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 UTH ealth (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

- **Special Items** Grow by 270.4% or $324 million
- **Formula Funding GR** Grows by 28.9% or $267.5 million

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

Demand
Supply if GME had increased by 500 PGY-1 positions per year
Supply
Effective Supply

Physicians per 100,000 of population

Year

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 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 4\textsuperscript{th} in Keeping its Physicians But Still Ranks 42\textsuperscript{nd} in Physician to Population Ratio

<table>
<thead>
<tr>
<th>State</th>
<th>Population increase over last 20 years</th>
<th>Physician increase over last 20 years</th>
<th>Physician Population per 100,000</th>
<th>Physician Population per 100,000</th>
<th>Today's Rank of Physicians per 100,000</th>
<th>Med School Graduate Retention Rank</th>
<th>GME in State Retention Rank</th>
<th>Med School + GME Retention Rank</th>
</tr>
</thead>
<tbody>
<tr>
<td>California</td>
<td>+7.5 million</td>
<td>+15,000</td>
<td>272</td>
<td>262</td>
<td>20t</td>
<td>1</td>
<td>2</td>
<td>5</td>
</tr>
<tr>
<td>Florida</td>
<td>+5.9 million</td>
<td>+15,000</td>
<td>251</td>
<td>231</td>
<td>19</td>
<td>8</td>
<td>4</td>
<td>7</td>
</tr>
<tr>
<td>Illinois</td>
<td>+1.4 million</td>
<td>+6,000</td>
<td>229</td>
<td>236</td>
<td>20t</td>
<td>27</td>
<td>14</td>
<td>33</td>
</tr>
<tr>
<td>Massachusett s</td>
<td>+0.5 million</td>
<td>+5,000</td>
<td>364</td>
<td>400</td>
<td>1</td>
<td>10</td>
<td>31</td>
<td>37</td>
</tr>
<tr>
<td>Mississippi</td>
<td>+0.4 million</td>
<td>+1,500</td>
<td>144</td>
<td>174</td>
<td>50</td>
<td>5</td>
<td>13</td>
<td>9</td>
</tr>
<tr>
<td>New York</td>
<td>+1.3 million</td>
<td>+7,500</td>
<td>339</td>
<td>331</td>
<td>3</td>
<td>26</td>
<td>21</td>
<td>35</td>
</tr>
<tr>
<td>Ohio</td>
<td>+0.7 million</td>
<td>+6,300</td>
<td>213</td>
<td>227</td>
<td>17</td>
<td>23</td>
<td>29</td>
<td>23</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>+0.8 million</td>
<td>+6,000</td>
<td>256</td>
<td>255</td>
<td>9</td>
<td>31</td>
<td>35</td>
<td>35</td>
</tr>
<tr>
<td>Texas</td>
<td>+8.1 million</td>
<td>+17,000</td>
<td>188</td>
<td>200</td>
<td>42</td>
<td>2</td>
<td>7</td>
<td>4</td>
</tr>
</tbody>
</table>
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:

- Fewer than 1.0
- 1.0-1.2
- 1.21-1.5
- More than 1.5

U.S. average: 1.25

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
Requirements for Nurse-Physician Collaboration by State as a barrier to primary care

Source: This map combines Map 1 OVERVIEW OF DIAGNOSING AND TREATING ASPECTS OF NP PRACTICE and Map 2, OVERVIEW OF PRESCRIBING ASPECT OF NP PRACTICE developed by Linda Pearson, The Pearson Report, 2010. Prepared by AARP Research & Strategic Analysis for the Center to Champion Nursing in America. (c) AARP, 2010. All rights reserved.
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

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

Medical School: Graduate and Post-Graduate Medical Education

Nursing School: Nurse Practitioner Program

School of Public Health: Certificate Programs
Challenges Presented by the number of the Uninsured
EXHIBIT 1
Percent Uninsured in Each State in 2003

Health Insurance Coverage in the U.S., 2008

Total = 300.5 million

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

<table>
<thead>
<tr>
<th>State</th>
<th>% Uninsured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Massachusetts</td>
<td>5.5%</td>
</tr>
<tr>
<td>Vermont</td>
<td>8.4%</td>
</tr>
<tr>
<td>Minnesota</td>
<td>8.7%</td>
</tr>
<tr>
<td>Hawaii</td>
<td>8.8%</td>
</tr>
<tr>
<td>Delaware</td>
<td>9.5%</td>
</tr>
<tr>
<td>Connecticut</td>
<td>9.7%</td>
</tr>
<tr>
<td>Pennsylvania</td>
<td>10.0%</td>
</tr>
<tr>
<td>New Jersey</td>
<td>11.8%</td>
</tr>
<tr>
<td>New York</td>
<td>11.9%</td>
</tr>
<tr>
<td>Rhode Island</td>
<td>12.2%</td>
</tr>
</tbody>
</table>

January-June 2009  
Gallup-Healthways Well-Being Index

## Ten States With the Highest Percentages of Uninsured Residents

<table>
<thead>
<tr>
<th>State</th>
<th>% Uninsured</th>
</tr>
</thead>
<tbody>
<tr>
<td>Texas</td>
<td>26.9%</td>
</tr>
<tr>
<td>New Mexico</td>
<td>25.6%</td>
</tr>
<tr>
<td>Mississippi</td>
<td>24.0%</td>
</tr>
<tr>
<td>Louisiana</td>
<td>22.4%</td>
</tr>
<tr>
<td>Nevada</td>
<td>22.2%</td>
</tr>
<tr>
<td>Oklahoma</td>
<td>22.2%</td>
</tr>
<tr>
<td>California</td>
<td>21.0%</td>
</tr>
<tr>
<td>Wyoming</td>
<td>20.7%</td>
</tr>
<tr>
<td>Florida</td>
<td>20.7%</td>
</tr>
<tr>
<td>Georgia</td>
<td>20.7%</td>
</tr>
</tbody>
</table>

January-June 2009  
Gallup-Healthways Well-Being Index
Distribution by Insurance Status, 2007–08

Texas

- 45.6% Employer
- 10.2% Medicaid
- 13.5% Medicare
- 1.4% Other Public
- 25.2% Uninsured

United States

- 52.3% Employer
- 14.1% Medicaid
- 12.4% Medicare
- 4.7% Other Public
- 15.4% Uninsured
EXHIBIT 4
Percent Uninsured in Texas and the United States
Three Year Average 2001 to 2003

<table>
<thead>
<tr>
<th>City</th>
<th>Percent Uninsured</th>
</tr>
</thead>
<tbody>
<tr>
<td>United States Average</td>
<td>15.1%</td>
</tr>
<tr>
<td>Austin-San Marcos</td>
<td>17.9%</td>
</tr>
<tr>
<td>Other</td>
<td>20.3%</td>
</tr>
<tr>
<td>Brazoria</td>
<td>20.9%</td>
</tr>
<tr>
<td>Lubbock</td>
<td>22.1%</td>
</tr>
<tr>
<td>Galveston-Texas City</td>
<td>22.8%</td>
</tr>
<tr>
<td>Fort Worth-Arlington</td>
<td>23.6%</td>
</tr>
<tr>
<td>San Antonio</td>
<td>24.3%</td>
</tr>
<tr>
<td>Texas Average</td>
<td>24.7%</td>
</tr>
<tr>
<td>Beaumont-Port Arthur</td>
<td>25.0%</td>
</tr>
<tr>
<td>Dallas</td>
<td>25.3%</td>
</tr>
<tr>
<td>Waco</td>
<td>25.4%</td>
</tr>
<tr>
<td>Odessa-Midland</td>
<td>27.4%</td>
</tr>
<tr>
<td>Houston</td>
<td>27.5%</td>
</tr>
<tr>
<td>McAllen-Edinburg-Mission</td>
<td>27.8%</td>
</tr>
<tr>
<td>Corpus Christi</td>
<td>28.3%</td>
</tr>
<tr>
<td>Brownsville-Harlingen-San Benito</td>
<td>32.4%</td>
</tr>
<tr>
<td>El Paso</td>
<td>33.2%</td>
</tr>
<tr>
<td>Laredo</td>
<td>36.0%</td>
</tr>
</tbody>
</table>

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)

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

EXHIBIT 5
Links Between Business and the Uninsured

Uninsured go to emergency rooms for free federally-mandated care

More uninsured

Some employees or employers drop coverage due to high premiums

Insurance companies pay higher claims, passing cost to insured through higher health insurance premiums

Hospitals have higher uncompensated care costs

Hospitals increase charges to paying customers to offset uncompensated care costs

Source: Texas State Comptroller's office.
Access to Basic Needs Optimal for a Healthy Life

State of the States, Midyear 2009
AHIP State and Congressional District Resource for Well-Being
A product of the Gallup-Healthways Well-Being Index

Basic Access Sub-Index score
- Higher range (83.5-85.9)
- Mid-range (81.2-83.2)
- Lower range (77.0-80.8)
Increased Cost of Caring for the Uninsured
Patients, Not Geography
National Medicare Spending by Income Groups

34% of Medicare Expenditures
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