

Challenges for Texas in Providing Care

Larry R. Kaiser, MD

President

The University of Texas

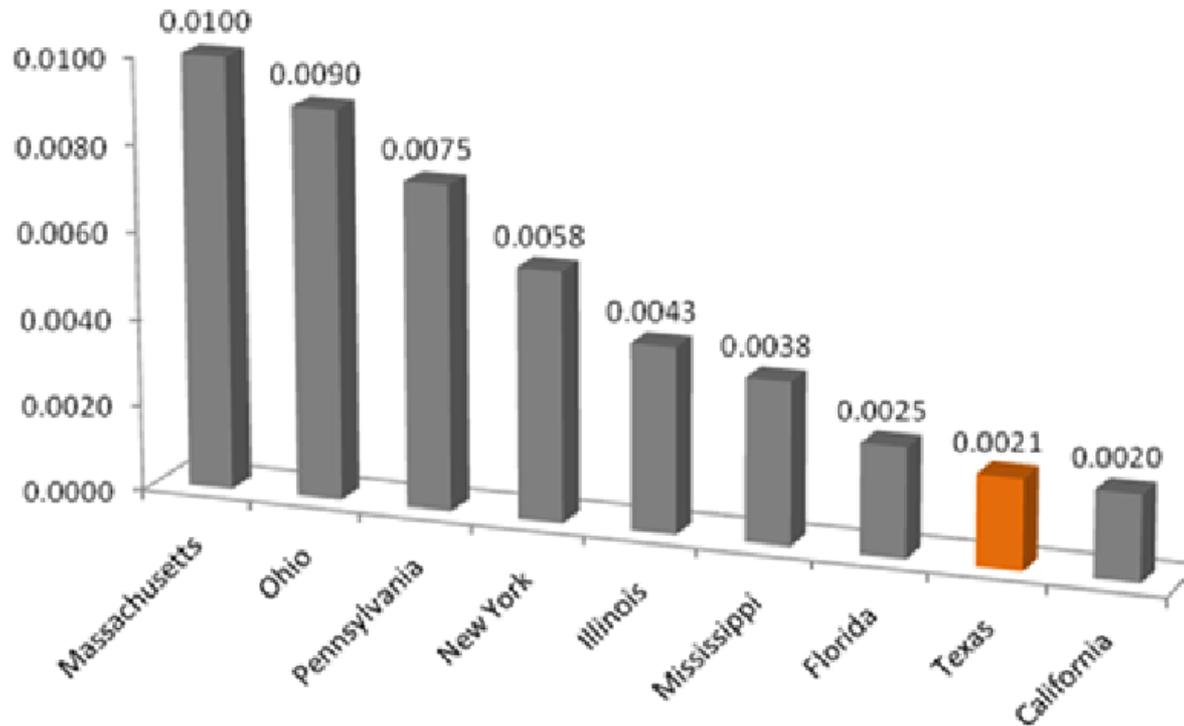
Health Science Center at Houston



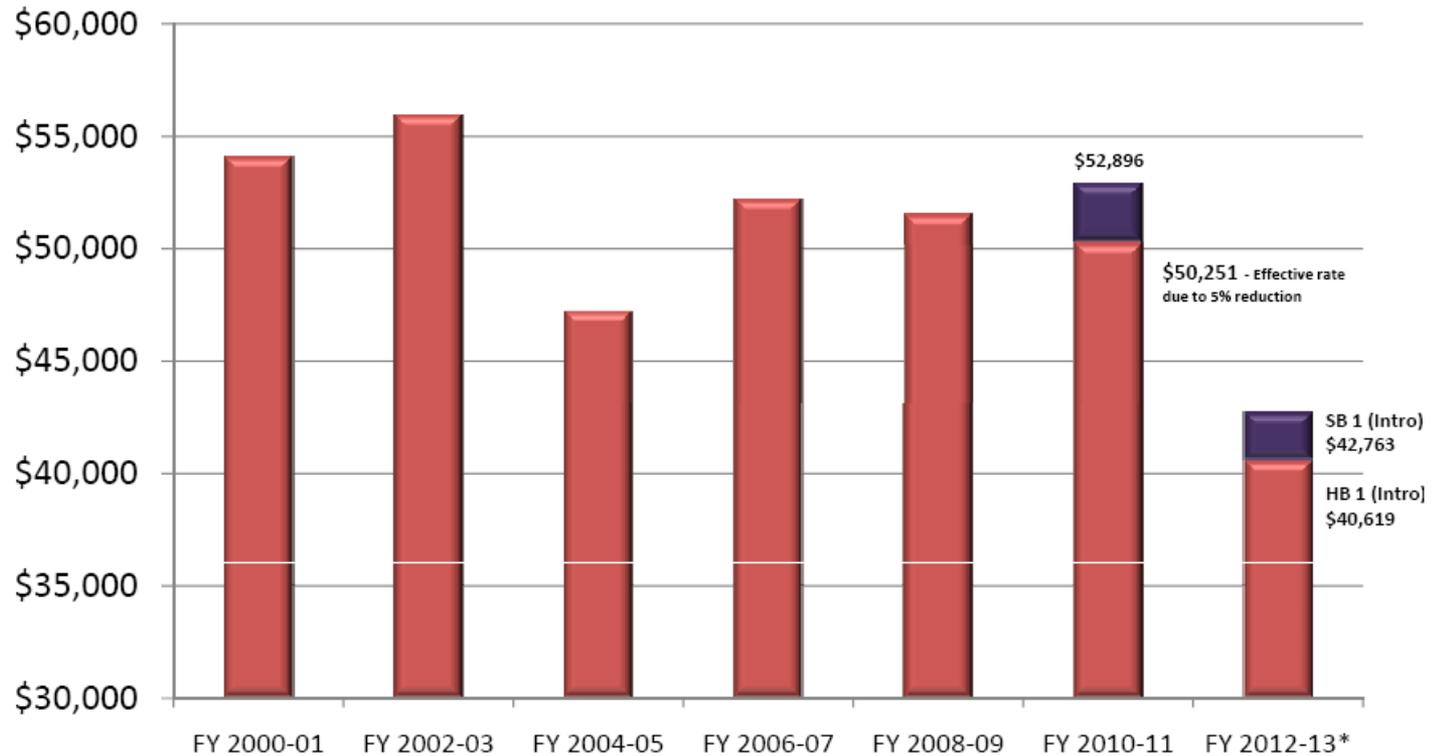
Physician Supply Relative to Population



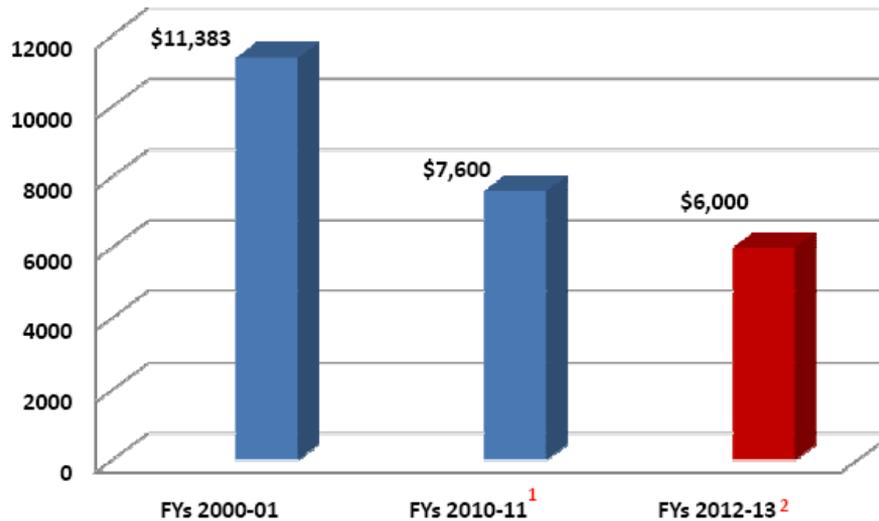
Ratio of Physician Growth to General Population Growth 1990-2010



Maintaining Per Student Funding is Most Critical Issue to UHealth (ex. Medical Education)



“Fifty-three cents on the dollar”
Effective Levels of HRIs’ Per Student I&O Formula Funding
FYs 2000-01 vs. 2010-11 vs. 2012-13 (HB 1 as introduced)

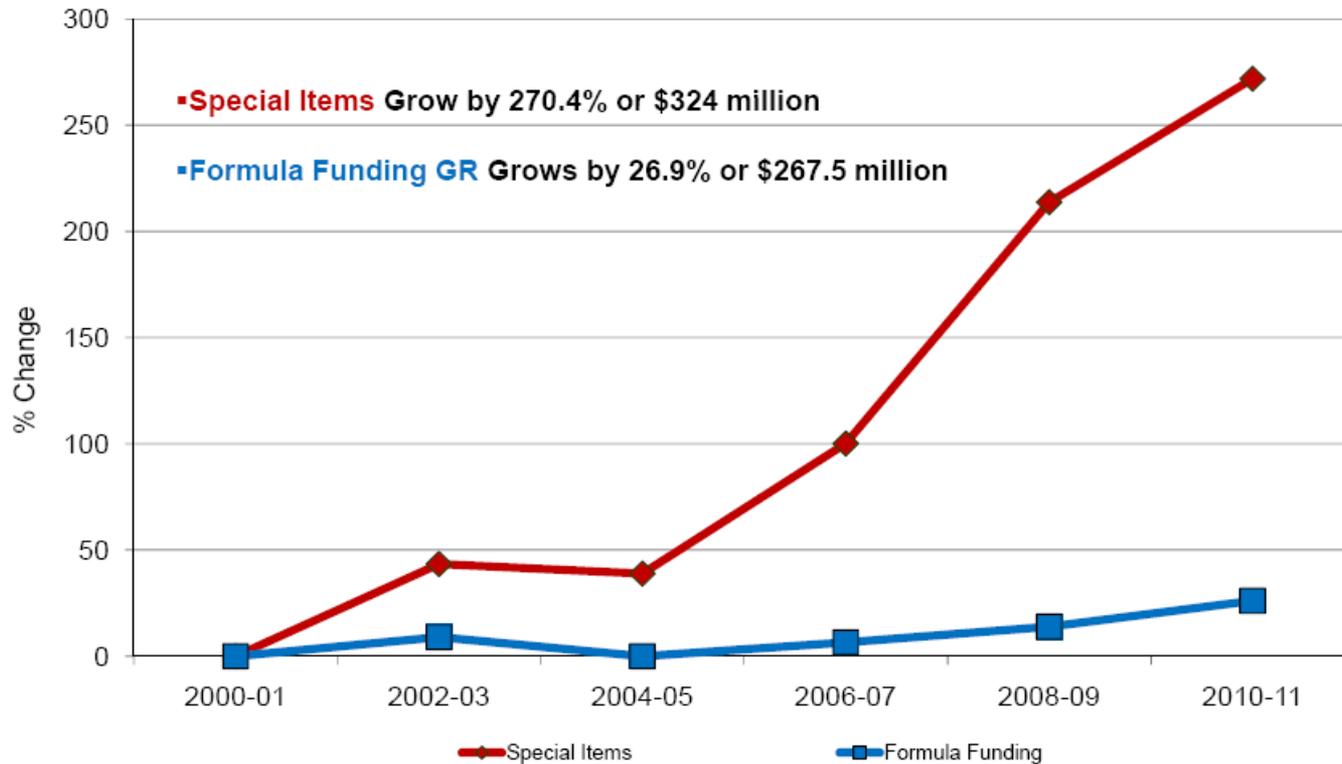


¹ Initially appropriated I&O base rate (of \$11,129) is reduced by 5%, then another 2.5%, and then inflation-adjusted from 9/1999 to 9/2010 (the mid-point of the current biennium) using an average 2.75% annual estimated purchasing power reduction over this period to arrive at FYs 2010-11 approximate, adjusted amount.

² Same as ¹, with the January 2011 “base bill” reduction of the base rate to \$8,546, and then inflation-adjusted (again, at 2.75%/year) from 9/1999 to 9/2012 (the mid-point of the coming biennium), to arrive at FYs 2012-13 approximate, adjusted amount.

Note: Amounts are “per student,” at 1.0 “base rate”

Growth in Special Items Exceeds Growth in Formula Funding from FY 2000 – FY 2011



Note: Amounts include ARRA for formula funding and special items in FY 2010-11.

HealthCare Workforce: UTHealth Experience

CHALLENGE

- To train the Healthcare Workforce of the 21st Century

SOLUTIONS:

- Educational Outreach – Delivery to Point –of–Service
 - Distance Education
- Instructional technologies– Match to students learning–styles
 - Web–based learning formats
- Educational Technologies – Increase Efficiency and Effectiveness
 - Simulations



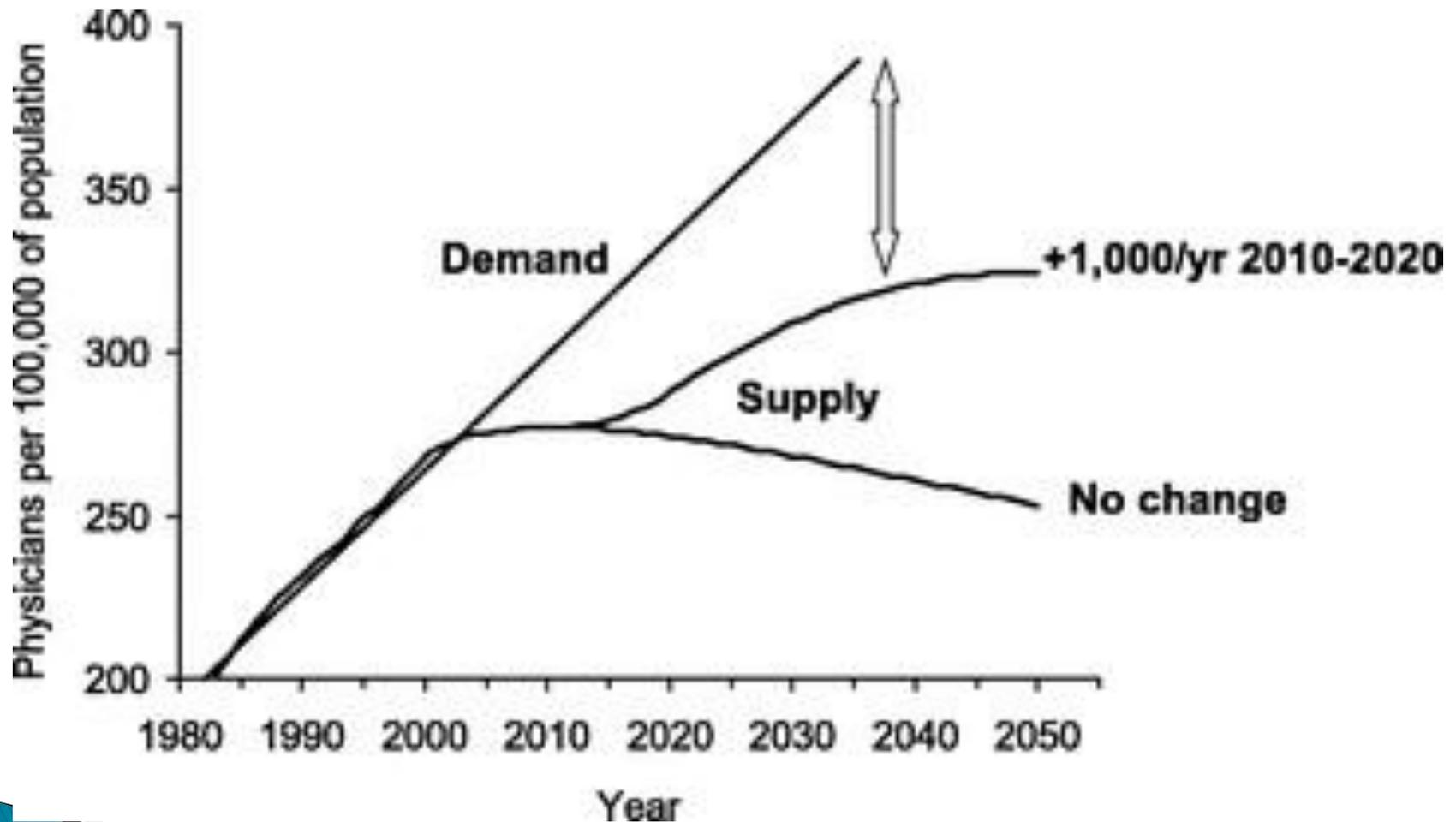
Balanced Budget Act of 1997

- ▶ Froze federal funding for GME at 1996 levels
 - ▶ This single action fully accounts for the leveling off of physician supply in 2005 and the projected decline
- 

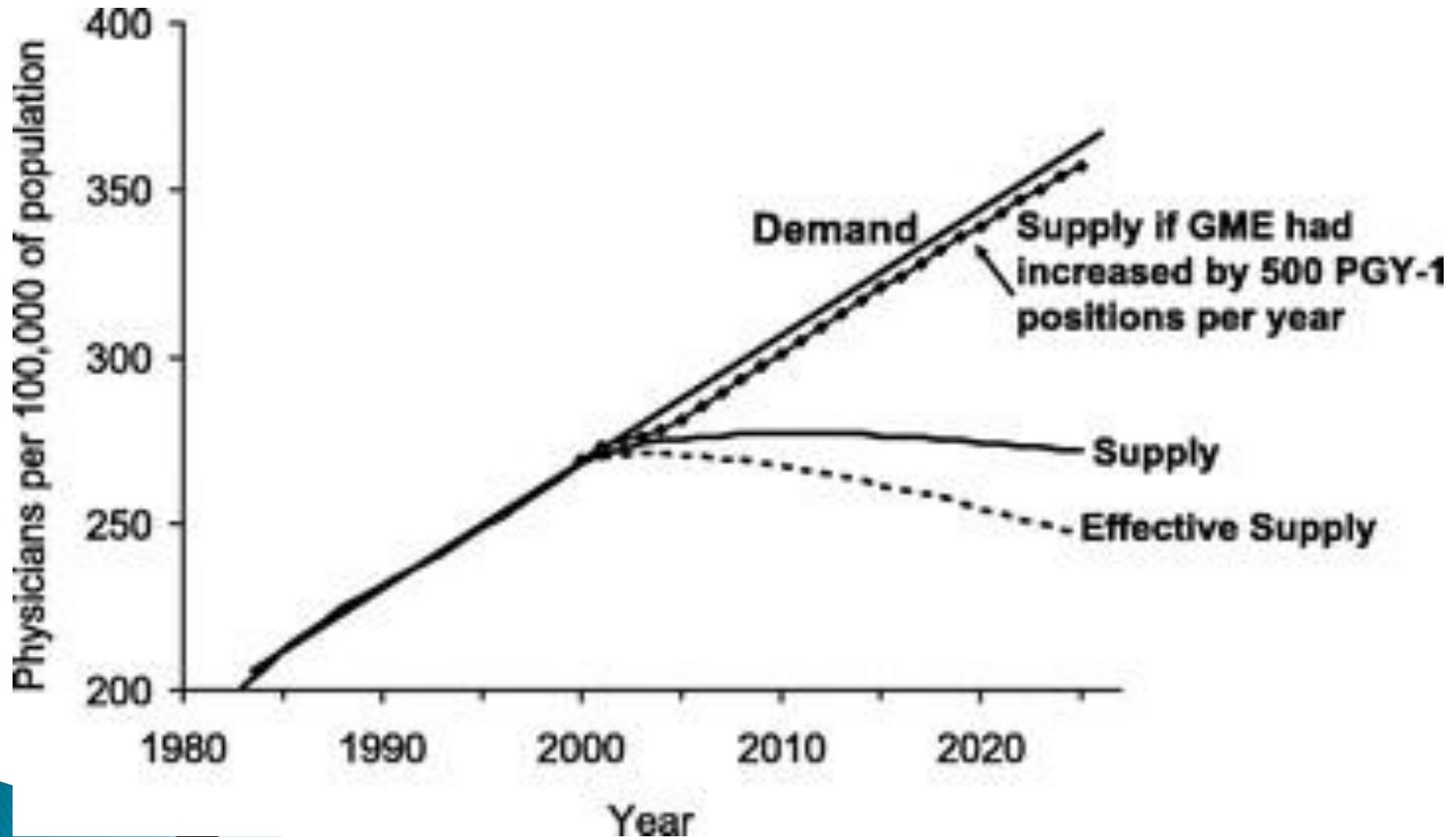
Dartmouth Group

- ▶ Urged Congress to “resist efforts to remove limits on GME,” because “holding the line on new specialists will dampen future cost increases.”
- ▶ “30% solution” – “if we sent 30% of the doctors in this country to Africa, we might raise the level of health on both continents
- ▶ Embraced by MedPAC, CBO, Director of OMB

Disparity between Physician Supply and Demand if 1000 PG1's are added each year from now to 2020



Physician Supply if GME had increased by 500 per Year



Physician Workforce

- ▶ AAMC- shortage of 150,000 doctors in next 15 years
- ▶ Greatest demand is for primary care physicians
- ▶ Currently 352,908 primary care doctors
 - AAMC estimate: 45,000 more needed by 2020
- ▶ Number of students entering family medicine decreased by 25% between 2002 and 2007

The Health Workforce: A Position Statement from the American Surgical Association

Grosfeld, Jay L. MD; Polk, Hiram C. Jr MD; Pelligrini, Carlos A. MD; Mulholland, Michael W. MD; Lillemoe, Keith D. MD; Bass, Barbara L. MD; Busuttil, Ronald W. MD; Kron, Irving L. MD; Jones, R Scott MD; Townsend, Courtney M. Jr MD; Sheldon, George F. MD

“The issue of immediacy is the removal of the ill-conceived arbitrary cap limiting the number of Medicare-funded graduate medical education residency positions established by the Balanced Budget Act of 1997 and/or develop some alternative funding mechanism for the education of residents.” (2007)



Texas Ranks 4th in Keeping its Physicians But Still Ranks 42nd in Physician to Population Ratio

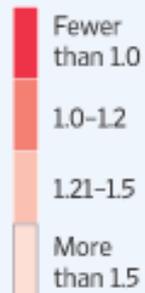
| State | Population increase over last 20 years | Physician increase over last 20 years | Physician Population per 100,000 1990 | Physician Population per 100,000 Today | Today's Rank of Physicians per 100,000 | Med School Graduate Retention Rank | GME in State Retention Rank | Med School + GME Retention Rank |
|---------------|--|---------------------------------------|---------------------------------------|--|--|------------------------------------|-----------------------------|---------------------------------|
| California | +7.5 million | +15,000 | 272 | 262 | 20 th | 1 | 2 | 5 |
| Florida | +5.9 million | +15,000 | 251 | 231 | 19 | 8 | 4 | 7 |
| Illinois | +1.4 million | +6,000 | 229 | 236 | 20 th | 27 | 14 | 33 |
| Massachusetts | +0.5 million | +5,000 | 364 | 400 | 1 | 10 | 31 | 37 |
| Mississippi | +0.4 million | +1,500 | 144 | 174 | 50 | 5 | 13 | 9 |
| New York | +1.3 million | +7,500 | 339 | 331 | 3 | 26 | 21 | 35 |
| Ohio | +0.7 million | +6,300 | 213 | 227 | 17 | 23 | 29 | 23 |
| Pennsylvania | +0.8 million | +6,000 | 256 | 255 | 9 | 31 | 35 | 35 |
| Texas | +8.1 million | +17,000 | 188 | 200 | 42 | 2 | 7 | 4 |

Limitation on practice of Non-physician Providers

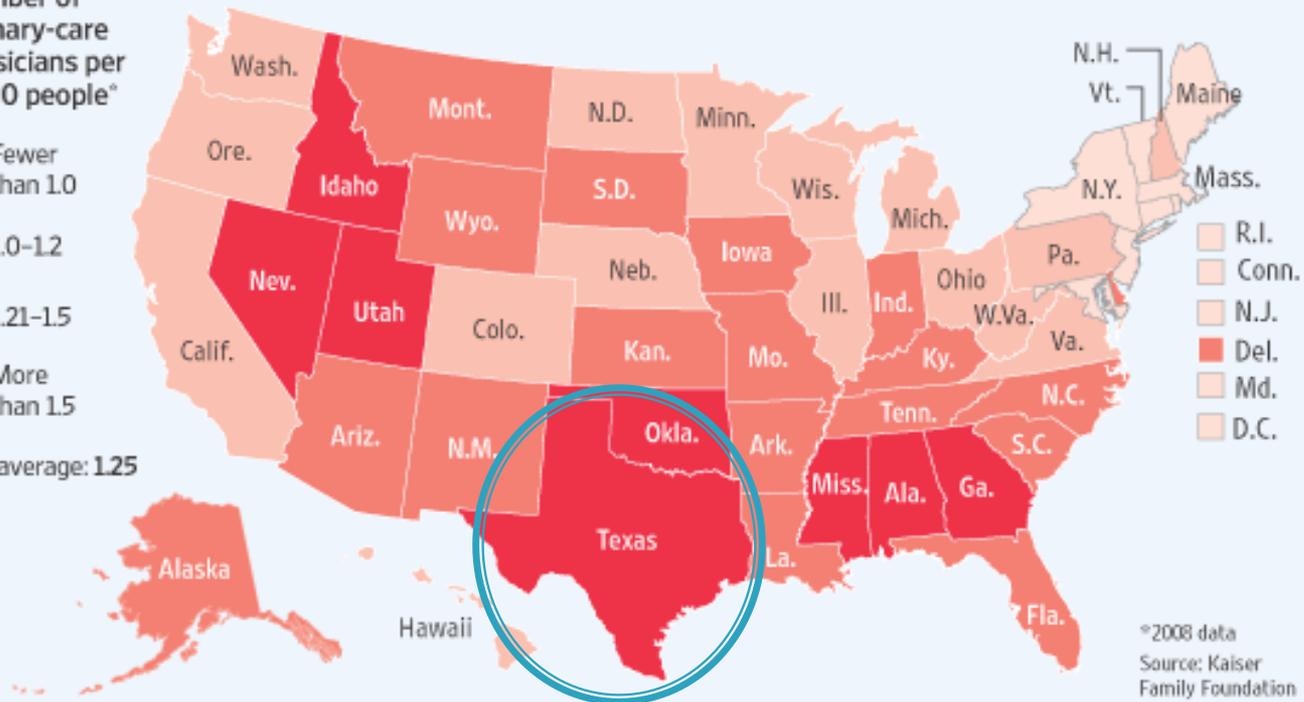


Waiting Room | A shortage of doctors could strain health-care services

Number of primary-care physicians per 1,000 people*



U.S. average: 1.25



*2008 data
Source: Kaiser Family Foundation

Doctor Shortage? 28 States May Expand Nurses' Role

With doctor shortage, 'Dr. Nurses' seek bigger role in primary care; 28 states consider

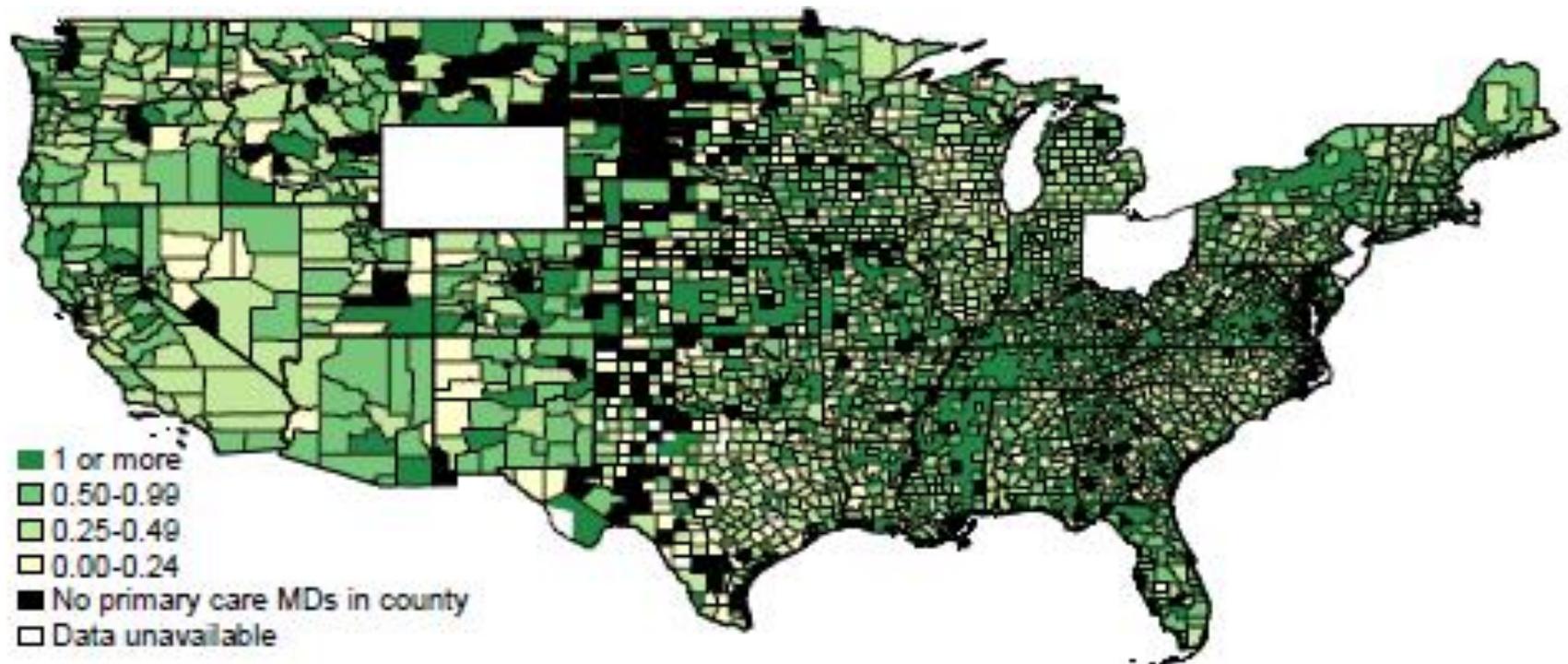
By CARLA K. JOHNSON AP Medical Writer

By 2015 most new NP's will hold doctorates (DNP) – goal set by nursing educators

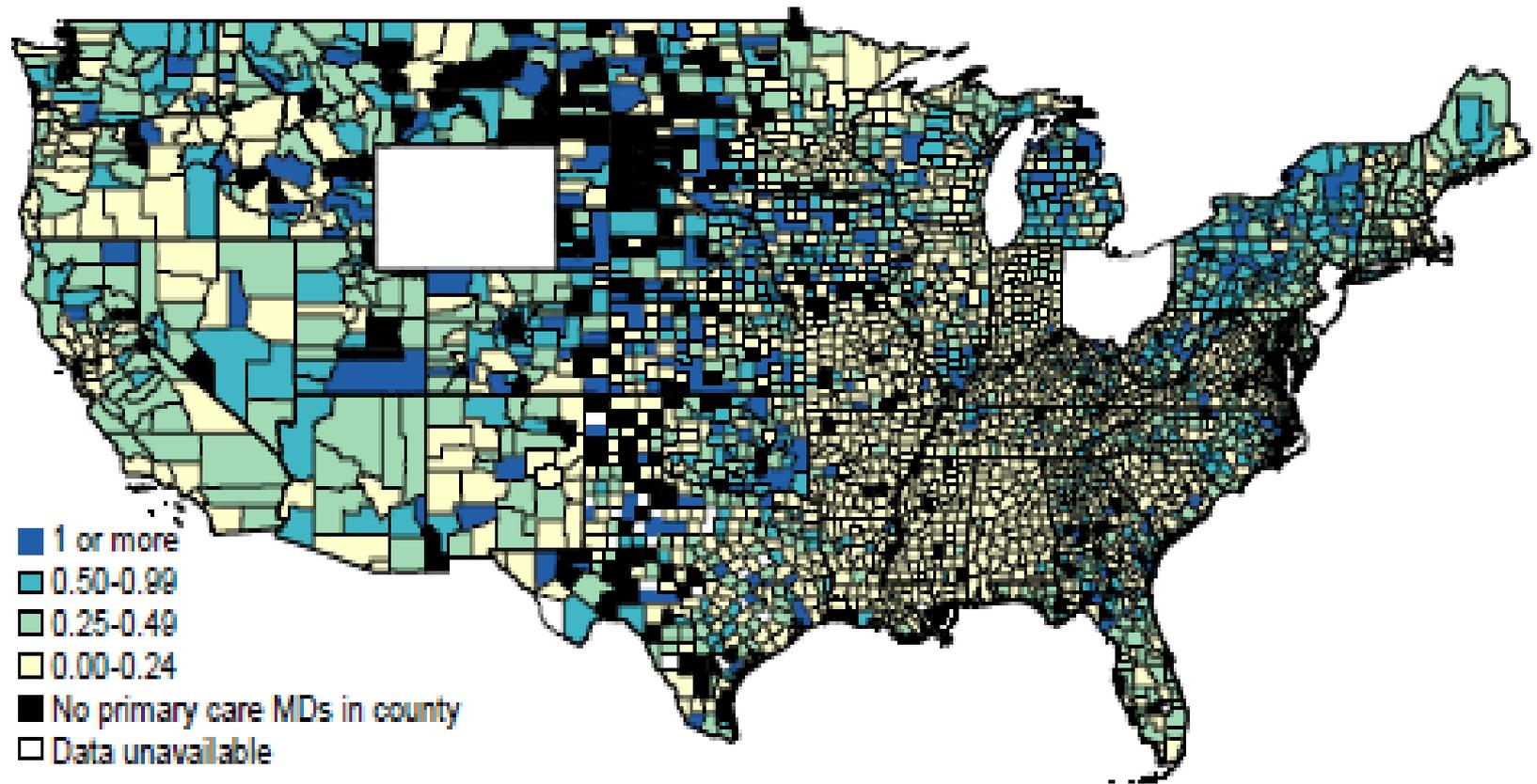
Entry degree for nursing will be the Masters

Macy Foundation Report: “nurse practitioners ...among the leaders of primary care teams”. Urged the removal of state and federal barriers preventing NP's from providing primary care

NP's per Primary Care MD by County, 2009



PA's per Primary Care MD by County, 2009



Role of Nurse Practitioners

- ▶ AMA fighting proposals in 28 states considering expanding NP scope of practice
- ▶ Massachusetts (2008): law requiring health plans to recognize and reimburse NP's as primary care providers
 - NP's listed along with MD's as primary care choices

Regulations Regarding Nurse Practitioner and Physician Practice

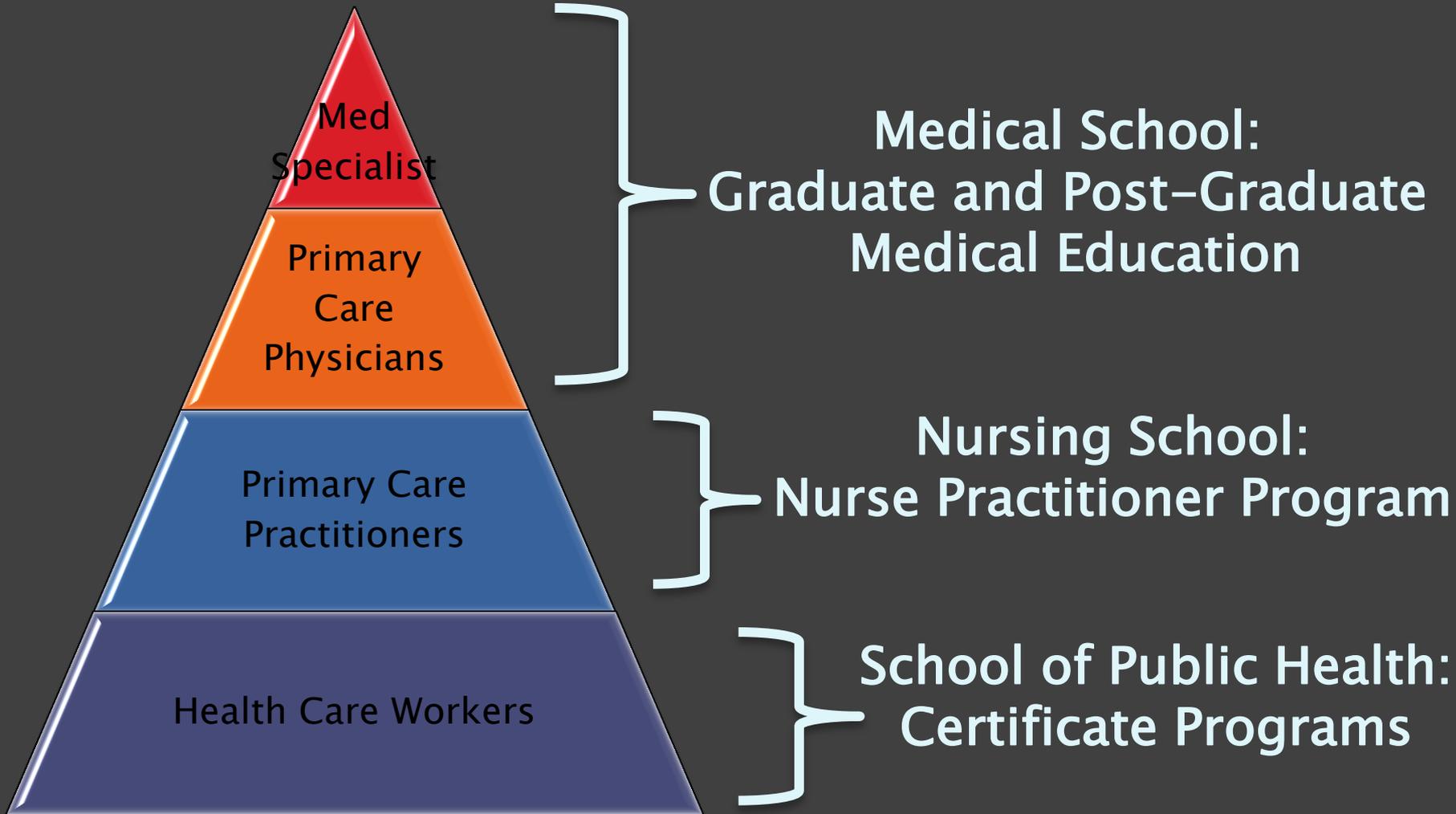
| <u>State</u> | <u>Physician Involvement Requirement for prescriptions</u> | <u>On-Site Oversight Requirement</u> | <u>Quantitative Requirements for Physician Chart Review</u> | <u>Max NP to MD Ratio</u> |
|--------------|--|---|---|---|
| Texas | MD delegation Required | For sites serving medically underserved populations: at least once q 10 days; 10% for designated alternative practice sites | 10% of all charts | 3NPs or FTE/1 MD (for alternative sites 4-1; can be waived up to 6-1) |
| Arizona | None | None | No | N/A |

Federal Health Care Reform Bill

- ▶ \$50M to nurse-managed clinics that offer primary care to low-income pts
 - ▶ \$50M annually from 2012-15 to train nurses with advanced degrees to care for Medicare patients
 - ▶ 10% bonus from 2011-16 to primary care providers, including NP's who work in underserved areas
 - ▶ Nurse Midwife reimbursement at parity with OB's
- 

HealthCare Workforce – 21st Century

Model

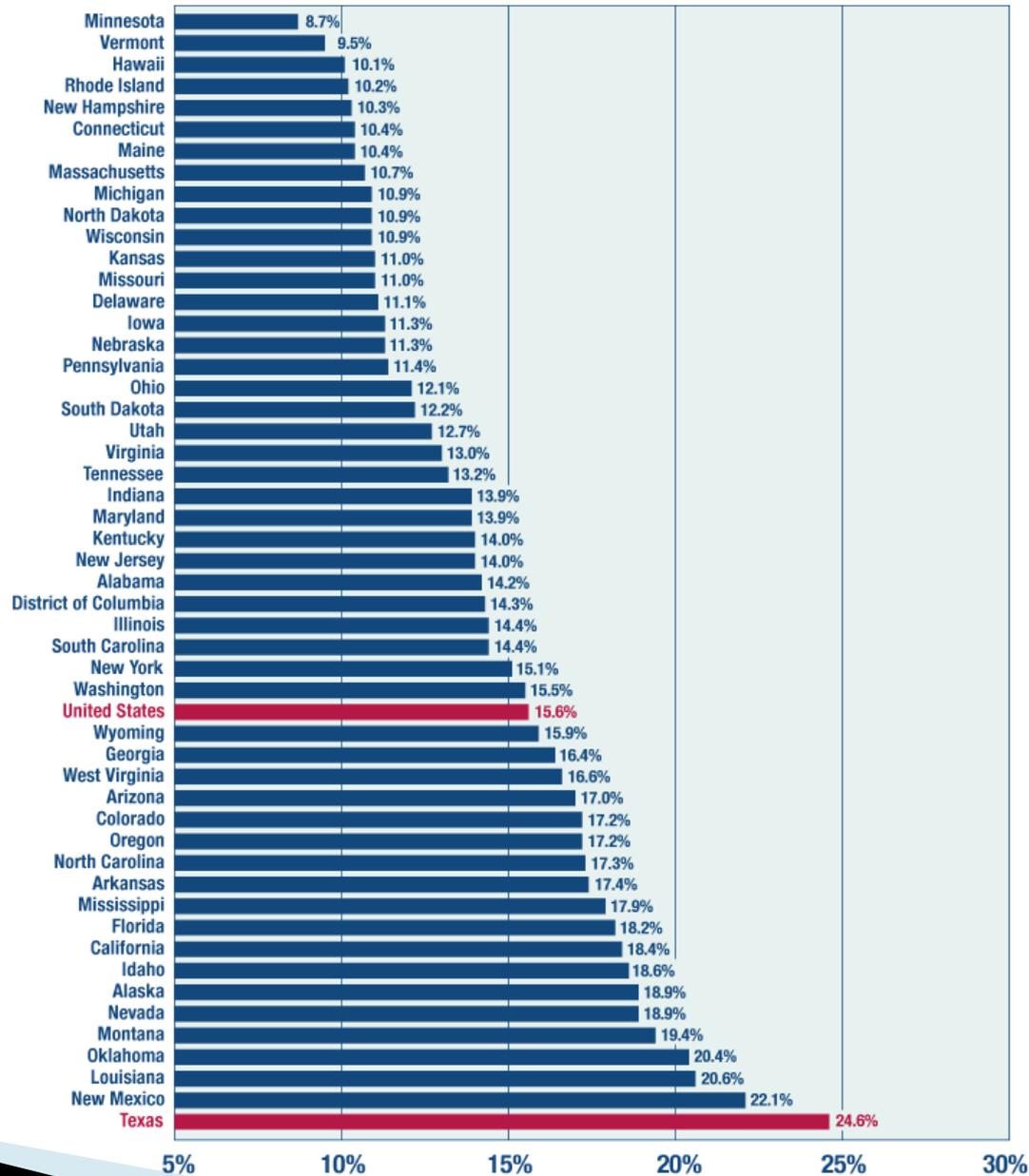


Challenges Presented by the number of the Uninsured



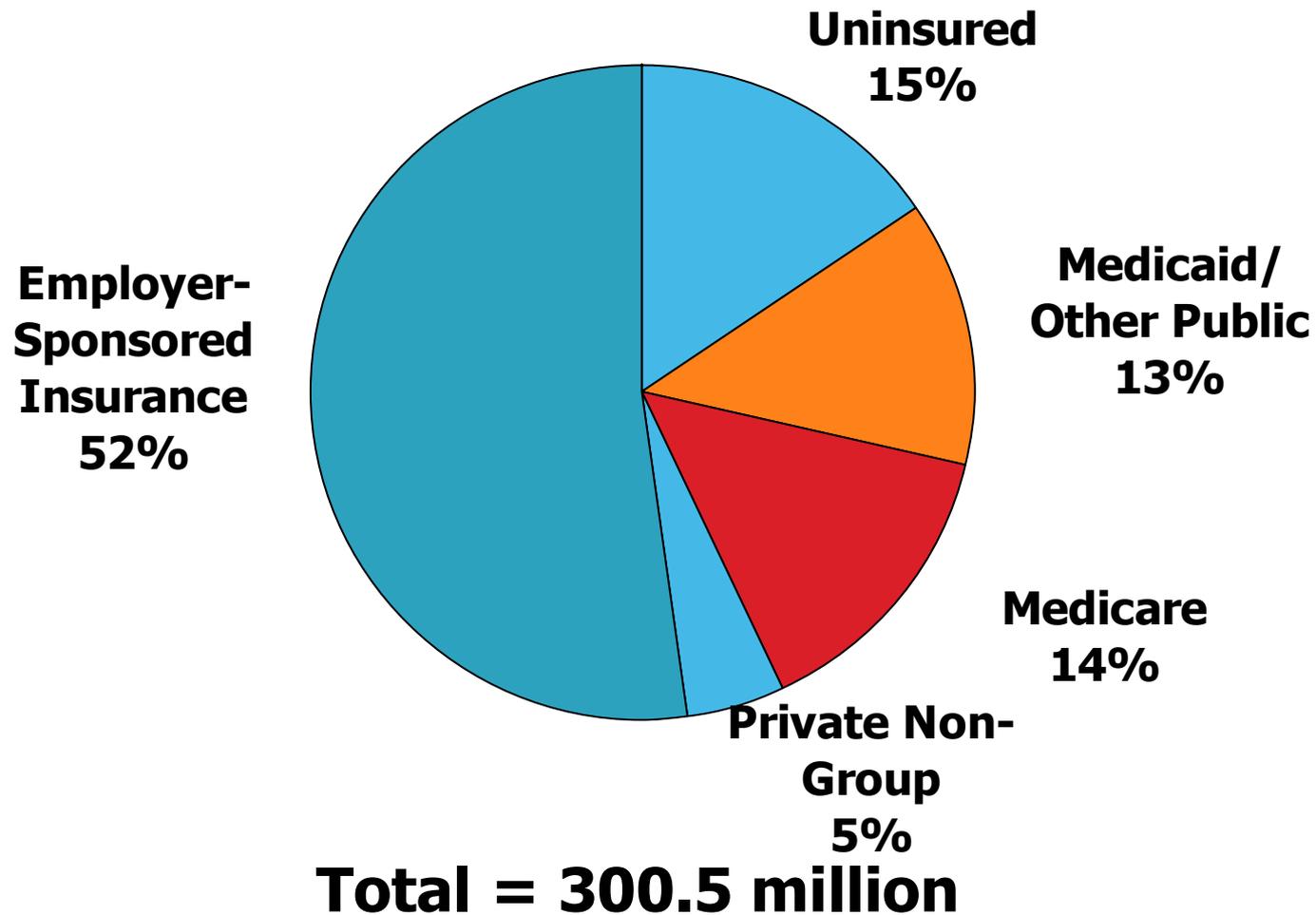
EXHIBIT 1

Percent Uninsured in Each State in 2003



Source: U.S. Census Bureau Annual Demographic Survey, March 2004.

Health Insurance Coverage in the U.S., 2008



NOTE: Includes those over age 65. Medicaid/Other Public includes Medicaid, SCHIP, other state programs, and military-related coverage. Those enrolled in both Medicare and Medicaid (1.9% of total population) are shown as Medicare beneficiaries.

SOURCE: Kaiser Commission on Medicaid and the Uninsured/Urban Institute analysis of March 2009 CPS

Percentage of Adults without Health Insurance

Ten States With the Lowest Percentages of Uninsured Residents

| State | % Uninsured |
|---------------|--------------------|
| Massachusetts | 5.5% |
| Vermont | 8.4% |
| Minnesota | 8.7% |
| Hawaii | 8.8% |
| Delaware | 9.5% |
| Connecticut | 9.7% |
| Pennsylvania | 10.0% |
| New Jersey | 11.8% |
| New York | 11.9% |
| Rhode Island | 12.2% |

January-June 2009
Gallup-Healthways Well-Being Index

GALLUP POLL

Ten States With the Highest Percentages of Uninsured Residents

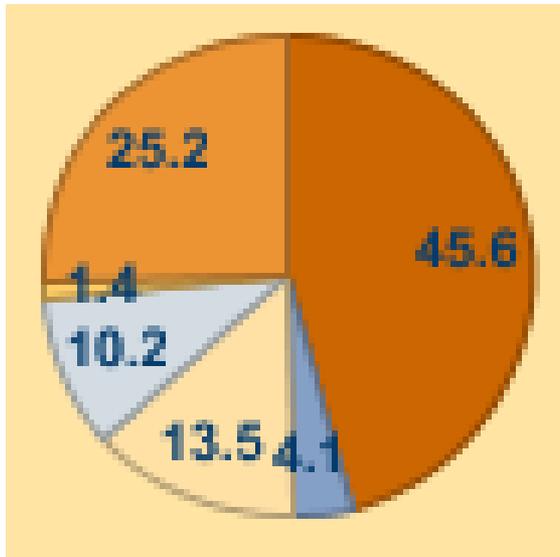
| State | % Uninsured |
|--------------|--------------------|
| Texas | 26.9% |
| New Mexico | 25.6% |
| Mississippi | 24.0% |
| Louisiana | 22.4% |
| Nevada | 22.2% |
| Oklahoma | 22.2% |
| California | 21.0% |
| Wyoming | 20.7% |
| Florida | 20.7% |
| Georgia | 20.7% |

January-June 2009
Gallup-Healthways Well-Being Index

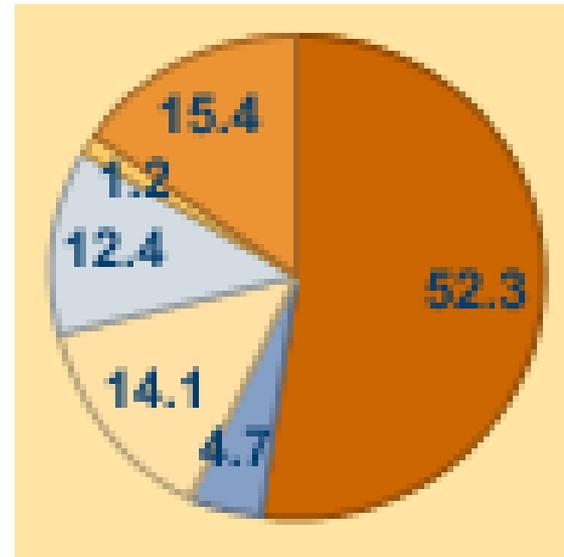
GALLUP POLL

Distribution by Insurance Status, 2007-08

Texas



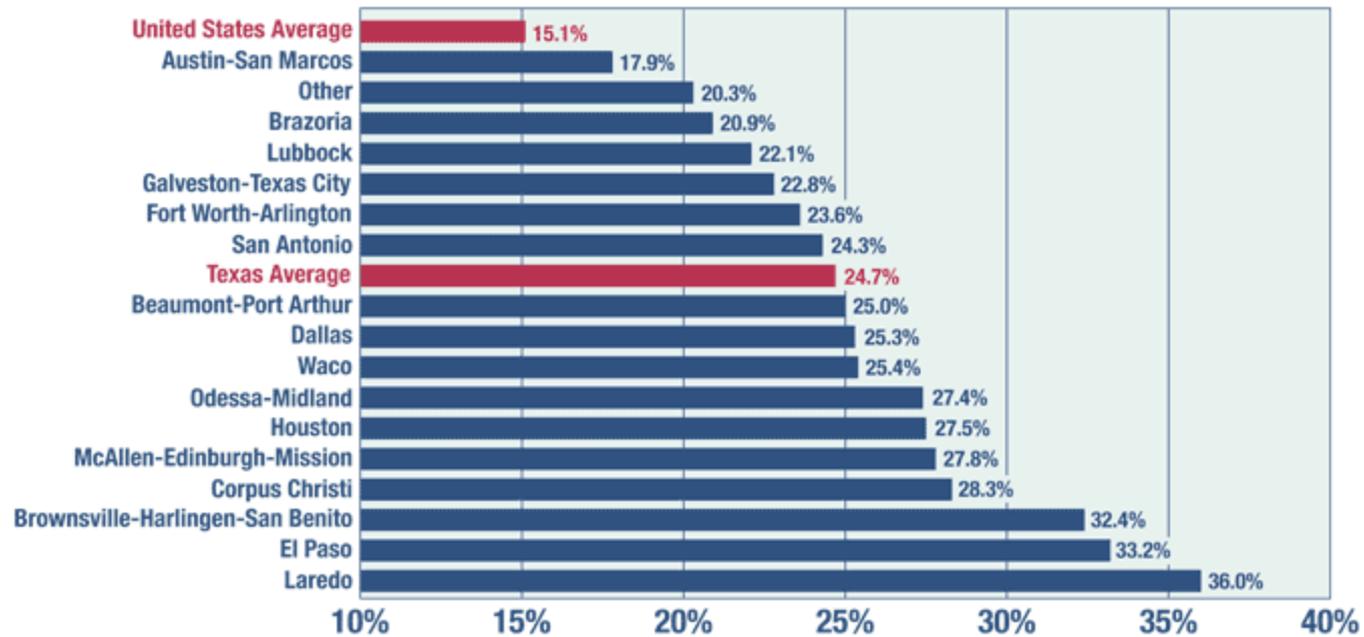
United States



- 45.6% Employer 52.3%
- 4.1% Individual 4.7%
- 13.5% Medicaid 14.1%
- 10.2% Medicare 12.4%
- 1.4% Other Public 1.2%
- 25.2% Uninsured 15.4%

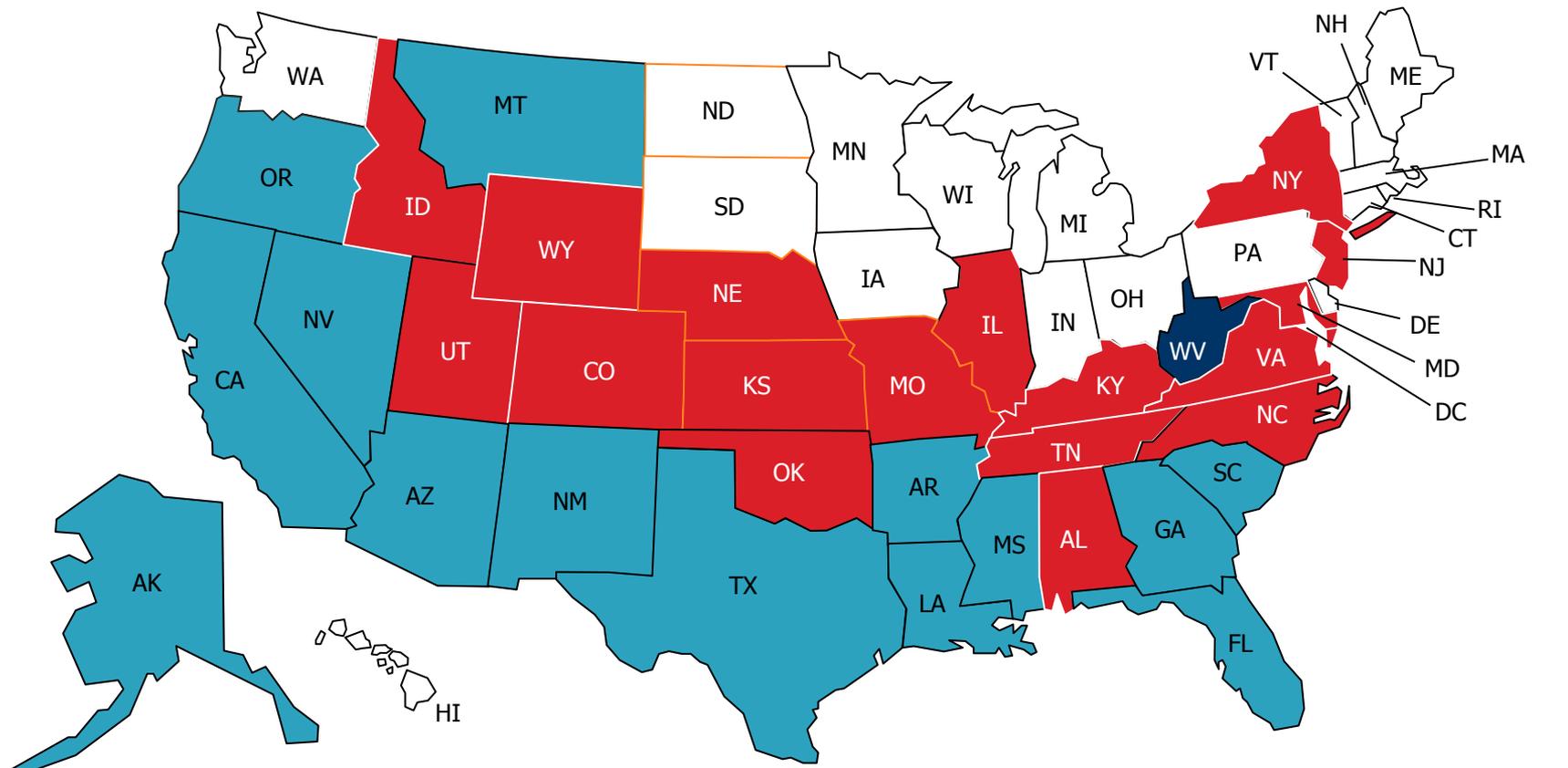
EXHIBIT 4

Percent Uninsured in Texas and the United States Three Year Average 2001 to 2003



Sources: U.S. Census Bureau, Texas State Comptroller's office.

Uninsured Rates Among Nonelderly by State, 2007-2008

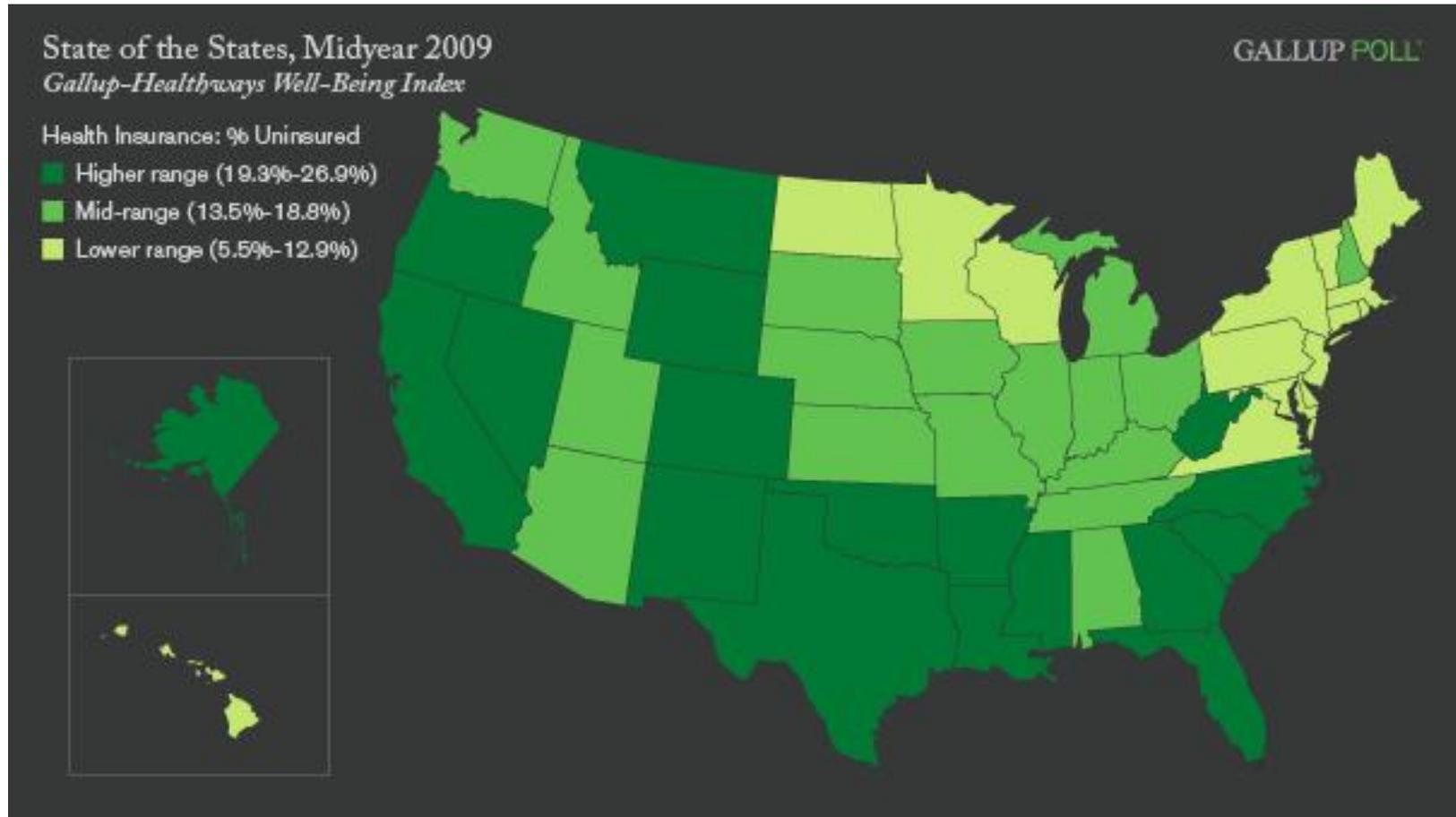


National Average = 17%

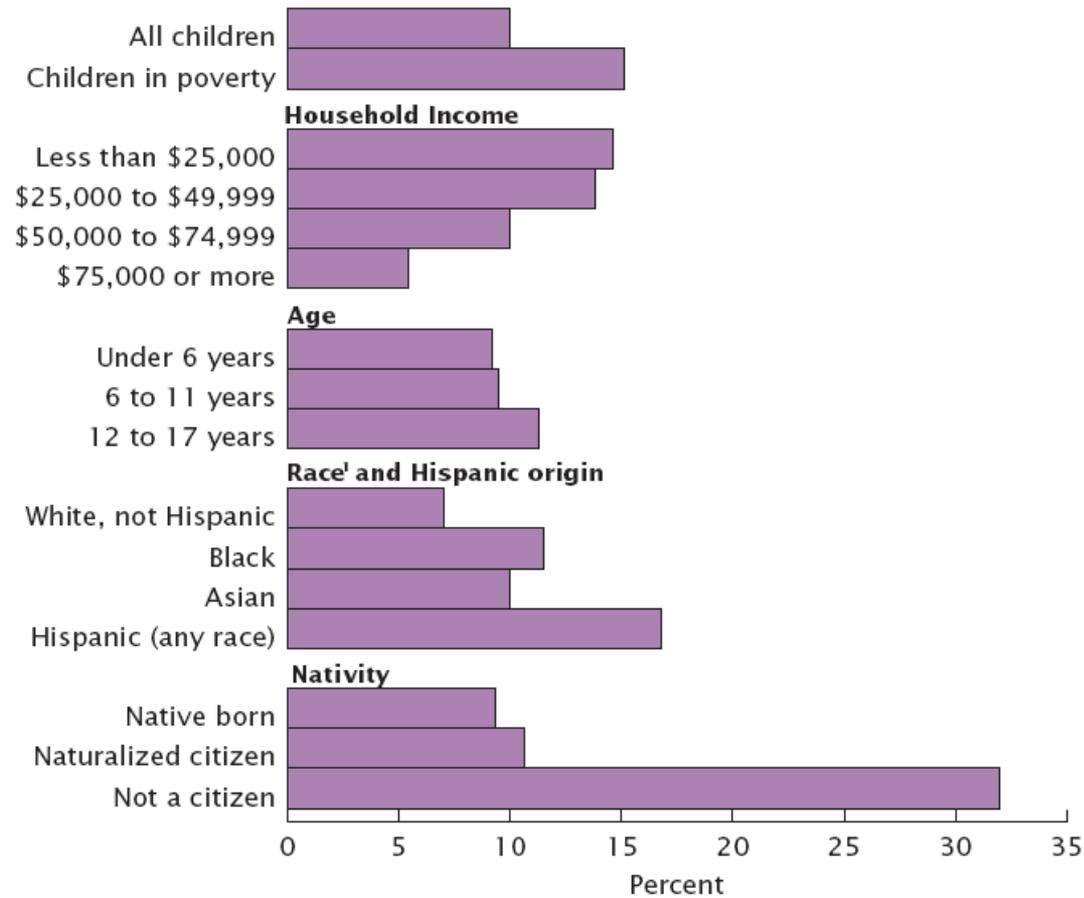
- <14% Uninsured (18 states & DC)**
- 14 to 18% Uninsured (18 states)**
- >18% Uninsured (14 states)**

SOURCE: Kaiser Commission on Medicaid and the Uninsured/Urban Institute analysis of 2008 and 2009 ASEC Supplements to the CPS., two-year pooled

Percentage of Uninsured Adults by State



Uninsured Children by Poverty Status, Household Income, Age, Race and Hispanic Origin, and Nativity: 2009



Source: U.S Census Bureau, Current Population Survey, 2010 Annual Social and Economic Supplement

EXHIBIT 5

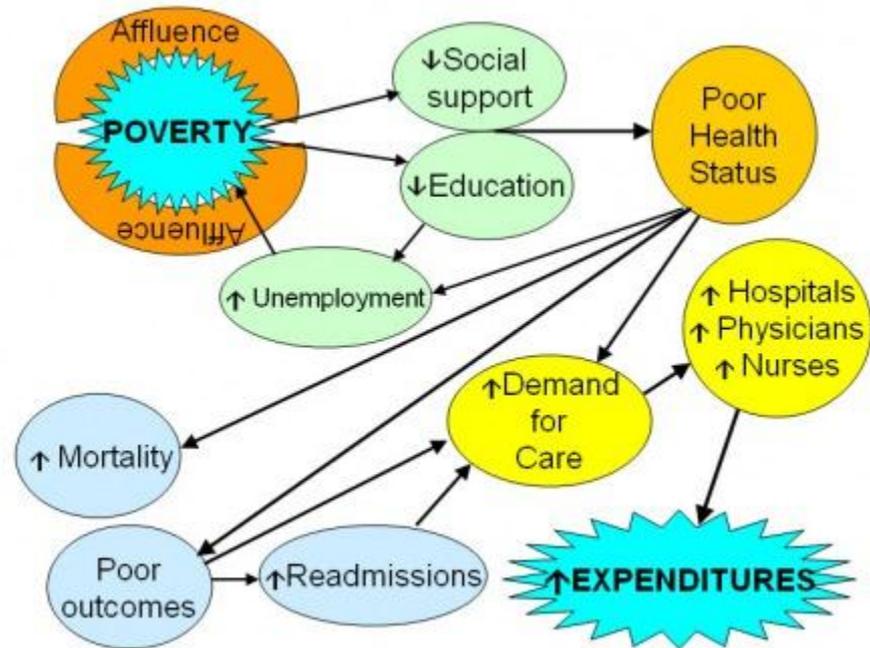
Links Between Business and the Uninsured

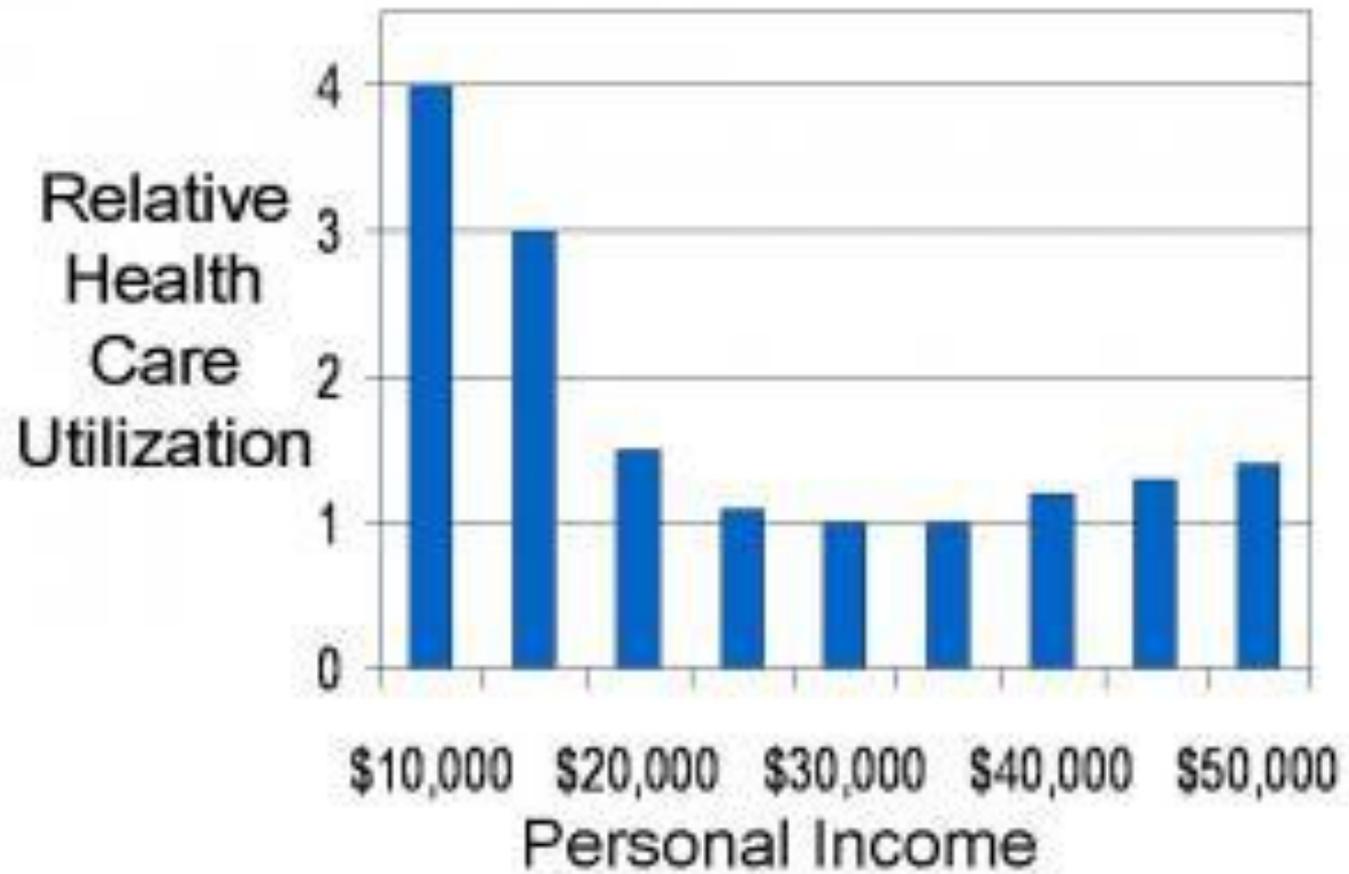


Source: Texas State Comptroller's office.

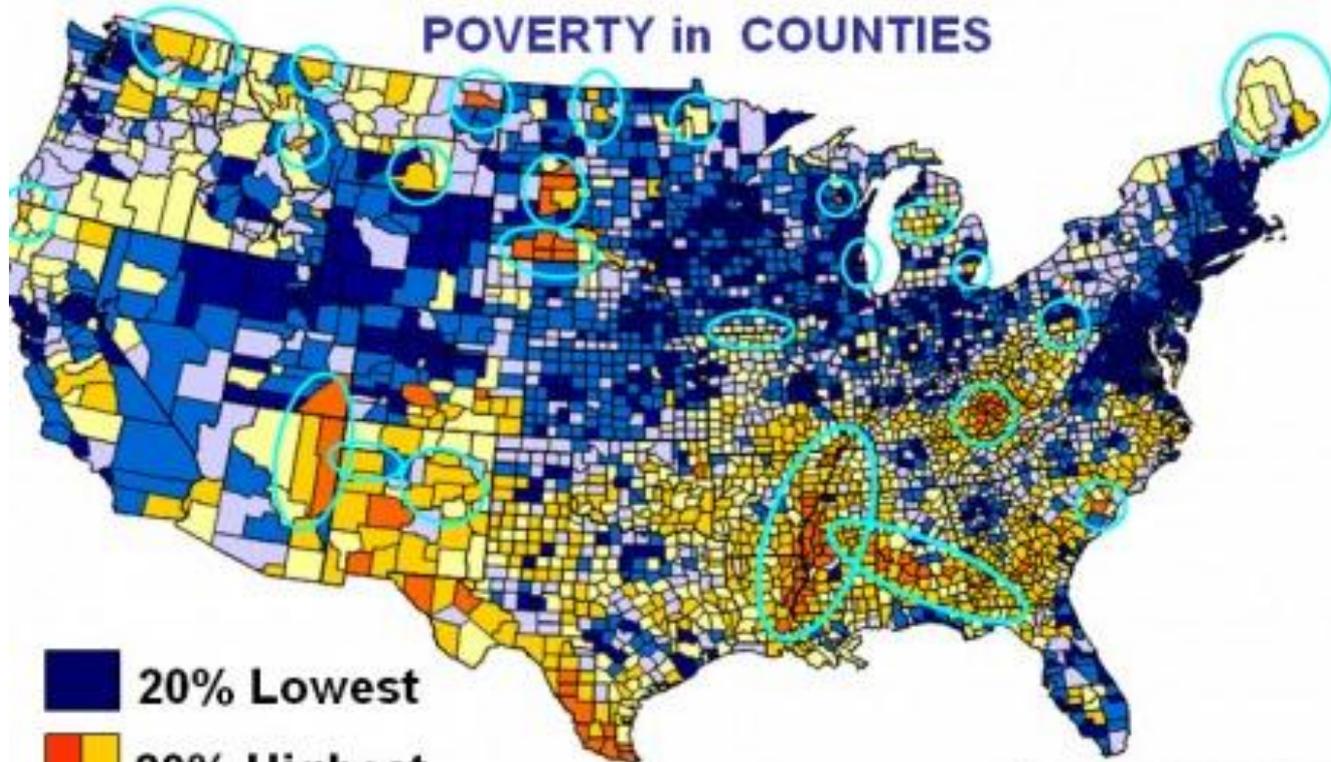
Increased Cost of Caring for the Uninsured







POVERTY in COUNTIES

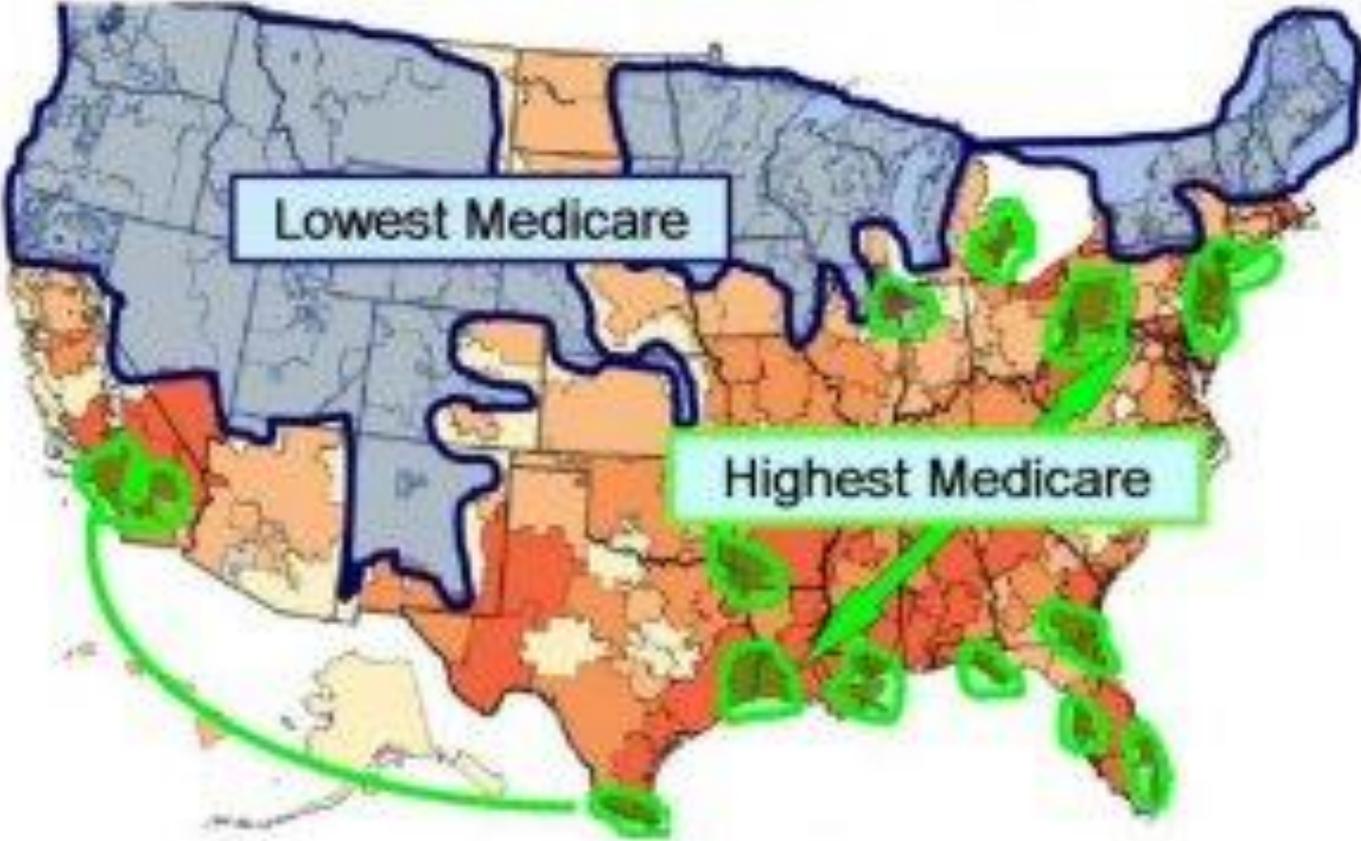


20% Lowest
20% Highest

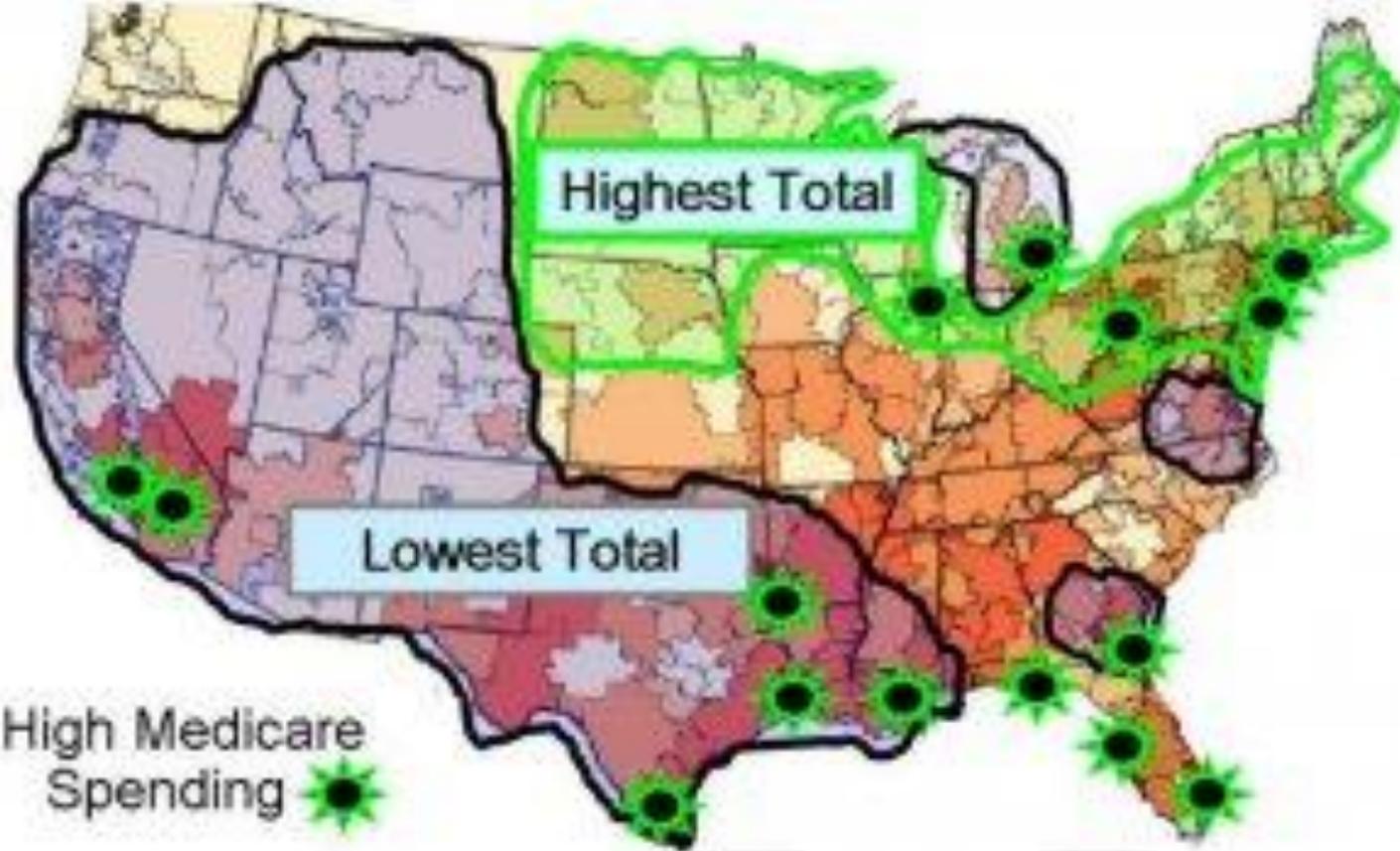
Matthew Cooper, 2009

| | | |
|--------------|-----|-------|
| 0.0 to 10.0 | 611 | 19.5% |
| 10.0 to 12.7 | 639 | 20.4% |
| 12.7 to 15.6 | 624 | 19.9% |
| 15.6 to 19.4 | 637 | 20.3% |
| 19.4 to 30.0 | 537 | 17.1% |
| 30.0 to 56.0 | 92 | 2.9% |
| No data | | |

MEDICARE SPENDING

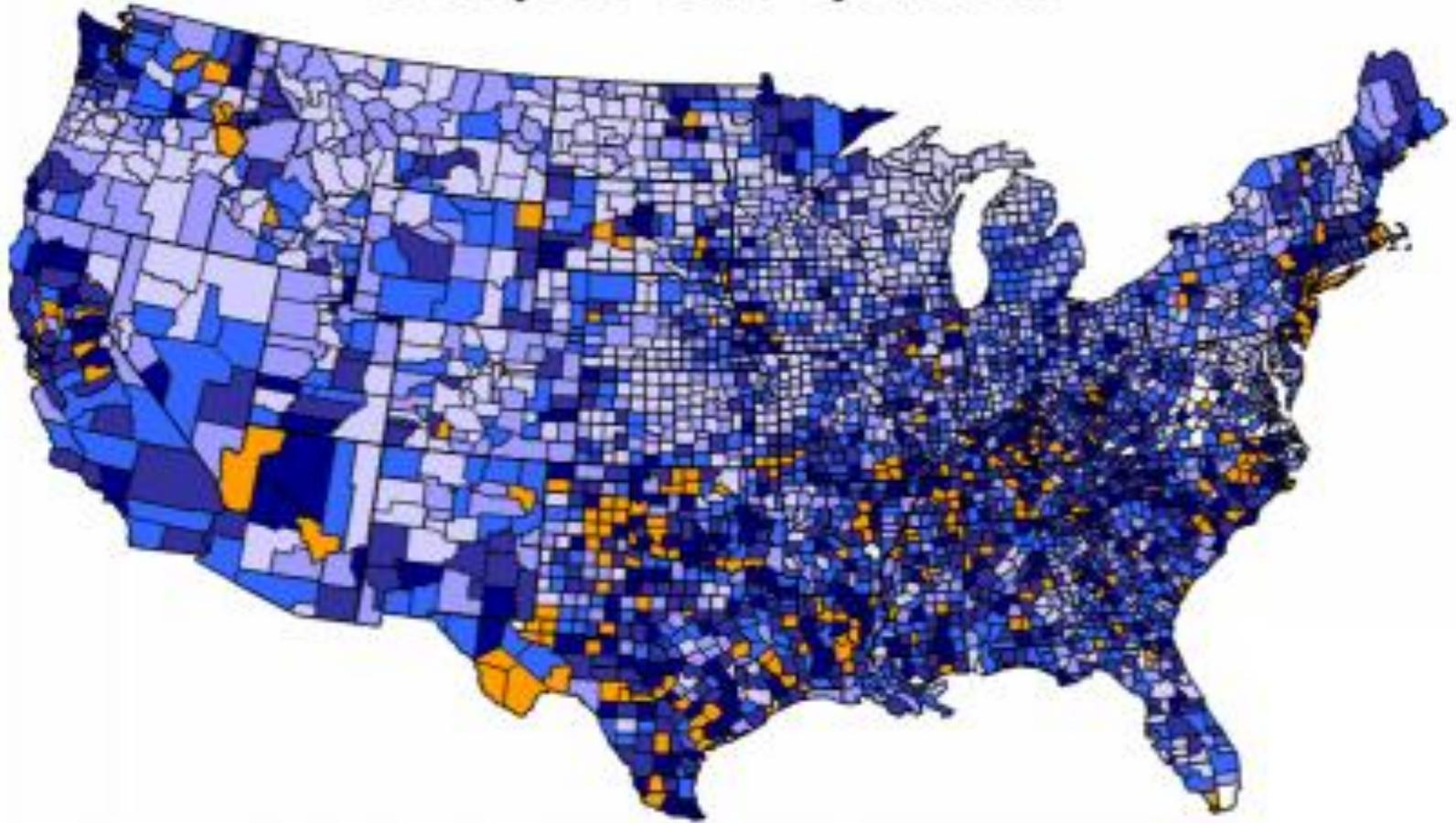


TOTAL HEALTH CARE SPENDING



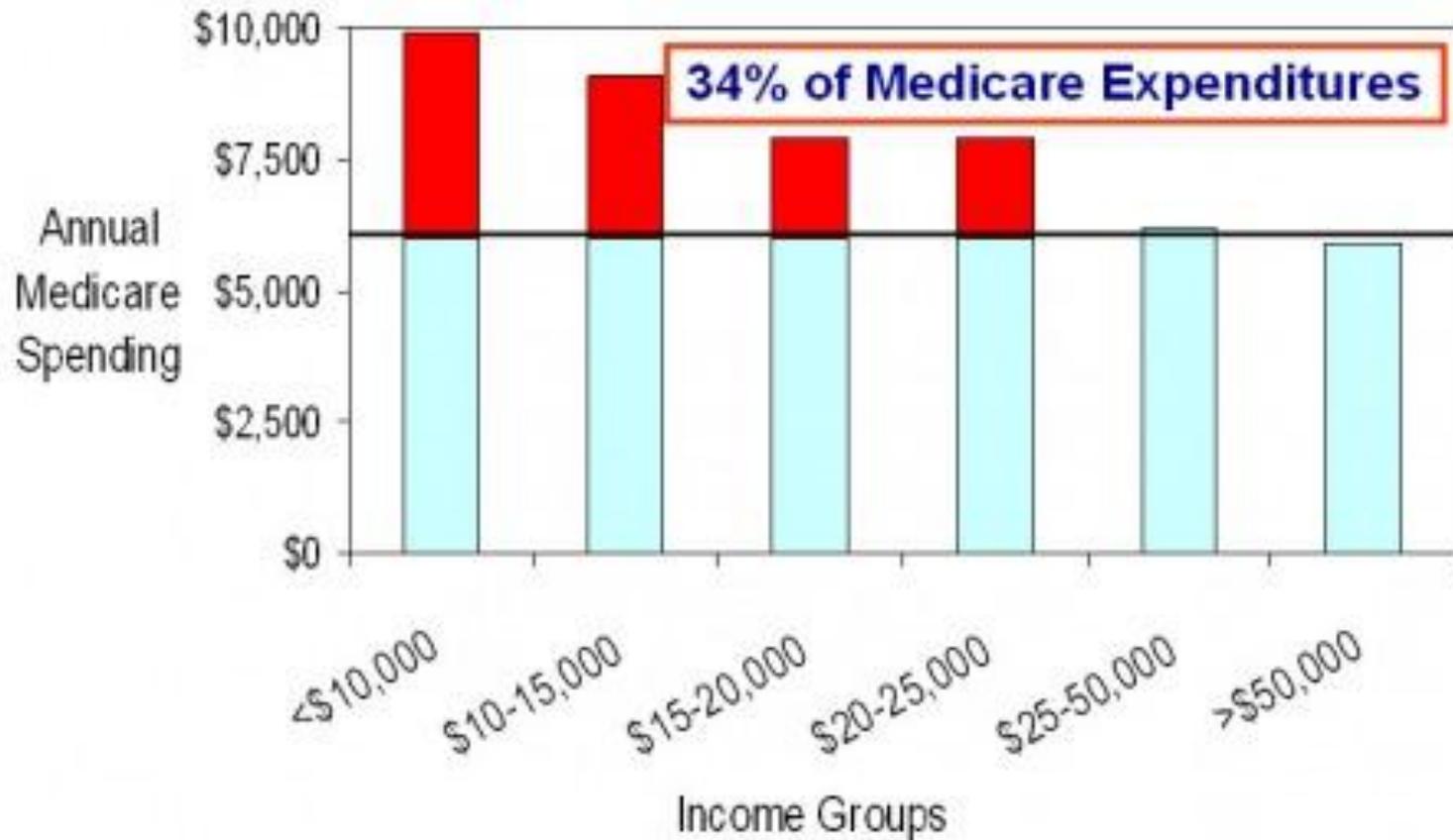
High Medicare Spending 

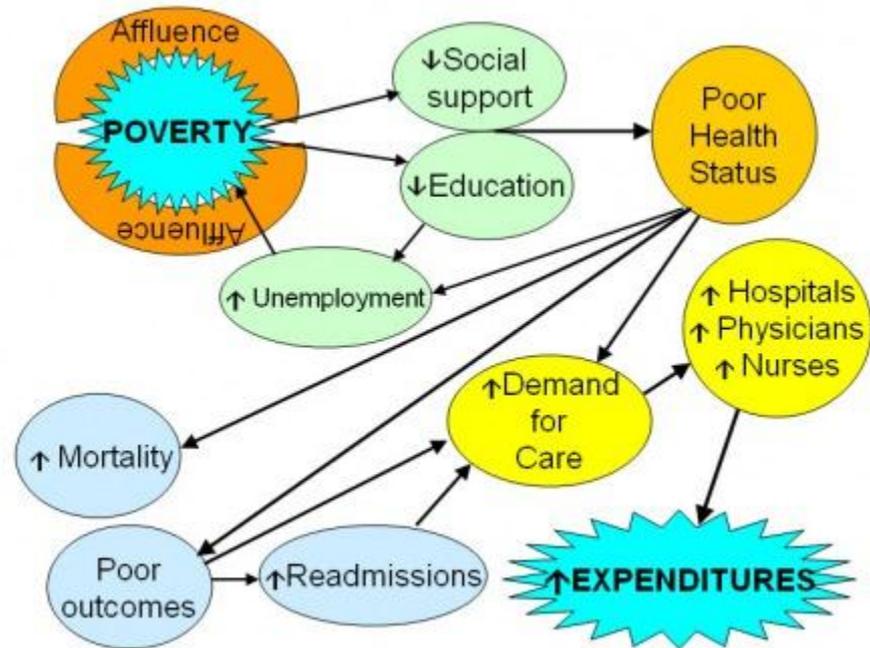
DSH per Poor Population



Patients, Not Geography

National Medicare Spending by Income Groups





Challenges for Texas in Providing Care

- ▶ Ratio of physicians to population (#/100,000)
 - ▶ Decreased State support for medical education
 - ▶ Lack of nursing faculty
 - ▶ Limitation in scope of practice of NP's
 - ▶ High percentage of uninsured
 - ▶ High level of poverty and thus increased cost of care
 - ▶ Proposed 10% cut in Medicaid reimbursement
- 