

PricewaterhouseCoopers Calls The Current Medical Workforce Model Broken

There are more doctors and nurses today than ever before, but they are not being trained, distributed or deployed efficiently, according to PricewaterhouseCoopers' (PwC) Health Research Institute.

According to a PwC analysis, a majority of doctors and nurses is nearing retirement just as the American public will need them most, and healthcare organizations are left with a diminishing pipeline of primary care physicians, new competition for nurses and a generation of young clinicians who have different expectations about work-life balance than their predecessors.

The federal government is projecting a shortage of one million nurses and 24,000 doctors in the U.S. by 2020, but the PwC report "What Works: Healing the Healthcare Staffing Shortage" asserts that these projections are built around a broken, dysfunctional medical workforce model. It calls for major changes in the way doctors and nurses are trained, formation of public-private partnerships to promote and redeploy physician and nursing programs and new thinking about how, where and by whom healthcare will be delivered in the future.

Highlights of PwC's analysis of the changing medical workforce include:

- The total number of registered nurses has increased by 75 percent since 1980, but will begin to decline in 2010, the first decrease in decades. The absolute number of physicians also has increased steadily over the years, but there are serious mal-distributions of physicians by specialty and geography. Only 20 percent of internal medicine residents are now choosing primary care internal medicine, and the rest are pursuing higher-paying subspecialties. Meanwhile, 20 percent of Americans live in areas with a shortage of primary medical care.
- The roles of nurses and physicians are blurring in primary care. According to PwC's research, hospitals in the U.S. now rely more heavily on physician extenders, such as nurse practitioners and physician assistants. Competition for these clinicians is increasing, particularly with the advent of retail health clinics, which heavily employ physician extenders. By 2009, 1,500 retail clinics staffed by registered nurses are scheduled to be open.
- Hospital nurses will be elevated in stature from "overhead" to "rainmaker." Whereas physicians have traditionally been the revenue rainmakers in hospitals while nurses were considered overhead, new pay-for-performance programs that focus on clinical quality and patient satisfaction will give nurses significant ability to influence the measures that drive revenue.
- Technology is shifting what is done and by whom. Radiologists are now doing work that cardiologists used to do, and cardiologists are now replacing surgeons in some procedures as more people choose less-invasive treatments such as stents instead of coronary bypasses.
- Physicians are moving toward hospital employment while nurses are moving away. Two-thirds of hospital executives surveyed recently by PwC said their

physicians now want to be employed by the hospital and nearly 75 percent say physicians are asking for on-call pay. On the other hand, the percentage of nurses working in hospitals has been dropping steadily. Nurse vacancy rates are running between 7 percent and 10 percent, and hospitals are now regularly turning to temporary workers to fill nursing shoes.

- International recruitment has been filling the gaps in the U.S. medical workforce. In 2005, approximately 13 percent of all new licensed nurses in the U.S. and 25 percent of all practicing physicians were international recruits.

One of PwC's key conclusions in its report is that the process of educating clinicians, particularly nurses, must change. The number of denied applicants for nursing schools is at its highest level ever, increasing more than six-fold since 2002.

The report found that the number of allopathic medical school graduates has remained static for nearly 25 years from 1980 to 2005, in part because of projections in the 1980s and 1990s of a forthcoming surplus of physicians based on expected efficiencies from managed care. In fact, as the population has grown, the number of medical school students per capita has declined.

According to PwC, after two decades of status quo, a record number of new medical schools are slated to open in the next five to 10 years, which could repair the imbalance of physicians in undeserved areas and specialties.

Address: PricewaterhouseCoopers, 300 Madison Ave., 24th Flr., New York, NY 10017; (646) 471-4000, www.pwc.com <<http://www.pwc.com>>.