

Cost Containment - Workforce Development

Increasing the number of primary care physicians and nurses

By Christine Chen

Ensuring an adequate supply of primary care physicians and nurses may help to slow increases in healthcare expenditures. These professionals yield cost saving benefits through their emphasis on preventive care and minimizing the need for more expensive care. Additionally, the shortage of nurses generates extra financial burdens on the healthcare system by reducing the quality of care and the costs of retaining and attracting needed staff. The demand for primary care physicians and nurses currently outstrips supply and this problem is projected to worsen. Failure to correct this inefficiency may exacerbate healthcare costs and reduce the quality of life for medical patients.

Primary Care Physicians

Primary care physicians play an important role in preventing diseases from escalating into acute conditions requiring hospitalization and emergency care. Despite the importance of primary care physicians in minimizing the need for costly treatment, the area of primary care is becoming a less attractive field of practice for U.S. medical students.

What is a primary care physician?

Primary care physicians are key sources of the four main features of primary care, which are: "first-contact access for each new need; long-term person (not disease) focused care; comprehensive care for most health needs; and coordinated care when it must be sought elsewhere." ¹ Examples of their services include "health promotion, disease prevention, health maintenance, counseling, patient education, diagnosis and treatment of acute and chronic illness"²

Impact of Cost

Healthcare costs and treatment trends are sensitive to the available supply of primary care physicians. In regions where access to primary care is limited, hospitalization rates for conditions that could be addressed in an outpatient setting are higher. ³ A study by Shea et al., underlines the evidence that individuals with a primary care provider were less likely to require hospitalization for a "preventable complication of a common medical problem."⁴ Regions with a high proportion of specialists also demonstrate higher spending levels and less utilization of high-quality, cost effective care.⁵ In contrast, regions in which more physicians are general practitioners have a high-quality of care and lower cost per Medicare beneficiary expenditures. ⁶

Decreasing interest

Unfortunately, fewer U.S. medical students are entering primary care. In 2003, "among third-year internal medicine residents, only 27 percent planned to practice general internal medicine [a form of primary care] compared to 54 percent in 1998."⁷ Medical students are deterred by the inadequate reimbursement levels, long hours, and exponentially increasing scope of skills required in primary care.⁸ Not surprisingly, many medical students choose to become specialists. In 2004, the median income of specialists was two times that of primary care physicians.⁹ This trend is problematic as increasing the number of primary care physicians may be a means to reduce healthcare expenditures while improving quality of care.

Shortage of Nurses

Increasing the number and scope of registered nurses may help to decrease the rapidly rising costs in healthcare by decreasing the costs of hiring and retaining nurses, raising the quality of care for hospitalized patients, and providing a lower cost alternative to physician based treatment.

Costs for maintaining and recruiting nursing staffing

There is a growing gap between the supply and demand for nurses.¹⁰ According to a report by the Center for California Health Workforce Studies, the majority of regions in California currently suffer from a shortage of registered nurses.¹¹ The shortage will be increasingly felt in all regions between 2012 and 2030.¹² Hospitals have used short and long-term solutions to attract and increase their nursing staff. These include raising salaries, temporary nurses, sign-on bonuses, and financial support for nursing education and improving nurses' work environment.¹³ According to May et al., "many hospitals, including those without serious nurse shortages reported sizable financial costs associated with their staffing strategies,"¹⁴ which translate into higher service fees for consumers.

High turnover rates, largely the result of job dissatisfaction, also result in high replacement costs and therefore increases in patient care costs.¹⁵ A report by the Voluntary Hospitals of America (VHA) found that "it costs approximately 100 percent of a nurse's salary to fill a vacated nursing position."¹⁶ Hospitals with high turnover rates among nursing staff experienced higher costs per discharge. Those with turnover rates 21 percent or greater had a "36 percent higher cost per discharge rate than hospitals with low turnover rates."¹⁷

Patient outcomes

The nursing shortage increases the risk of serious adverse complications. Research by Needleman et al. found that medical patients who received a higher proportion of licensed-nurse-care provided by registered nurses and more registered-nurse-hours per day had shorter hospital stays and were less likely to suffer from some complications¹⁸ common to hospitalized patients. Surgical patients who received a higher proportion of registered-nurse-hours had lower rates of urinary tract infection. More registered-nurse-hours per day are also associated with a lower rate of "failure to rescue."¹⁹ Increases in nursing staff may reduce costs by averting complications and reducing hospital stays.

Substitution of doctors by nurse practitioners in primary care

Nurse practitioners (NPs) are specially trained nurses that provide basic preventive healthcare to patients and have the authority to prescribe medication in most states²⁰, including California. Increased utilization of NPs may help to alleviate the shortage of primary care physicians. Research suggests that NPs can perform a majority of the tasks carried out by primary care physicians. Recent randomized clinical trials which compare nurse practitioners with primary care physicians "found no major difference in selected patient outcomes and higher patient satisfaction with NP care."²¹ Additionally, NPs are believed to be a less costly alternative than physicians for primary care due in part to their lower wages, cost of education, and malpractice insurance.



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