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How To Remedy the Shortage Of Primary Care Physicians

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The Association of American Medical Colleges has issued a warning about a looming, grave shortage of primary care physicians (PCPs). By 2034, there will be an estimated deficit of between 17,800 and 48,000 PCPs. As first responders to the health needs of rich and poor alike, PCPs play a critical role; a shortage disproportionately affects vulnerable patients.

Without access to a PCP, poorer Americans are more likely to turn to costly emergency rooms to treat conditions a PCP would have helped keep in check. State and federal healthcare budgets would be subject to significant strain. Improving and maintaining access to care is a national imperative—the situation is already very troublesome and would get out of hand if concerted action is not taken in the years ahead.

Earnings play a critical role: Compared to doctors with specialties, PCPs earn significantly less. The payment structure in the US health system has long favored surgeries and other medical procedures while undervaluing the diagnostic, prescriptive, and preventive work that is at the heart of primary care.

Primary care doctors in the 40-55 age range, at their peak income potential, on average, earn $201,000 to $265,000 per year. By contrast, the average yearly income of doctors across the board is $350,000. Here, by comparison, is a sampling of the annual income of specialists: Gastroenterology, $501,000; Oncology, $463,000; Dermatology, $443,000; Psychiatry, $309,000; Neurology, $313,000; Ophthalmology, $388,000; Pulmonary Medicine; $378,000; Ob/Gyn, $337,000; Radiology, $483,000; Urology, $506,000; Orthopedics $573,000; Anesthesiology, $448,000; and Otolaryngology, $485,000.

The income gap is clearly very significant and helps explain why the bulk of medical students choose to acquire a specialty rather than opt for the generalist calling of the PCP. However, an innovative approach to doctors' pay that got its start in New York State in the spring of 2014 holds the promise of narrowing the gaps in physicians' pay. The new physician's compensation formula introduced by the New York State Department of Health is known as Value-Based Care or Value-Based Payment.

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It stipulates that doctors are compensated according to the longer-term health outcomes of Medicaid recipients—the healthier the patient, the more significant the doctors' remuneration. The physician is encouraged and put in a position to provide his patients with optimal care, which translates into substantial savings for taxpayers as serious medical conditions receive timely treatment, the income for the doctors is boosted, and there are happier, healthier patients.

SOMOS is a unique network of 2,500 physicians—most of them PCPs—serving some one million of the most vulnerable Medicaid recipients in New York City. SOMOS's excellent care provided to predominantly Hispanic, African American, and Asian American patients makes for a compelling success story.

In 2014, SOMOS joined the New York State Value-Based Care project, the Delivery System Reform Incentive Payment (DSRIP) program, with its emphasis on "incentive payment" to doctors. SOMOS staff ensure that doctors' practices get a digital overhaul so that they are equipped to optimally gather and transmit patient data to the New York State Department of Health, which, in turn, measures population health. SOMOS succeeded in saving New York State taxpayers $330M, thanks to reducing by 25 percent all preventable visits to the ER and 25 percent of all unnecessary hospitalizations. It is thus that SOMOS doctors earn extra compensation.

A key aspect of the accomplishments of SOMOS doctors is the strong bond they have with their patients. That bond is there because physicians really know the people in their care, thanks to the work of Community Health Workers who visit patients' homes and report back on conditions in and around the home. These include the Social Determinants of Health, social conditions that impact physical and behavioral health, such as poverty and unemployment—a dimension of health care that the US health system, compared to other wealthy nations, is only just beginning to consider. It is critical to improving the quality of health care for people experiencing poverty and, again, helps elevate doctors' compensation.

Additional pay for doctors also comes in the form of health equity shared savings, performance profit sharing, and enhanced payment for each patient, in addition to a variety of federal and state incentive programs. It also includes a bonus for doctor's practices that become Patient-Centered Medical Homes, a one-stop access to the various types of care patients need. There is no doubt that Value-Based Care holds the promise of significant additional income for PCPs.

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However, the reward for doctors signing on to Value-Based care is not strictly financial. SOMOS doctors intimately know their patients and their families. They are trusted figures in the community, looked upon to tackle medical, behavioral, and social challenges. That elevated position makes for a reiteration of the family doctor of old. By contrast, specialists may see their patients in limited ways, focusing on very particular medical issues. There is something to be said for a primary care doctor having comprehensive knowledge of all the needs of the patients. That is the heart of the medical calling.

Mario J. Paredes is CEO of SOMOS Community Care, a network of 2,500 independent physicians—most of them primary care providers—serving close to a million of New York City's most vulnerable Medicaid patients.