

# Physician Supply Shortage Explained

Health Care Policy  
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If the law of supply and demand applies to physicians, then America's doctors should see their income rise in the coming years. Yet many physicians may be asking themselves whether any increase in their income will be enough to offset the difficulties of practicing medicine today.

In fact, the stress of practicing medicine is causing the number of doctors delivering health care to decline. In [\*Will the Last Physician in America Please Turn Off the Lights? A Look at America's Looming Doctor Shortage\*](#) (Independence, MO: Practice Support Resources, 2004), James Merritt, Joseph Hawkins, and Phillip Miller explain and document the coming shortage of physicians. The three authors are principals at Merritt Hawkins & Associates, a physician recruiting firm, in Irving, Texas. Their firm recruits doctors for physician groups, community hospitals, large health systems, and other positions in health care.

## No Longer Practicing

As recruiters, the authors have found that there are not enough doctors to fill the positions currently available. Many physicians have left the practice of medicine because they are frustrated with managed care, reimbursement has been reduced, malpractice rates have risen, and they feel overworked.

What's more, as more doctors are leaving medicine, fewer are entering, and the gap is being filled only partially by international medical graduates. Physician population will reach negative growth in about 15 years, the authors say.

The high turnover among allied health professionals is another factor contributing to decline in the number of physicians: Many physicians are frustrated by having to work with new hospital staff and have trouble finding good staff for their own offices (see table).

Also, not surprisingly, many young physicians want more personal time for themselves and to spend with their families. Among younger physicians, a rising number are women and these younger physicians want time outside of medicine to spend with family, to pursue personal interests, and to lead a balanced life, the authors say.

## Waiting for Care

Many patients have had trouble finding physicians, but those who are elderly, live in rural areas or in inner cities, or participate in Medicare and Medicaid are experiencing severe problems in gaining access to care, the authors say. The problem is seen clearly when the authors report on the time it takes for a new Medicare or Medicaid patient to see an ob-gyn physician in certain cities.

In Boston, for example, such patients would wait 45 days, and find that only 56% of these physicians accept these patients. In Detroit, the wait is 39 days, and only 40% of these physicians accept such patients. In San Diego, 31 days, 80%; in Philadelphia, 28 days and 24%; and in Atlanta, 24 days, 25%, according to research by Merritt, Hawkins & Associates.

Similar problems exist in other specialties as well. In emergency rooms, the lack of specialty coverage is a growing national problem, the authors report. There are three significant reasons for the shortage of specialists in emergency departments. According to research by The Schumacher Group cited in this 120-page book, 26% of specialists who had been working in the ER were discouraged by malpractice concerns from continuing to practice, 33% were discouraged by a lack of payment for ER services, and 31% of specialists were recruited away by competition. The Schumacher Group, a physician staffing organization in Lafayette, La. (at [www.tsGED.com](http://www.tsGED.com)), focuses on finding physicians for hospital staff positions.

## Replacements Needed

In psychiatry, the supply of specialists is severely limited among the poor due to lack of government funding and shortage of psychiatrists, the authors say.

One of the most significant reasons for the doctor shortage is what the authors call maldistribution in thinly populated rural states. In the five states with the most physicians per capita, there are 375 physicians or more per 100,000 residents, according to the AMA: Vermont (375), Connecticut (385), Maryland (406), New York (409), and Massachusetts (448). The District of Columbia has 718 physicians per 100,000 residents. Conversely, in the bottom five states, there are fewer than 200 physicians per 100,000 residents: Idaho (178), Mississippi (181), Oklahoma (184), Alaska (194), and Nevada (196).

In rural areas, the shortage of physicians is particularly acute, the authors say. Although they found a number of highly skilled and dedicated country doctors and listed them in the book, each one is over age 70 and no physicians are waiting to take their place. For example, the authors cite John Harlan Haynes, MD, the country doctor of the year in 1992, who practices in Vivian, La., a town of 4,156 residents; Clair Louise Candill, MD, the country doctor of the year in 1993, who practices in Morehead, Ky., a town of 8,357 residents; and William Hill, MD, the country doctor of the year in 1994, who practices in Carrolton, Ala., a town of 1,170. For these physicians and seven others listed in this book, no replacement has been identified. What's more, only 6% of medical residents say they want to practice in small towns.

## Seeing Opportunities

Given the shortages of physicians in many specialties and in many markets, physicians who are willing to work in temporary positions may find plenty of opportunities, the authors say. Locum tenens physicians provide an important service for physician-short communities and a way for older physicians to see fewer patients while earning a decent living. In child psychiatry, for example, there are more than seven locum tenens opportunities per specialist, the authors say. In radiology, there are 2.94 opportunities per physician; in cardiology 2.43 opportunities; and in emergency medicine, 2.07 opportunities, the authors say.

One consequence of rising demand is rising salaries, and in a separate press release on a survey it did of hospitals and medical groups, the Merritt, Hawkins & Associates' 2004 Review of Physician Recruiting Incentives, Merritt Hawkins says income has risen for many physicians. In general, specialists are in demand, the search firm says, including gastroenterologists, urologists, neurologists, and pulmonologists, who are leading a wave in demand that is still cresting.

One specialty that has been in demand is radiology. The average income offers used to recruit radiologists, for example, rose from \$317,000 in 2002-03 to \$336,000 this year, Merritt Hawkins says. Another specialty in demand is orthopedic surgery. That demand is driven by the active elderly and aging baby boomers who require orthopedic surgery to maintain their active lifestyles, the search firm says. In particular, many small to mid-sized communities are seeking to build centers of excellence in orthopedic surgery to keep these surgeons from relocating, the firm says. The income offered to recruit orthopedic surgeons increased from \$287,000 in 2000-01 to \$330,000 this year, according to Merritt Hawkins.

Interestingly, the Merritt Hawkins survey also showed an increase in demand for family practitioners in the recent past. Although this trend is not expected to continue, there will be demand for family practice physicians in rural areas and inner cities, the firm says.

Armed with this information, the issue facing physicians and health system managers is how to ensure that the United States will have the physicians it needs. Perhaps expanding the current medical schools and building new ones, eliminating current regulatory burdens to keep the doctors we have, and reforming the system so that all health care consumers can afford the care they receive are steps that can begin to address the physician shortage.

But for physicians and those contemplating whether to enter the profession, the issue is this: Is becoming a physician worthwhile today?

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Publications related to this topic on website [www.practicesupport.com](http://www.practicesupport.com) include:

- ✓ [\*Physician Relations Today: A Model for Growth\*](#)
- ✓ [\*Sailing the Seven "Cs" of Hospital Physician Relationships\*](#)
- ✓ [\*Voices of Health Reform\*](#)

