

OPENING DOORS:

Building Texas' Primary Health Care Workforce

FEBRUARY 2013



ABOUT THIS REPORT

This report summarizes key findings of a new study modeling Texans access to primary care at the county level, and estimating how health insurance gains under the Affordable Care Act will affect demand and access.

The study, *The Potential Primary Care Crisis in Texas: A County-Based Analysis*, May 2012, was commissioned by Methodist Healthcare Ministries of South Texas and conducted by George Washington University researchers Leighton Ku, Alice Levy and Brian Bruen.

Leighton Ku, Ph.D., M.P.H., is a professor and director of the Center for Health Policy Research in the Department of Health Policy in the School of Public Health and Health Services at the George Washington University. Dr. Ku is also author of the report, *"The States' Next Challenge — Securing Enough Primary Care for an Expanded Medicaid Population."* *New England Journal of Medicine* 364(6):493-95, February 10, 2011.

Texas has a serious shortage of primary care providers, the doctors and other clinicians who are the first stop for health care access. New analysis by George Washington University (GWU) researchers concludes that Texas' current primary care workforce shortage warrants immediate leadership and action, even before insurance coverage implementation occurs in 2014 under the Affordable Care Act (ACA). If substantial numbers of Texans gain coverage in 2014, as expected, Texans' need for care will not increase, but our demand for care will certainly grow. The welcome reduction in our uninsured will add to the urgency for Texas to build primary care resources, to preserve and improve health care access.

TEXAS OVERALL AND IN YOUR COUNTY

Today, Texas has some of the lowest primary care provider availability in the U.S. Only Nevada has a lower ratio of primary care providers to residents than Texas.

Overall, the GWU team reports Texas' primary care provider (PCP) supply is 86 percent of the U.S. average.¹ But the statewide average hides large variations in access across counties—the median Texas county (half are better off, half are worse off) is at a much lower 64 percent of the national average. Texas has seen little to no improvement in the last decade in primary care provider supply, and more than one quarter of counties have fewer PCPs than 10 years ago.

The GWU research analyzes Texas counties' primary care supply and demand today, and estimates the future demand for health care workforce. Other key findings are:

- Only 35 Texas counties have an adequate primary care provider supply and 149 counties are rated as either very or severely under-served.
- The smallest counties (<20,000 residents) average 58 percent of the U.S. average primary care supply.
- In contrast, our top 27 metro counties—those in or near a central city—average 96 percent of the national average.
- Metro suburban counties such as Collin and Denton average just 68 percent of the U.S. standard.

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OPENING DOORS

The GWU research also estimates primary care capacity for Medicaid and low-income Texans, and concludes that Texas Medicaid enrollees today have only slightly lower access to primary care providers than Texans in general. The statewide Medicaid access index, median county index, and number of counties rated very or severely under-served are nearly identical to the general population figures.

CONCERN OVER PRIMARY CARE SHORTAGES IS WIDESPREAD

Without changes, Texas' primary care provider shortages are expected to increase due to nationwide trends: retiring baby boomers, retiring physicians, and fewer primary care providers being trained. Provider workforce shortages are front-and-center on the radar screen of Texas leaders:

- ➔ Texas' Code Red 2012 task force report identifies a significant primary care workforce shortage and recommends use of Texas' Medicaid 1115 "Transformation" waiver project to expand workforce training and primary care health homes (bit.ly/T9CwEC).
- ➔ Texas' Higher Education Coordinating Board (THECB) released a report in April 2012 detailing physician shortages, noting that Texas has one of the lowest physician-to-population ratios in the nation. South Texas counties and Texas-Mexico border counties have primary care physician counts per 100,000 that are about one-half to two-thirds of the regions that include Texas' major cities.
- ➔ Texas Speaker of the House Joe Straus charged the Committee on Public Health in 2012 to study "the adequacy of the primary care workforce in Texas and assess the impact of an aging population, the passage of the Patient Protection and Affordable Care Act, and state and federal funding reductions to graduate medical education and physician loan repayment programs."

Despite the acknowledged need, the 2011 Texas Legislature did not invest in building the primary care workforce. Though the 2012-2013 budget allows some growth in health-related higher education, training programs sustained large cuts. State support for Graduate Medical Education was reduced by almost a third, from \$79 million to \$54 million. The Professional Nursing Shortage Reduction Program was cut by 40 percent and about three-fourths of funding for both the Family Practice Residency Program and the Physician Education Loan Repayment Program were eliminated. Other primary care training programs were completely eliminated including the Children's Medicaid Loan Repayment Program.

As the GWU report states, Texas is projected to see the largest percentage of residents gaining insurance coverage of any state under health reform. One in four Texans lacks coverage today, and a significant gain in coverage will increase the demand for primary care services among our over 25 million residents. The Speaker's interim study highlights

an important question: what effect will the ACA's private insurance and Medicaid coverage expansion have on Texas' already-serious primary care provider shortages?

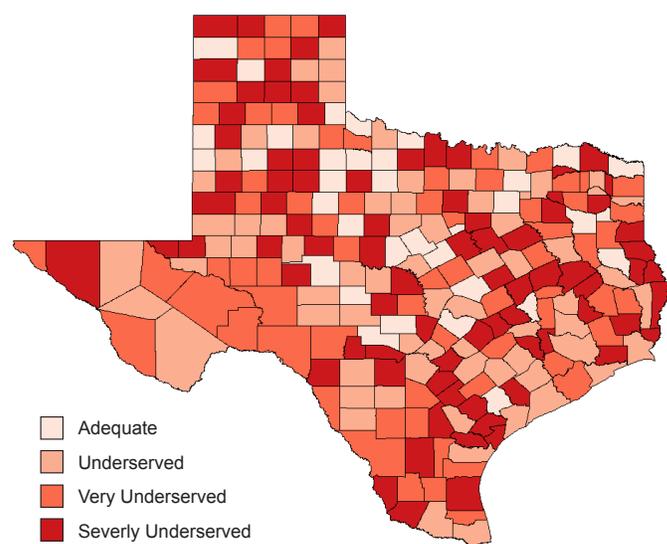
In order to model the likely impact of major coverage gains at the county level, the GWU research team looked to county-level model projections of increased coverage under the ACA developed by Michael E. Cline, Ph.D., and Steve H. Murdock, Ph.D. of Rice University in *Estimates of the Impact of the Affordable Care Act on Counties in Texas*, April 2012.

HOW WOULD BETTER INSURANCE COVERAGE UNDER ACA AFFECT TODAY'S TEXAS PRIMARY CARE SHORTAGES?

The GWU report rates Texas' current primary care provider supply at 86 percent of the U.S. average for all Texans and at 85 percent for Medicaid enrollees. The ACA's coverage gains—scheduled to launch in 2014—will result in increased demand for care.

Using the Cline-Murdock moderate scenario of county-level ACA health coverage increases, the GWU research estimates that increased demand—that is, assuming no progress on reducing Texas' primary care provider shortage—could further reduce the Texas PCP capacity index to 80 percent of the U.S. average for all Texans and to 73 percent for low-income

PRIMARY CARE SHORTAGES AFFECT MOST TEXAS COUNTIES



Source: Ku, L.; Levy, A.; and Bruen, B.; *The Potential Primary Care Crisis in Texas: A County-Based Analysis*, Center for Health Policy Research, School of Public Health and Health Services, George Washington University, Report to Methodist Healthcare Ministries, May 2012.

PRIMARY CARE ACCESS IN TOP 8 COUNTIES: NOW AND WITH ACA

County	Population	Projected Reduction in # Uninsured	Adjusted Primary Care Providers	Current Access Index	Projected Access Index	Percentage Point Change
Harris	4,092,459	441,081	4,390	97%	90%	-7%
Dallas	2,368,139	260,022	2,872	109%	102%	-8%
Tarrant	1,809,034	189,809	1,820	88%	82%	-6%
Bexar	1,714,773	212,458	1,806	97%	90%	-8%
Travis	1,024,266	109,094	1,251	114%	106%	-8%
El Paso	800,647	104,931	539	60%	55%	-5%
Collin	782,341	69,104	923	101%	95%	-6%
Hidalgo	774,769	103,194	597	75%	68%	-7%

Texans. In 2013, ACA will launch two years of federally funded higher payments for Medicaid primary care providers, and the researchers predict shortages will be offset somewhat as more doctors accept new Medicaid patients.

The table shows the GWU estimates of current and post-ACA primary care access ratings for Texas' eight largest-population counties. Once implementation of ACA insurance coverage occurs, and the number of people requiring primary care services increases, it will create more critical workforce shortages. The GWU research emphasizes that action is needed "even if federal health reform insurance expansions are not implemented...(because) ongoing trends in Texas indicate that problems related to primary care shortages will continue to create a tightening noose for health care in Texas."

ACA'S MEDICAID RESOURCES CAN HELP BUILD PROVIDER SUPPLY

The GWU report estimates that demand for primary care services will increase along with the number of Texans insured in 2014. According to their formula, overall Texas demand for care will grow approximately 8 percent in the early years after 2014 if Texas' uninsured rate decreases by half. This is based on full ACA implementation—growth in both Medicaid and private health insurance through the new Exchange—with about half of that 8 percent increase in demand due to Medicaid enrollment.

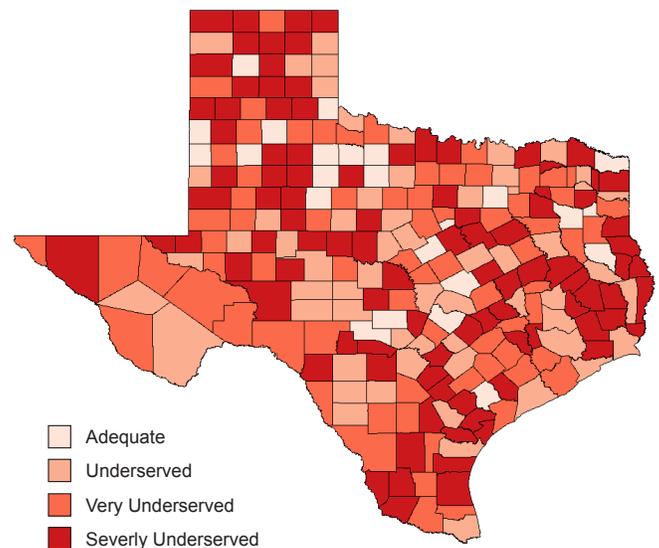
Texas Medicaid officials estimate that Texas needs to provide \$3.1 billion state dollars (general revenue) in the first four years of ACA Medicaid expansion to draw down \$28.6 billion in federal matching dollars—or about \$784 million state funds each year on average to draw down about \$9 billion federal. The influx of federal money in the state's economy is enough to support about 33,000 more Family Practice physicians each year, or nearly 89,000 more Registered Nurses.

Noted Texas economist Dr. Ray Perryman estimates that Medicaid expansion in Texas would generate "over 371,000 jobs per year over 10 years on average (bit.ly/YgXiaf). Of course, not all of the new federal revenue that Texas will gain if Medicaid is extended to low income adults will support pri-

mary care professionals, but such a large influx of resources in the Texas economy will make it fiscally feasible to train and support many more care health providers.

Dr. Perryman also projects a net gain of \$1.29 in state revenues for each \$1 the state invests in the Medicaid expansion and a reduction of \$1.21 in local taxes to support uncompensated health care. With more Medicaid coverage, the need for local- and state-budget dollars for health care for the uninsured will be reduced, because 90 percent or more of the

PRIMARY CARE SHORTAGES AFTER ACA REDUCES UNINSURED



Source: Ku, L.; Levy, A.; and Bruen, B.; *The Potential Primary Care Crisis in Texas: A County-Based Analysis*, Center for Health Policy Research, School of Public Health and Health Services, George Washington University, Report to Methodist Healthcare Ministries, May 2012.

new enrollees' health costs will be federally funded. As care shifts from unmatched safety net programs to federally supported Medicaid coverage, local and state government will see significant reductions costs for emergency room care, mental health and substance abuse programs, uncompensated care for the uninsured, public health prevention and treatment, family treatments in the child protection system, and local jail and state prison inpatient hospital care.

WHAT CAN LEADERS & COMMUNITIES DO?

Primary care provider shortages affect all Texans. Bottlenecks cause care delays that result in poor health outcomes—through missed diagnoses and lack of chronic care management—and drive Texans into higher-cost care settings like the emergency room. The GWU report , Texas' Code Red Task Force, the Texas Higher Education Coordinating Board, and the Texas CHIP Coalition have made a range of recommendations to make real progress reducing our current and future workforce shortages . These include:

- ➔ Ensure a residency position for every new Texas medical student. If this is put in place and maintained by 2014, Texas could reach national average physician supplies in a decade (THECB).
- ➔ Use Texas Medicaid 1115 "Transformation" waiver project to expand workforce training and primary care health homes (Code Red); including the integration of mental health services into medical homes.
- ➔ Finance Texas' share of the ACA Medicaid expansion for a net gain of over \$75 billion in federal funds over a decade, to help finance the investments in primary care workforce Texas needs.
- ➔ Grow the Advanced Practice Nurse and Physician Assistant supply and increase retention of these clinicians. Expand the pool of other primary care providers such as

registered nurses, pharmacists, dentists, as well as other medical technicians and para-professionals. (GWU).

- ➔ Mental health provider shortages in Texas are deeper than those for primary care providers. Texas must build the mental health provider supply so that mental health capacity can be integrated into medical homes, to reduce the jail and emergency room cycles that result when mental health needs are untreated (Code Red).
- ➔ Restore state health care provider education and training and loan repayment programs from cuts enacted in 2011. This is critical to expand training and residency capacity and get Texas on track for improved access to care (Texas CHIP Coalition).
- ➔ Study the potential impact of medical school innovations, new practice models, alternative reimbursement strategies, expanded roles for physician extenders, and greater utilization of telemedicine. (Speaker Straus interim charge)
- ➔ Bolster state support for Federally Qualified Health Center start-up and expansion and encourage Congress to restore recent cuts to FQHC support (GWU).

In short, with or without the ACA's planned coverage expansion, Texas must take all prudent steps to grow our primary care provider supply in the most cost-effective way possible, and in coordination with health care delivery and payment system reforms that emphasize integrated, team-based care and health homes.

ENDNOTES

- 1 Using an index based on Texas numbers and locations of clinicians and Community Health Centers, compared to national data; see <http://www.mhm.org/images/stories/pdf/Texas%20primary%20care%20shortages%205-1.pdf>.



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