

# CRRERO




CENTER FOR RESEARCH, REGIONAL EDUCATION AND OUTREACH  
STATE UNIVERSITY OF NEW YORK AT NEW PALTZ

## **Is There a Doctor in the House? Physician Recruitment and Retention in the Hudson Valley**

Discussion Brief #3 – Winter, 2010

Kathryn R. Reed, MHA, CMPE



If we don't pay attention to physician recruitment and retention now, there will be a **price to pay** in the availability and quality of medical care in our region in the years to come.



**Kathryn Reed, MHA, CMPE**, is the Executive Director of the Catskill-Hudson Area Health Education Center located in Highland, New York. In addition, she is Senior Program Associate of the Institute for Family Health (Institute) and Executive Director of the Mid-Hudson Rural Integrated Delivery System under the auspices of the Institute. She brings to this position over 25 years of experience as a health care executive with expertise in medical practice development, management and physician recruitment. Her experience also encompasses the areas of corporate development, strategic planning, public relations and marketing, grant writing and development of rural health networks and integrated health delivery systems. Prior to her career in the health field, Ms. Reed spent eight years in the legal profession as a para-legal. She possesses a Bachelor of Science in Health Care Administration and a Master of Science, Health Administration and is a Certified Medical Practice Executive with the American College of Medical Practice Executives, a division of Medical Group Management Association. Ms. Reed holds a Governor's Appointment to Rural Health Council of New York State and a member in good standing in the National AHEC Organization, National Rural Health Association and New York State Association of Rural Health.

## PHYSICIANS PRACTICING IN ULSTER AND ORANGE COUNTIES CONFIRM WHAT THE STATISTICS SHOW: THE HUDSON VALLEY NEEDS FAR GREATER SUCCESS IN BRINGING DOCTORS HERE.

The need differs from place to place in the region: attracting more primary care practitioners is the greatest concern in Newburgh, gaps in key specialties is the biggest worry in Kingston. Dutchess County needs primary care doctors as well; while there are some gaps in specialties, success in Dutchess in attracting physicians has recently been greater compared with Ulster and eastern Orange. The situation is complicated further because our economy is evolving and our population is growing, and aging. But one thing is for sure: if we don't pay greater attention now, there will be a price to pay in the availability and quality of medical care in our region in the years to come.

### The Demand Side

#### *More People Need More Doctors*

One reason we need more doctors is, unlike many other regions of New York State, we have a growing population. Encouraged by technological changes that allow workers to live at a greater distance from their jobs, the pull of (relatively) lower cost housing, and the push of the 9/11 terrorist attacks, people have been moving into the Hudson Valley. The U.S. Census estimates that the average growth in population for eight Hudson Valley counties from 2000 to 2006 was 4.9%.<sup>1</sup> This compares to state-wide growth during the same period of 2.4%.

### *Potential Impact of Health Care Reform*

According to the New York State Department of Health, there are currently estimated to be 161,855 people under age 65 without medical insurance in the Hudson Valley region. Their inability to pay constrains their demand for medical services. As we write, the particular outcomes of the massive national push for health care reform are still not settled. But any extension of insurance coverage to many or all of the region's people who are now uninsured will almost certainly increase their demand for both primary and specialized care. Adding these residents to the insurance rolls will worsen the primary care physician shortage, triggering longer waits for office visits and crowding emergency rooms. According to the American Academy of Family Physicians standard physician to population ratio (42:100,000), the Hudson Valley will need an additional 68 physicians to care for this new influx of patients.<sup>2</sup>

### *Shift in Needs*

The need for a different balance in the available medical expertise in the region is also beginning to emerge. Consider two causes:

- First, like the rest of the country, the valley is graying. An older population places greater demands and challenges on the healthcare system, and requires physicians who specialize in dealing with its specific medical issues. "New York is home to 3.2 million people over

**Table I**  
**Estimated 2007 Uninsured Residents Under Age 65 in the Hudson Valley**

County	Pop. < 65	Uninsured Pop. < 65	% Uninsured
Columbia	51,788	7,983	15%
Dutchess	255,500	32,778	13%
Greene	41,371	5,331	13%
Orange	339,048	45,217	13%
Putnam	88,447	12,313	14%
Rockland	258,009	26,585	10%
Sullivan	65,327	10,540	16%
Ulster	156,775	21,108	13%
<b>Total</b>	<b>1,256,265</b>	<b>161,855</b>	<b>13%</b>

Source: New York State Department of Health<sup>3</sup>

the age of 60, representing 17% of the state's population. By year 2015, this number is expected to grow to 3.7 million, representing over 18% of the state's total population and by year 2025, those 60 and over will number 4.4 million".<sup>4</sup> This means that by 2025 the older population of New York State is projected to increase by 37.5%, with the last of the baby boomers aging out. In the Hudson Valley, the number of people age 60 or older was 219,083 in 2000 and is currently estimated to be just over a quarter million people, 252,349, 18% of the area's population.

- Second, our region experiences seasonal increases in population. The arrival of seasonal farm workers, vacationers and second homeowners doubles the population of some

of our communities at certain times of the year. For example, eastern Dutchess County, south central Orange County and much of Ulster County are federally designated as migrant seasonal farm worker medically underserved areas. There are many general and mental health care needs prevalent among migrant people. Migrant workers are poorly paid, unable to afford health insurance and often ineligible for Medicaid, so there are few providers caring for this sub-population. However, these seasonal residents are a vital component of the region's agricultural industry and their health issues must be addressed.

### **The Supply Side**

*Physicians Are in Short Supply*  
At a national level, the propor-

<sup>2</sup> Statement of A. Bruce Steinwald, Director Health Care, Testimony Before the Committee on Health, Education, Labor, and Pensions, U.S. Senate. Feb 12, 2008. GAO-08-472T, p. 14.

<sup>3</sup> New York State Department of Health  
[www.health.state.ny.us/prevention/prevention\\_agenda/access\\_to\\_health\\_care/estimates\\_of\\_uninsured\\_under\\_65.htm](http://www.health.state.ny.us/prevention/prevention_agenda/access_to_health_care/estimates_of_uninsured_under_65.htm)

<sup>4</sup> Greg Olsen, MSW, Deputy Director, Division of Policy, Management and Public Information. Testimony before the New York State Assembly Standing Committee on Mental Health, Mental Retardation and Developmental Disabilities and the NYS Assembly Standing Committee on Aging on the Geriatric Mental Health Act of 2005. May 16, 2008. [www.aging.ny.gov/News/2008/NYSOFAOlsenTestimony.cfm](http://www.aging.ny.gov/News/2008/NYSOFAOlsenTestimony.cfm)



**Table 2**  
**Primary and Non-Primary Care Doctors in the Hudson Valley, 2007**

County	Total Active Patient Care	Number of Primary Care	Percent Primary Care	Number of Non-Primary Care	Percent Non-Primary Care
Columbia	114	42	37%	72	63%
Dutchess	723	222	31%	501	69%
Greene	34	22	65%	12	35%
Orange	831	282	34%	549	66%
Putnam	244	80	33%	164	67%
Rockland	890	279	31%	611	69%
Sullivan	112	53	47%	59	53%
Ulster	352	151	43%	200	57%
<b>Total</b>	<b>3300</b>	<b>1131</b>	<b>34%</b>	<b>2168</b>	<b>66%</b>

Source: Annual New York Physician Workforce Profile, 2008 Edition. Data only includes FTE Doctors.<sup>6</sup>

**Table 3**  
**Ratio of Primary Care Doctors to People in Hudson Valley Counties, 2007**

County	2007 Population	Number of Primary Care Doctors	Ratio of Primary Care Doctors to Population
Columbia	63,813	42	1519
Dutchess	298,002	222	1342
Greene	50,250	22	2284
Orange	380,082	282	1348
Putnam	101,303	80	1266
Rockland	293,644	279	1052
Sullivan	77,482	53	1462
Ulster	183,977	151	1218
<b>Total</b>	<b>1,448,553</b>	<b>1131</b>	<b>1281</b>

Source: Annual New York Physician Workforce Profile, 2008 Edition. Data only includes FTE Doctors.<sup>8</sup>

tion of primary or general care physicians has been experiencing long term decline. In the early 1900's, 85% of all doctors were delivering primary care. By the 1960's, this number was down to half of all physicians in the U.S. In the last decade, primary care physicians have come to

represent one-third of the physician workforce. A review of Physician Profile Information available from the New York State Department of Health showed that about one third of the doctors in the region offered primary care.<sup>5</sup>

One primary care physician

is required to serve about 2,400 people.<sup>7</sup> In the eight-county Hudson Valley region, there are 1,131 primary care physicians in a population of 1,448,654, resulting in a ratio of 1 primary care physician to 1,281 persons. While this bird's eye view suggests no shortage, the reality is that there is a mal-distribution of physicians within the region, with a clustering in the more urban and suburban areas. In fact, parts of six of these eight counties have been federally designated as either health professional shortage areas (HPSA), medically underserved areas (MUA) or as having medically underserved populations (MUP).

For example, in Dutchess County a majority of the physicians are clustered in Poughkeepsie and along the Route 9 corridor between Poughkeepsie and Fishkill. The physicians to population ratios for these two locales are 1 to 1,060 and

<sup>5</sup> New York State Physician Profile, January 2009. [www.nydoctorprofile.com](http://www.nydoctorprofile.com)

<sup>6</sup> Center for Health Workforce Studies, Annual New York Physician Workforce Profile, 2008 Edition. <http://chws.albany.edu/download.php?id+3486748.388.2>

<sup>7</sup> According to the American Academy of Family Physicians standard cited above

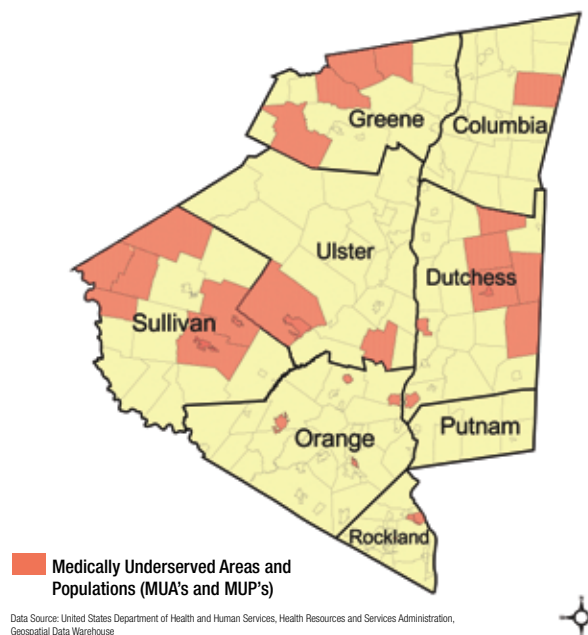
<sup>8</sup> Center for Health Workforce Studies, Annual New York Physician Workforce Profile, 2008 Edition. <http://chws.albany.edu/download.php?id+3486748.388.2>

1 to 638, respectively. However, most of eastern Dutchess County is designated as having medically underserved populations. Two rural places in which we find examples of physician mal-distribution are Pine Plains with a physician to population ratio of 0 to 2938 and Dover Plains, 0 to 5691. This problem is not limited to rural areas. Beacon has a ratio of 1 to 3,248. It is designated as having a low-income, medically underserved populace, and there are an insufficient number of physicians in the city accepting Medicaid patients. All of the counties in our region demonstrate similar primary care mal-distribution patterns, according to data provided by the Center for Health Workforce Studies.<sup>9</sup>

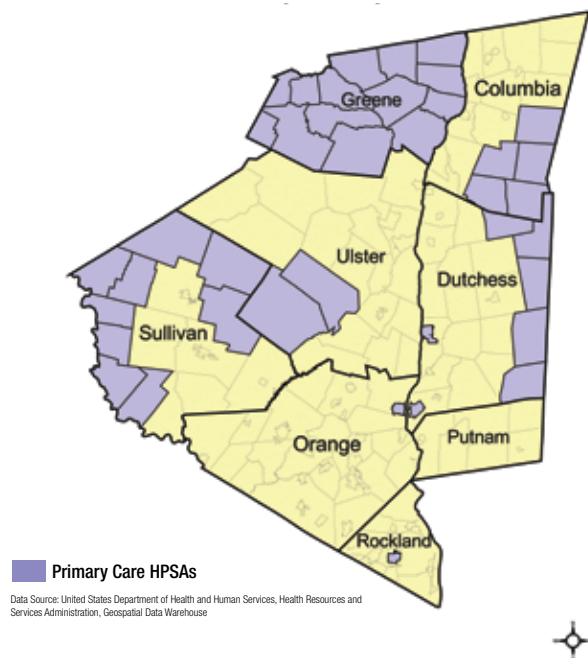
These critical shortages also exist in specialty care and dentistry. A 2008 Physician Workforce Survey conducted by the Healthcare Association of New York State (HA-NYS), reported that hospitals and health care systems had significant increases in physician shortages between 2006 and 2007 in the specialties of general surgery, orthopedics, urology and psychiatry.

In focus groups convened in Kingston and Newburgh for this Discussion Brief, physicians confirmed these findings. In response to the question: “Do you believe that there is a shortage of doctors in your area now and/or will be in the next 5 to 10 years?” participants answered in the affirmative. The developing need was viewed to be greatest in more rural areas like Ellenville and

**Figure 1**  
Medically Underserved Areas and Populations (MUA's and MUP's)



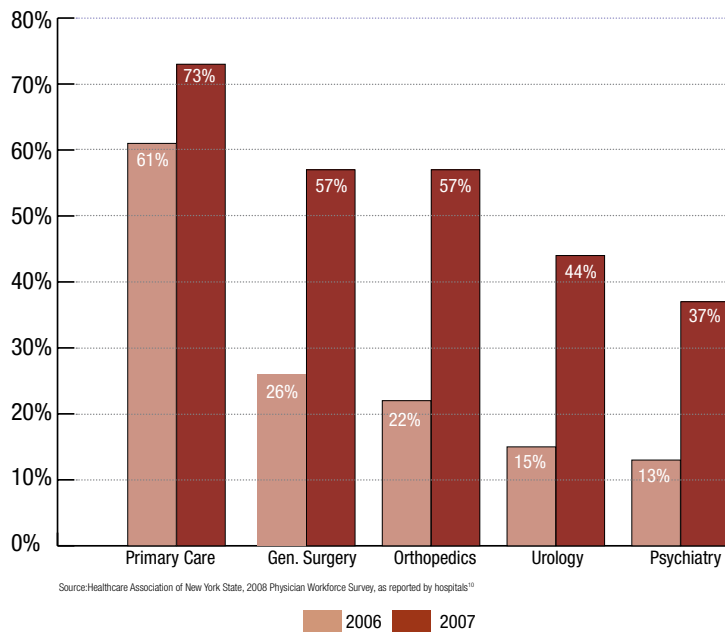
**Figure 2**  
Primary Care Health Professional Shortage Area (HPSAS)



<sup>9</sup> Center for Health Workforce Studies <http://chws.albany.edu/>

By 2020 it is projected **23,000** physicians annually will retire or die, while U.S. medical schools graduate only about **18,000** students each year.

**Chart 1**  
**Hospitals and Health care systems in New York (outside of NYC)**  
**Reporting Physician Shortages**



Margaretville. Noting that the number of Kingston-area family practitioners is higher than the national average, Kingston focus group participants cited a shortage in specialties including: OB/GYN, neurosurgery, general surgery, GI, endocrinology, rheumatology, ophthalmology, ENT, oncology and gynecological oncology, pulmonary intensive care, interventional radiology, and pediatrics. While OB/GYN was a concern for doctors in Newburgh overall, they thought specialties were well-

represented while primary care physicians were needed.

As a result of physician shortages, a full quarter (25%) of hospitals in New York State report reducing or eliminating services or requiring patients to find care outside their communities. A majority of hospitals (55%) experience times when their emergency departments lack coverage in particular specialties, thus requiring costly transfers of patients to facilities with proper coverage and time lost in rendering specialty care.<sup>11</sup>

#### *The Doctor Shortage in New York and the Hudson Valley*

There are two key factors that can help explain physician shortages. First, the 1997 caps on the number of resident positions funded by Medicare have significantly reduced physician supply. Second, healthcare professionals themselves are “aging out”.

Nationally, we are training too few doctors. Physician Richard A. Cooper points out in *Critical Care: The Coming Era of Too Few Physicians* that the number of residency positions across the U.S. in 1997 was capped at 1996 levels, flattening the number of physicians entering and graduating from post-graduate medical education programs. There has been no change in this number since, and for the past twelve years the nation has had too few physicians to care for its growing population. “By 2020 it is projected 23,000 physicians annually will retire or die, while U.S. medical schools graduate only about 18,000 students each year.” A diminished supply of new doctors nationally makes it harder for many regions throughout the nation to meet their needs.

Moreover, in our region, the barrel is likely to empty faster than we can fill it. As the general population grows older, the cohort of doctors in

<sup>10</sup> Access to Care in Crisis: Physicians in Short Supply. Health Care Association of New York State's 2008 Physician Workforce Survey. November 2008. [http://www.hanys.org/workforce/survey/physician/docs/2008-11\\_physician\\_workforce\\_survey.pdf](http://www.hanys.org/workforce/survey/physician/docs/2008-11_physician_workforce_survey.pdf)

<sup>11</sup> *Ibid.*

<sup>12</sup> Glabman, Maureen. Primary Care Rocked by Rough Seas, *Physician Executive*, Jan-Feb 2009. Republished at [http://findarticles.com/p/articles/mi\\_m0843/is\\_1\\_35/ai\\_n31333031/pg\\_2/?tag=content;col11](http://findarticles.com/p/articles/mi_m0843/is_1_35/ai_n31333031/pg_2/?tag=content;col11)

In our region, the barrel is likely to ***empty faster than we can fill it.***  
As the general population grows older, the cohort of  
doctors in practice is aging **even faster.**

practice is aging even faster. On average, doctors in our communities are comparatively older than the population as a whole and they will be retiring reasonably soon in fairly large numbers. The average age of all active patient care physicians in New York State is fifty-one. In the Hudson Valley, it is fifty-three.<sup>13</sup>

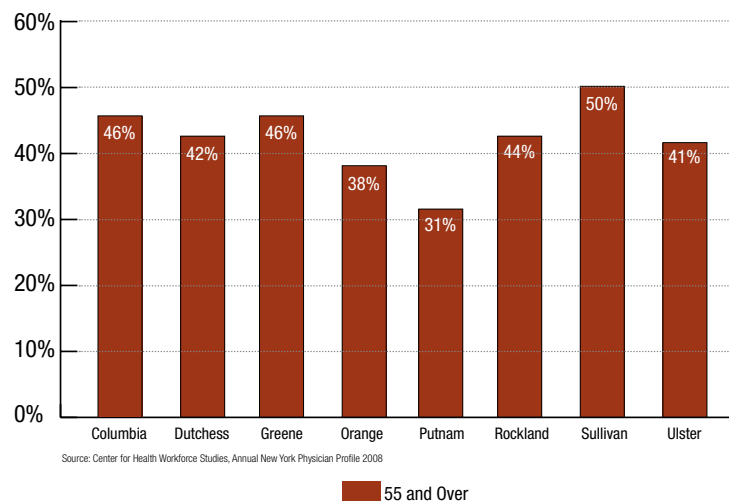
In the southwestern portion of Ulster County (a particularly rural area), there are eight primary care providers currently admitting patients to the Ellen-ville Regional Hospital, the local critical access hospital. Of those, three are over age sixty, and one is over fifty. Within the next ten years, most or all of these doctors will retire, reduce hours or close their practices to new patients. Moreover, the remaining three physicians in this community are within an age group that, traditionally, will make a second or third career move, creating the possibility of a sudden critical shortage of primary care physicians. This scenario will likely be experienced in all the counties of the Hudson Valley region over the next decade as 47% of all active practicing physicians in this region are 55 years of age or older.

Both the Kingston and Newburgh physicians agreed that the need for doctors in our region will be more acute

County	Doctor Average Age	Population Median Age
Columbia	54	43
Dutchess	53	38
Greene	53	40
Orange	51	35
Putnam	50	40
Rockland	53	38
Sullivan	55	40
Ulster	52	40
<b>Region</b>	<b>53</b>	<b>39</b>

Source: Annual New York Physician Workforce Profile, 2008 Edition. Data only includes FTE Doctors. Source for Population data is U.S. Census 2006-2008 Estimates.<sup>14</sup>

**Chart 2**  
2008 Age of Physicians in the Hudson Valley



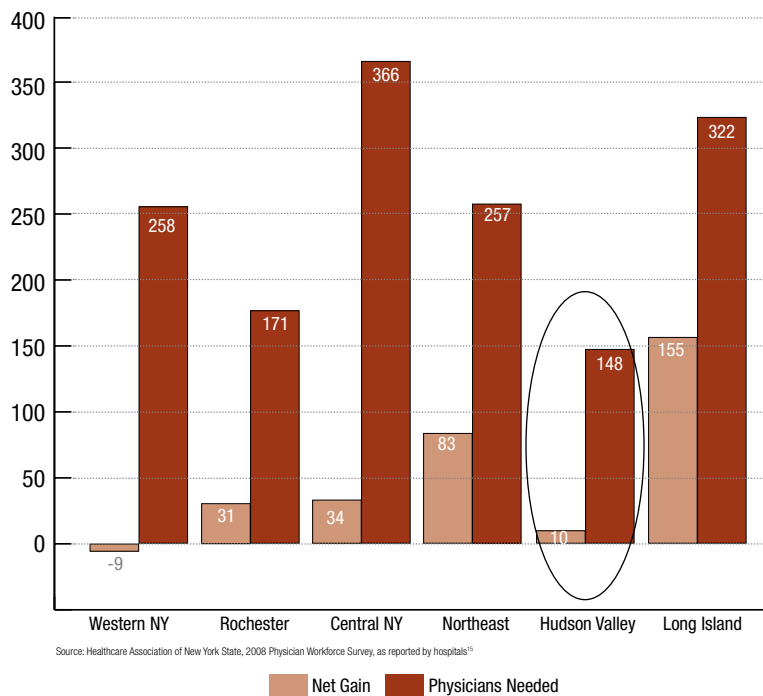
<sup>13</sup> Center for Health Workforce Studies, Annual New York Physician Workforce Profile, 2008 Edition.

<http://chws.albany.edu/download.php?id=3486748,388,2>

<sup>14</sup> Ibid.



**Chart 3**  
**2007 Increases in Physicians and Physician Need by New York State Region**



in the next five to ten years. Healthcare reform may, and an aging population will, increase demand at the same time that area doctors are aging out of the profession and there is an insufficient influx of new physicians. In Kingston, one doctor estimated, “There will be a four-fold increase in utilization and no manpower.” One Newburgh doctor predicted Physicians Assistants and Nurse Practitioners would replace doctors in the future, if not by design then by necessity.

Yet, at the same time as these physicians believe it is certain the future will be very challenging, several doctors in the Kingston focus group thought it important to note that the future also remains very uncer-

tain. One doctor posited that locally “MSO’s (Medical Service Organizations) will drive the thing.” Moreover, he commented, “Where we sit federally and locally impacts us.” Another physician believed, “If [the federal government] comes through with a unified health plan that sets priorities, reworks reimbursements, and does social engineering, we won’t have a shortage,” and “there is potential for drastic change.”

New York has well-documented, long-term difficulties in recruiting and retaining physicians for hospitals, long-term care facilities and outpatient health care organizations and practices throughout the state, particularly in rural areas. The Hudson Valley is no exception.

HANYS reports that hospitals and health care systems outside of New York City identify the current need for approximately 1,400 more physicians. While there was a net gain in the state of approximately 300 physicians in 2007, more than 50% of that gain was on Long Island. There remains a significant gap between successful recruiting and community need, particularly in regions north of Manhattan. In the Hudson Valley, hospitals reported in 2007 that 148 additional doctors were needed, but the region was only able to attract ten.

Further, New York State is not retaining its medical school graduates. The Center for Health Workforce Studies at SUNY Albany conducts an annual survey of physicians completing residencies and fellowships in the state to document whether or not training efforts are consistent with the state’s physicians needs. This survey reveals that fewer new doctors are staying in New York after completing training. In 2007, while 80% of graduates who grew up in and attended a medical school in the state reported plans to practice here, a large majority of students originally from outside the state are leaving after completing their residencies. In 2008, 45% indicated they planned to remain in New York, down from 53% in 2001.<sup>16</sup>

### Difficulties in Physician Recruitment

Why do we have these shortages? What, if any, special factors are operating in the

<sup>15</sup> *Access to Care in Crisis: Physicians in Short Supply*. Health Care Association of New York State’s 2008 Physician Workforce Survey. November 2008. [http://www.hanys.org/workforce/survey/physician/docs/2008-11\\_physician\\_workforce\\_survey.pdf](http://www.hanys.org/workforce/survey/physician/docs/2008-11_physician_workforce_survey.pdf). Hudson Valley is defined here as Dutchess, Ulster, Putnam, Orange, Westchester and Rockland Counties.

<sup>16</sup> Armstrong DP, Moore J, and Forte GJ. Fewer New Physicians Staying in New York after Completing Training: A Resident Exit Survey Summary Brief. Rensselaer, NY: Center for Health Workforce Studies, School of Public Health, SUNY Albany. December 2008. <http://chws.albany.edu/download.php?id=357854,371,2>



## Competition for patients with other regions is not just a **medical** issue; it is a **community** issue, as well.

Hudson Valley? And what should we do about them to assure continuity in the range and quality of healthcare that the region's people have come to expect, now and into the future?

When asked, "What do you see as the top three challenges to the recruitment and retention of doctors to this area now and in five to ten years?" area doctors frequently mentioned fundamentals: money, lifestyle and family. In large measure these observations conform to the findings of the Albany Center for Health Workforce Survey, in which the primary reasons given by recent graduates for leaving the state was to be near family, the cost of living here and offers of better jobs and/or higher salaries outside the state.<sup>17</sup>

### *Financial Factors*

The major financial factors that impact physician recruitment are the high cost of medical education with its enormous concomitant educational debt, the cost of establishing a practice and meeting cash flow needs in the first two years, the differential burden of medical malpractice insurance costs and disparities in reimbursement rates for services from government and insurance companies.

Private medical school tuition and fees increased by 50% between 1984 and 2004. Median

public medical school tuition and fees increased by 133% over the same time period.<sup>18</sup> It is estimated that the cost of becoming a doctor - from the date of entry to medical school to the point of entry into practice - is now \$180,000. The average debt of a graduating medical student in 2008 was \$154,600, an 11% increase over the previous year. Many students defer paying their loans until they have completed their residency program, which due to the accumulation of interest during the period of deferment, increases the average debt to \$180,000.<sup>19</sup>

Focus group participants reported that the need to repay loans and meet startup costs was a factor young physicians often cited when explaining why they choose other, more lucrative regions in which to practice. The words of one Newburgh doctor confirmed that primary care is particularly hard hit by the financial pressures on new doctors: "It's because of money. They go into specialties to make more money." The cost to establish a solo primary care practice and covering cash flow for the first two years is about \$350,000. To cite one specific case, a newly established primary care practice in the Hudson Valley borrowed approximately \$500,000 to cover the purchase of equipment and furnishings, rent, supplies, medical liability, property and business insur-

ance, and cash flow for staff and two physician salaries and benefits during the anticipated two-year growth period before the practice was expected to be self-sustaining. Though specialty practices pay more, specialty practice start-ups costs can be significantly higher, based on the need for advanced technologies related to the medical discipline.

Another significant barrier is a lack of referrals for new physicians entering into practice. "Without readymade referral patterns it is that much more difficult to sustain a practice, and really thrive," one Kingston doctor stated. In addition, and especially because of the proximity to world-class health care elsewhere, patients choose to go outside the region for specialty care. Medical centers in New York City, Albany and even Boston are near enough for patients to take advantage of them, but not close enough for local specialists to draw upon for support. "There is a 51% out-migration of patients for specialty care," one physician asserted, "and this in areas where we do offer services."

Competition for patients with other regions is not just a medical issue; it is a community issue, as well. "How can doctors strengthen the community and how can the community strengthen doctors?" one Kingston doctor asked. At least some out-migration of patients

<sup>17</sup> *Ibid.*

<sup>18</sup> Jolly, Paul. Medical School Tuition and Young Physician Indebtedness. Association of American Medical Colleges, March 23, 2004. [https://services.aamc.org/publications/showfile.cfm?file=version21.pdf&prd\\_id=102&prv\\_id=113](https://services.aamc.org/publications/showfile.cfm?file=version21.pdf&prd_id=102&prv_id=113)

<sup>19</sup> Medical School Tuition and Young Physician Indebtedness, An Update to the 2004 Report. Association of American Medical Colleges, October 2007. [https://services.aamc.org/publications/showfile.cfm?file=version103.pdf&prd\\_id=212&prv\\_id=256&pdf\\_id=103](https://services.aamc.org/publications/showfile.cfm?file=version103.pdf&prd_id=212&prv_id=256&pdf_id=103)

**One Newburgh area doctor put it succinctly:  
“Five miles away, across the bridge in Beacon, they pay **40% less**  
in malpractice premiums and get **higher** reimbursements.”**

was attributed to specialists who refuse Medicaid patients. In Newburgh, one physician felt there was not enough patient volume for some subspecialties. Another said, “Patients are often diagnosed here but go to the city for a second opinion and don’t come back. How do you compete with Sloan-Kettering?”

The economics of practicing medicine in the Hudson Valley also involve curious and illogical disparities in malpractice insurance costs and patient services reimbursement rates. The high cost of malpractice insurance - and the disparity in the size of premiums between up- and downstate - is a front burner issue in New York that has a special impact in our region. Orange County is designated a metropolitan service area, and therefore grouped with Manhattan and suburban counties in the determination of medical malpractice insurance premiums. As a result, a primary care physician practicing in Orange County might pay \$10,000 more per year for medical liability insurance compared to colleagues located in the adjacent counties of Ulster or Dutchess. However, when managed care companies and Medicaid/Medicare commissions determine allowable fee for service schedules and rates of reimbursement for medical services, Orange

County is grouped with rural counties, such as Ulster, at a much lower rate of reimbursement compared to Manhattan. One Newburgh area doctor put it succinctly: “Five miles away, across the bridge in Beacon, they pay 40% less in malpractice premiums and get higher reimbursements.” This creates a clear financial disincentive for primary care physicians to locate a practice in eastern Orange County.

Additionally, reimbursement rates from private insurers differ from company to company and practice to practice. A physician joining a larger practice with greater bargaining power is likely to be able to obtain higher rates per patient, while sharing - and thus lowering - costs of doing business. In contrast, physicians in small practices have little bargaining power. This is a clear disincentive for doctors, especially in specialties with the great shortages, to come to places without larger practices or groups.

General economic conditions are also a factor. One doctor vividly recalled the effect of an economic trauma now a decade and a half old: the closing of the Kingston IBM plant in 1994. “Recruiting suffered. I have practices in Hyde Park, Kingston, New Paltz and Ellenville. I could recruit twenty doctors to Hyde Park for every

one in Ellenville. It’s all about the economics of the area.”

#### *Quality of Life Issues*

Then there are the quality of life issues: social isolation, lack of opportunity to consult with professional peers, limited availability of after-hours coverage and the predisposition for physicians now entering the workforce to work fewer hours. It is becoming increasingly difficult to retain physicians in smaller, rural communities when the competing alternative includes the consultative relationships and amenities of medical centers in larger, suburban and urban locations. Some doctors remain interested in research opportunities after entering practice, which are usually more available in larger places. Coverage by colleagues needs to be available to provide a respite from the daily responsibility of patient care: no one wants to be on call twenty-four hours a day, seven days a week.

Compared with doctors in the past, today’s medical school graduates do not expect to work very long hours. On average, in New York, new primary care physicians expect to work between 40 and 46 hours per week, far fewer than their predecessors.<sup>20</sup> As a result, it is necessary to recruit more than one newly minted physician for each old school doctor he

<sup>20</sup> *Residency Training Outcomes by Specialty in 2007 for New York: A Summary of Responses to the 2007 New York Resident Exit Survey*, Rensselaer, NY: Center for Health Workforce Studies, School of Public Health, SUNY Albany, March 2008.

or she replaces to meet the same level of health services demands.

Physicians in our Kingston and Newburgh focus groups viewed overwork and taxing call schedules as a serious deterrent to recruitment and retention. “People now want 9 to 5,” said one Kingston physician. “New doctors coming up are not entrepreneurial, not doing the professional thing. They want larger groups for support.” A Newburgh doctor described a young, unmarried

practitioner in his group office: “He leaves at 4:30 every day. He wants a nice lifestyle. The first question asked when we are trying to find a new colleague is, ‘How often am I on call?’”

In Kingston, family considerations were also identified as a deterrent to the recruitment and retention of doctors to the area. The perception, or misperception, of limited career opportunities for spouses, or that local public schools are sub-par, were concerns. Also, doctors

have to stay in the community for the long term once they are hired. In Newburgh, where proximity to New York City was considered an asset to recruitment and retention and area schools were not considered to be adversely perceived, desired proximity to family who may live in another state or country was cited as a reason for attrition: “When they have children, they want to be near family,” one focus group participant said.

#### **Terms and Organizations, Methods and Sources**

An **Area Health Education Center (AHEC)** is a not-for-profit organization that focuses on health workforce development in medically underserved neighborhoods. **Health Professional Shortage Areas (HPSA).** A federal designation given to localities with a population to physician ratio of 2000 to 1 or greater, are broken down into primary care, mental health and dental care disciplines and are assigned to both urban and rural communities.

**Medical Underserved Areas (MUA)** are federally designated based on an index of poverty level, infant mortality rate, population over age sixty-five and the ratio of population to primary care physicians. **Catskill Hudson AHEC** covers eleven counties: Columbia, Delaware, Dutchess, Greene, Orange,

Otsego, Putnam, Rockland, Schoharie, Sullivan and Ulster. There are 62 HPSAs and 58 MUAs in this region.

Statistical and demographic data sources for this report include:

- New York State AHEC Data Warehouse
- Center for Health Work force Studies at the University of Albany
- New York State Office of Aging
- U.S. Census Bureau
- Primary Care Coalition of New York State
- New York State Department of Health and Office of Rural Health

These resources provided data for analysis at national, state, regional, county and community levels. Anecdotal evidence was also incorporated to enliven and enrich the analysis.

**Focus Groups.** Two focus groups consisting of healthcare administrators and physicians were con-

vened, one in Kingston, Ulster County, designated as rural by the New York State Department of Health, and one in Newburgh, Orange County, which is predominately urban and suburban. A total of nine physicians participated including primary care doctors and specialists representing cardiology, urology, orthopedic surgery, radiology and internal medicine. Meetings were conducted by a professional facilitator, and focused upon: whether the participants believed there was a physician shortage in the area and why; the top three challenges to recruitment and retention of healthcare providers now and over the next decade; and identification of successful recruitment strategies that might serve as a model for now and in the future. Additionally, supplementary data and materials were gained from field interviews and compiled by the CRREO staff.





**“Community health centers are *a big draw*. you’re salaried, have no administrative responsibilities - no headaches. If the contract allows them to stay, *they’ll stay*.”**

### **Local and Statewide Solutions**

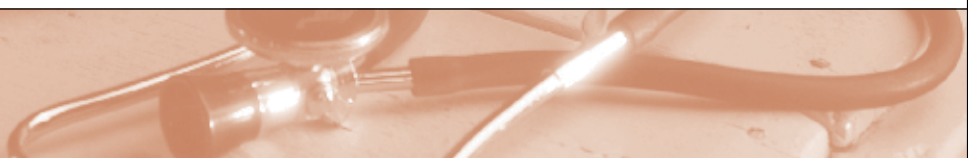
In 2007, Catskill Hudson AHEC engaged community leaders in developing a community-specific physician recruitment and retention program. A feasibility study was conducted across the Catskill Hudson AHEC’s eleven-county region. It included thirty-eight individual interviews with community leaders representing healthcare, local government, economic development and civic organizations. There was a nearly unanimous assessment that physician shortages were at a critical level and a community-specific, collaborative approach to physician recruitment was a sound strategy for success. As a result, HealthMatch™, a physician recruitment and retention service of Catskill Hudson AHEC was developed as a collaborative effort to bring the commitment of healthcare, business and civic leaders together in order to provide increased local access to quality healthcare. Incorporating HealthMatch™ into the larger community economic development plan, the community implements recruitment incentive programs, assumes the role as the “first impression” team and assists with capital financing programs and in-kind services toward practice support with Catskill Hudson AHEC as the

facilitating and recruitment consultant.

Simultaneous with the AHEC effort, early in the governorship of Elliot Spitzer, New York State sought an approach to dealing with physician shortages, especially in rural areas. In 2008, the Doctors Across New York program began to provide financial incentives in the form of educational loan forgiveness and practice support. The loan forgiveness program grants up to \$150,000 to physicians who practice in an area of need in New York State in exchange for a five-year commitment to remain in the practice setting. Physicians receive incremental payments over this five-year period, and the proportion of the total forgiveness increases each year as an incentive to fulfill the time commitment. Additionally, the practice support program provides up to \$100,000 over a two-year period to established practices that are hiring new physicians. The intent is to assist with the cash flow of the practice during the start-up phase. Coupled with community-based recruitment incentive pools, the idea was to provide competitive leveraging to attract health professionals to rural areas in need. Two limitations are the short six-month time frame that the program allows to recruit a physician (typically this process can take

up to 18 months), and its limitation of eligibility for support to physicians within five-years of post-residency.

In March 2009, Catskill Hudson AHEC secured a grant from the New York State Department of Health under the Health Efficiencies and Accountability Law for New Yorkers (HEAL NY) program to implement HealthMatch™ as a pilot project with the Town of Wawarsing, the Village of Ellenville and surrounding communities. Funding at the level of \$200,000 was granted over a two-year cycle, with the goal of placing at least one primary care provider within the targeted service area. Partnering with the town, the village, Ellenville Regional Hospital and the Institute for Family Health, the project at this writing is in its tenth month of a two-year implementation period. To date, it has been successful in the establishment of a Community Development Council, obtaining an initial financial commitment for a revolving loan and receiving endorsement of the HealthMatch™ program from the Catskill Watershed Corporation and Ulster County Economic Development Agency. Simultaneous with this initial fund development phase, Catskill Hudson AHEC launched a direct mailing recruitment campaign to



physicians and primary care residents in training across the United States. To date, one family physician has been recruited to a position at the Eastern Correctional Facility in Napanoch as a result of these collaborative efforts between key stakeholders within the community and Catskill Hudson AHEC.

### What to Do?

Physicians in Newburgh and Kingston offered a range of ideas for increasing our region's prospects of success in recruiting additional doctors to practice here. General economic development efforts that build the local economy make the community more attractive to doctors, as they do for their service businesses. Tax abatements are needed for new practices, as is county and community underwriting for much needed specialties like pediatrics. Local universities can help in retaining doctors by providing academic support for clinical studies and providing research and development opportunities. Stronger connections with medical residency and fellowship programs in Albany and Westchester are essential: "Establish their connections early so they know the area, and will stay."

Loan forgiveness programs were suggested, especially incentives that offer incremental annual increases to discourage two-year stints. Again the principle, "If people establish roots, they don't leave." One doctor in Newburgh, who came to the area to work for a com-

munity health center as part of a loan-forgiveness program, said that a number of doctors in her program were still in the area: "Community health centers are a big draw: you're salaried, have no administrative responsibilities - no headaches. If the contract allows them to stay, they'll stay."

Hospitals have a crucial role to play in physician recruitment and retention. By hiring hospitalists, they alleviate in-patient responsibilities of other physicians, reducing the constant pressures put upon them. By speeding up the credentialing of new doctors, a process that can take six months to a year, they help fully integrate doctors into the community. And hospitals can establish shared call systems that unites specialties. Eastern Orange County physicians were encouraged by the priority given to supporting physician recruitment by the leadership of the St. Luke's Cornwall Hospital and its efforts to retain patients in the region.

There was a consensus among the doctors we spoke with that larger groups like Medical Service Organizations (MSOs) and Independent Practice Associations (IPAs) were the wave of the future. Health Quest was cited as a boon to recruitment and retention in Dutchess County. In Newburgh, one doctor talked about the establishment of Crystal Run in Middletown: "Ten years ago there were ten doctors, now there are 106. They have a good call schedule, electronic medical records and

technology. More doctors will go there." And another Newburgh doctor elaborated,

"In a large group, you have turn-key doctoring. The hospital [St. Luke's in Newburgh] is trying to get people together with common goals. Older doctors don't want to change. Younger doctors will group in order to have better quality of life. They could collaborate with older doctors but older doctors don't want to spend time and money on the cusp of retirement."

The relative success of the Health Quest system is not just a matter of size. Integrated with its three hospitals - Vassar Brothers Medical Center, Putnam Medical Center and Northern Dutchess Hospitals - this system includes a medical group with offices throughout its region that offers primary and specialty care, a model that generates referrals for its specialists and allows it to offer working conditions attractive to new doctors. Critics worry, however, that physicians working as employees in systems like Health Quest's may be too often constrained by fiscal considerations, that the physician-patient relationship might be attenuated and that the productivity of doctors who are not practice-owners might diminish.

Nevertheless, Health Quest brings great strengths to the task of physician recruitment. It is among the most financially successful medical



providers in New York State, and therefore is able to devote serious resources to physician recruitment and offer doctors secure, attractive, long-term opportunities. Based upon detailed proprietary research done to determine the needs of the communities it serves, Health Quest's recruitment efforts are expert, focused, proactive and continuous, and are integrated, as well, with a systematic effort at retention after recruitment. They also collaborate with other upstate, in-house hospital physician recruitment efforts. In Kingston, where Kingston and Benedictine Hospitals have formed an alliance, doctors saw promise:

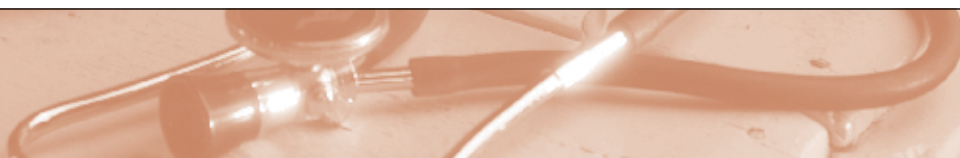
"Medicine is dynamic right now. The hospitals' alignment has changed the scope of how we do things. It is in its infancy and it is a huge cultural shift, even for doctors who have previously served at both hospitals. It is an opportunity to forge a new system and, at the same time, there is a national debate which promises to change things as well. It's a paradigm shift that coincides with a national shift. We can't squander this opportunity."

## Conclusion

Much of our region's future success in physician recruitment will be based upon a combination of decisions made at the state and national levels, and how markets shape and respond to them. Models of medical practice in the region are already shifting and will continue to shift in response

to market conditions. The future supply of primary care physicians is dependent on the continued attractiveness of this career path, access to it (linked to financial support for medical education) and incentives for entering these particular areas of practice – all of which are in turn connected overall to national health care reform. The decision to extend the Doctors Across New York Program, needed even more so in these very difficult fiscal times, will be made in Albany. Regional leaders must continue to lobby hard to remove damaging, irrational geographically-based disparities in reimbursement for primary care physicians and specialists in parts of the Hudson Valley, but again the ultimate decisions are at the national and state levels.

One idea that we can act upon locally is intriguing, an idea that might bring people struggling with two seemingly distinct problems into the same room to help find solutions to both. While hospitals and medical practices work to attract doctors - the supply side, local government leaders in the region struggle to control the rapidly rising costs of health insurance for their workers - the demand side. Local government has enormous health care buying power. The premiums paid to insure public employees in Ulster County alone in 2008 approached \$100 million. Could this buying power be better directed to assure the persistence of quality care, delivered in our region by doctors who may be attracted to live and work here? The question is worth pursuing. ♦





**Citation**

Reed, Kathryn (2010) *Is there a Doctor in the House? Physician Recruitment and Retention in the Hudson Valley* (CRREO Discussion Brief 3, Winter 2010). New Paltz, NY: SUNY New Paltz Center for Research, Regional Education and Outreach.

**Comment**

To comment, write to CRREO at [CRREO@newpaltz.edu](mailto:CRREO@newpaltz.edu).

**Thanks**

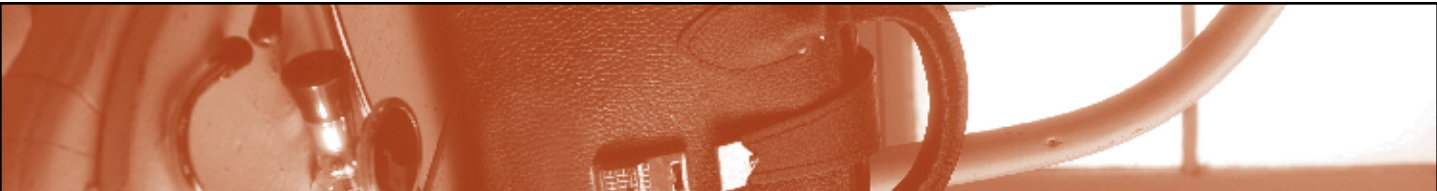
The author wishes to thank Janis Benincasa, Gerald Benjamin, Joshua Simons, KT Tobin Flusser and Fredda Merzon for their assistance with various aspects of this project.

**The Center for Research, Regional Education and Outreach (CRREO)** conducts studies on topics of regional interest; brings visibility and focus to these matters; fosters communities working together to better serve citizenry; and advances the public interest in our region.

**SUNY New Paltz**

The State University of New York at New Paltz was named "Hottest Small State School" in the 2008 Kaplan/Newsweek *How To Get Into Colleges Guide*, which identifies America's 25 Hottest Schools. The guide features schools that all offer top academic programs and are making their mark in the competitive world of higher education. New Paltz is a highly selective college of about 8,000 undergraduate and graduate students located in the Mid-Hudson Valley between New York City and Albany. Degrees are offered in the liberal arts and sciences, which serve as a core for professional programs in the fine and performing arts, education, healthcare, business and engineering.





Independently and in collaboration with local governments, business and not-for-profits **across the Hudson Valley**, CRREO: conducts **independent research** on topics of **regional interest**; brings **visibility and focus** to these matters; fosters communities **working together** to better serve the citizenry; and seeks to **advance the public interest** in our region.