Medicare’s role in the supply of primary care physicians

Ariel Winter
March 7, 2019
Today’s presentation

- Background
- Pipeline of future primary care physicians
- Federal scholarship, loan repayment, and debt forgiveness programs for physicians
- Idea for scholarship/loan repayment program for physicians who provide primary care to Medicare beneficiaries
- Next steps
Background

- High-quality primary care essential for creating a coordinated health care system
- Commission has made several recommendations to increase Medicare payments for primary care clinicians
- Today’s session focuses on another approach to increase the supply of primary care physicians
Most beneficiaries currently able to obtain clinician care when needed

- Beneficiaries’ access is comparable to (or better than) access reported by privately insured individuals ages 50-64
- A small share of beneficiaries who are looking for a new doctor report trouble finding one
- Beneficiaries more likely to report trouble finding a new primary care doctor than a specialist

Concerns about the specialty mix and diversity of physicians

- A well-functioning, coordinated delivery system needs an appropriate mix of primary care physicians and specialists
- But the mix of future physicians appears to be tilting towards specialists
- Minority, low-income, and rural students are underrepresented in medical schools
- Students from rural areas and minority groups are more likely to choose primary care and practice in underserved areas
Most internal medicine residents plan to subspecialize, which raises concerns about primary care pipeline

- Between 2013-2014 and 2017-2018, number of residents in internal medicine and family medicine grew faster than total number of residents
- 20% of all residents were internal medicine; 9% were family medicine (2017-2018)
- But only 21.5% of third-year internal medicine residents planned to practice general internal medicine (2009-2011); the remainder planned careers in subspecialties or hospital medicine*
- The share who become generalists has been declining over time**

* West and Dupras 2012.
Factors that influence physicians’ specialty choice

- Fit with medical students’ personality, interests, and skills
- Lifestyle preference (e.g., work hours and family time)
- Student characteristics (e.g., rural background, SES)
- Medical school characteristics (e.g., using community hospitals as teaching sites)
- Income expectations
  - Substantial compensation disparities between primary care and specialists may discourage students from choosing primary care
- Evidence of the effect of student debt is mixed
  - Some studies find it has no impact but other studies show modest effect
Growing interest in debt reduction programs as medical education debt rises

- Median debt among medical school graduates grew from ~$165,000 in 2010 to $180,000 in 2016 (inflation adjusted)*
- Share of medical school graduates planning to participate in debt reduction programs increased from 40% in 2014 to 46% in 2018**
- Of those who planned to participate in a program in 2018, 76% indicated interest in Public Service Loan Forgiveness program, 7% in state programs, 4% in National Health Service Corps, 1% in military programs**

**Association of American Medical Colleges 2018.
Public Service Loan Forgiveness program (Dept. of Education)

- Provides loan forgiveness to borrowers who work in a public service position for 10 years and make 10 years of loan payments
- Public service employers include government, military, tax-exempt organizations (e.g., nonprofit hospitals)
- Not limited to health professionals
- GAO found problems with Dept. of Education’s management of program (2018)
  - Processed ~17,000 applications for loan forgiveness but approved only 55
  - Borrowers are confused about program requirements
  - Agency does not provide sufficient guidance to contractor that operates program
National Health Service Corps (run by HRSA)

- Scholarship and loan repayment programs for primary care clinicians ($300 million in FY 2019)
- Recipients must commit to practice in a health professional shortage area at a site approved by HRSA for at least 2 or 3 years
- 10,900 NHSC clinicians provided care to 11.4 million people (2018)
- Includes mental/behavioral health professionals (30% of total), nurse practitioners (21%), primary care physicians (20%), dentists (13%), physician assistants (11%)
- 63% of clinicians serve in federally-qualified health centers
- Minorities account for a high share of NHSC clinicians
Primary Care Loan program (run by HRSA)

- Provides low-interest loans (5% interest rate) to medical students who commit to practice primary care
- Must practice for 10 years (time includes residency) or until loan is paid off
- ~2,600 active borrowers in FY 2016 (owed $18 million)
- Funded through a revolving fund
- Participating medical schools must contribute 1/9th of the loan amounts received by their students to the revolving fund
- Small share of borrowers practice in underserved or rural areas
- Minorities account for a small share of borrowers
Idea for scholarship/loan repayment program for physicians who provide primary care to Medicare beneficiaries

- Could provide financial incentive for physicians to choose primary care
- But difficult to anticipate how medical students/graduates would respond
- May convince some students to choose primary care over another specialty but not others
- Some students would choose primary care with or without debt repayment assistance
Design issues

- Size of program: Budget and number of recipients
- Financing options
  - Use savings from Commission recommendation to eliminate MIPS: $500 million/year for exceptional performance, 2019-2024 ($3 billion total)
  - Require medical schools with students who participate in program to provide matching funds
- Should program offer scholarships, loan repayments, or both?
- Implications for program operations
Design issues (cont.)

- Which specialties should be eligible?
  - Primary care physicians: family medicine, geriatric medicine, general internal medicine, pediatrics
  - Mental/behavioral health clinicians: psychiatrists, psychologists, social workers

- Ensuring that participants provide primary care to beneficiaries
  - Could require that they treat minimum number of beneficiaries per year
  - Could require that primary care services are a significant share of fee schedule revenue (under Primary Care Incentive Payment program, primary care visits had to account for at least 60% of revenue)

- Length of service commitment: Could vary based on size of subsidy
  - E.g., require 2 years of service for each year of scholarship

- Start with pilot program?
Next steps

- Chapter in June 2019 report
- We are planning site visits to medical schools that emphasize primary care
- Interest in developing scholarship/loan repayment program for physicians who provide primary care to Medicare beneficiaries?
- Comments on design issues