries, professional isolation, lack of employment opportunities for a spouse, and a preference for urban amenities (e.g., cultural, educational) not available in rural areas.<sup>21</sup>

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<sup>1</sup> <http://www.ama-assn.org/ama/noindex/category/11871.html>

<sup>2</sup> American Medical Association, Physician Characteristics and Distribution in the U.S., 2006 Edition.

<sup>3</sup> Table 5.17, Physicians, Population, and Physician/Populations Ratios, AMA's Physician Characteristics and Distribution in the U.S., 2006 Edition, p 329. The crisis states are: Arkansas, Connecticut, Florida, Georgia, Illinois, Kentucky, Massachusetts, Mississippi, Missouri, Nevada, New Jersey, New York, North Carolina, Ohio, Oregon, Pennsylvania, Rhode Island, Tennessee, Washington, West Virginia, Wyoming.

<sup>4</sup> Table 5.2, Physicians by Self-Designated Specialty, 1975-2004, AMA's Physician Characteristics and Distribution in the U.S., 2006 Edition, p 312.

<sup>5</sup> Table 5.2, Physicians by Self-Designated Specialty, 1975-2004, AMA's Physician Characteristics and Distribution in the U.S., 2006 Edition, p 312.

<sup>6</sup> AAMC press release, AAMC Reports Major Increase in U.S. Medical School Enrollment, Washington, D.C., Oct. 25, 2005. <http://www.aamc.org/newsroom/prerel/2005/051025.htm>.

<sup>7</sup> AAMC press release, NRMP, More U.S. Medical School Seniors Choose Residencies in Competitive and "Lifestyle" Specialties, Washington, D.C., March 16, 2006. [Http://www.aamc.org/newsroom/prerel/2005/060316.htm](http://www.aamc.org/newsroom/prerel/2005/060316.htm).

<sup>8</sup> Table 5.21, Physician-Population Ratios for Total and Office-Based Physicians by Specialty, 1980-2004, AMA's Physician Characteristics and Distribution in the U.S., 2006 Edition, p.333.

<sup>9</sup> U.S. Birth Rate Reaches Record Low, CDC news release June 25, 2003; and Births: Preliminary Data for 2004, CDC National Vital Statistics Reports, Vol. 54, Number 8, December 29, 2005.

<sup>10</sup> AMA Medical Liability Crisis Map; Table 7 Annual Reports of the American Board of Medical Specialties, 2001 and 2005 editions.

<sup>11</sup> AMA Medical Liability Crisis Map; Table 7 from 2001 and 2005 Annual Reports of the American Board of Medical Specialties; Tables 1 and 4 from Live Births for 2000 and 2004, National Vital Statistics Reports, Vol. 52, No. 19, May 10, 2004 and Vol. 54, No. 8, December 29, 2005

<sup>12</sup> AAMC press release, NRMP, More U.S. Medical School Seniors Choose Residencies in Competitive and "Lifestyle" Specialties, Washington, D.C., March 16, 2006. [Http://www.aamc.org/newsroom/prerel/2005/060316.htm](http://www.aamc.org/newsroom/prerel/2005/060316.htm).

<sup>13</sup> Exhibit 5.1, Health Care Employment, Kaiser Family Foundation, <http://www.kff.org/insurance/7031/ti2004-5-1.cfm>.

<sup>14</sup> United States General Accounting Office, "Medical Malpractice: Implication of Rising Premiums on Access to Health Care," GAO030836, August 2003. Available at <http://www.gao.gov/new.items/d030836.pdf>.

<sup>15</sup> Baicker, Katherine; Chandra, Amitabh; "The Effect of Malpractice Liability on the Delivery of Health Care" National Bureau of Economic Research, Working Paper 10709, 2004 Available at <http://www.nber.org/papers/w10709>

<sup>16</sup> Dranove, David; Gron, Anne' and Sfekas, Andrew; "Has the malpractice crisis in Florida really affected access to care?" Kellogg School of Management, Northwestern University, Evanston, IL 60208, 3/29/2006

<sup>17</sup> Table A-8, AMA's Physician Characteristics and Distribution in the U.S., 1992 Edition, p. 33; Table A-14, AMA's Physician Characteristics and Distribution in the U.S., 1996-97 Edition, p. 32; Table 5.14, AMA's Physician Characteristics and Distribution in the U.S., 2002 Edition, p. 342; Table 5.14, AMA's Physician Characteristics and Distribution in the U.S., 2006 Edition, p. 324.



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<sup>18</sup> Reschovsky, James D., Staiti, Andrea B., “Physician Incomes in Rural and Urban America,” Health System Change Issue Brief No. 92, January 2005.

<sup>19</sup> Reschovsky, James D., Staiti, Andrea B., “Access and Quality: Does Rural America Lag Behind?” *Health Affairs*, Vol. 24, No. 4 (2005), 1128:1139.

<sup>20</sup> “Rural Practice, Keeping Physicians In”. American Academy of Family Physicians. Available at: <http://www.aafp.org/x16635.xml>

<sup>21</sup> National Rural Health Association, Issue Paper 13, “Physician Recruitment and Retention,” November 1998, Kansas City, Mo., available at [www.nrharural.org/dc/issuepapers/ipaper13.html](http://www.nrharural.org/dc/issuepapers/ipaper13.html).