

The Effect of Economic and Policy Shifts on Health Services and the Health Workforce



May 2-5, 2010 - New York City

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Today's presentation...

- Evolution of project since 11th IMWC
- Presentations from four countries
 - Compare indicators
 - Discuss economic and policy effects on health services and health workforce
- A reactor panel



Evolution of initial research question...

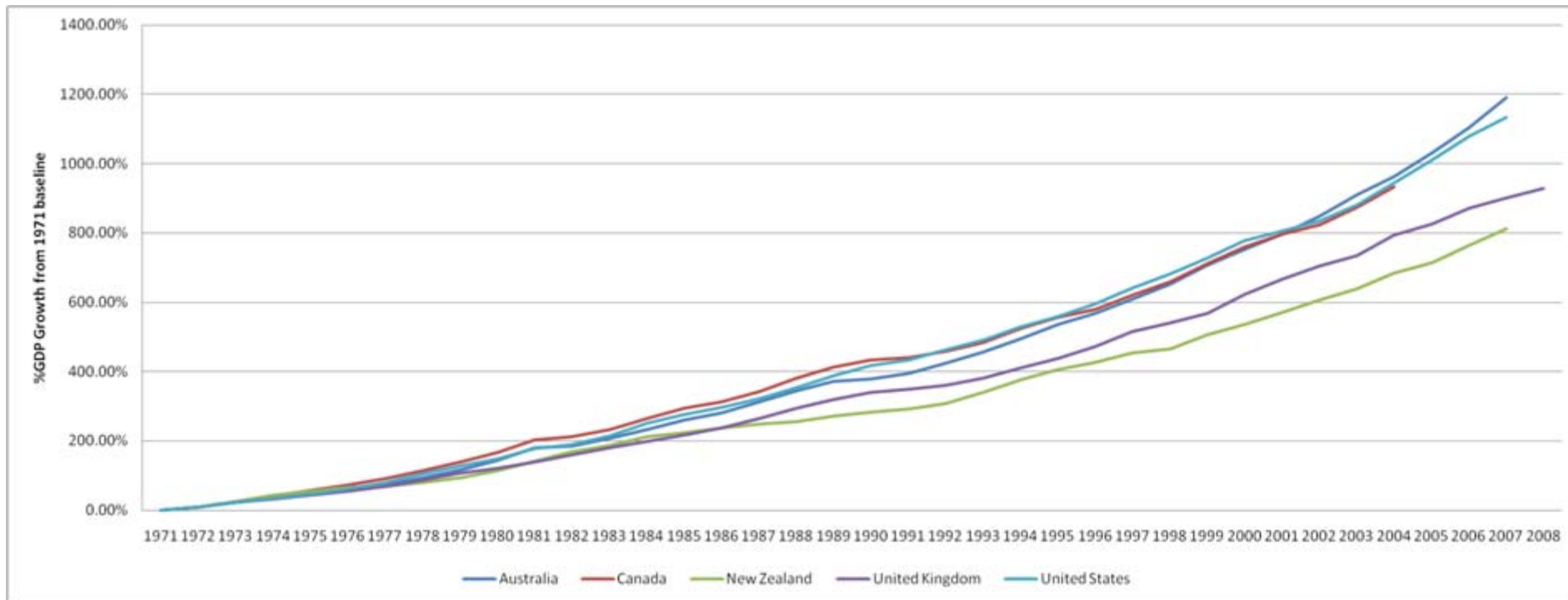
- Examine effect of recession on workforce supply/demand across four countries
- Test hypothesis that economic impact would vary due to differences in:
 - Funding and organization of health care
 - Population size
 - Timing and magnitude of recession
- As work evolved, analysis broadened to include economic and policy impacts



Four countries, three approaches

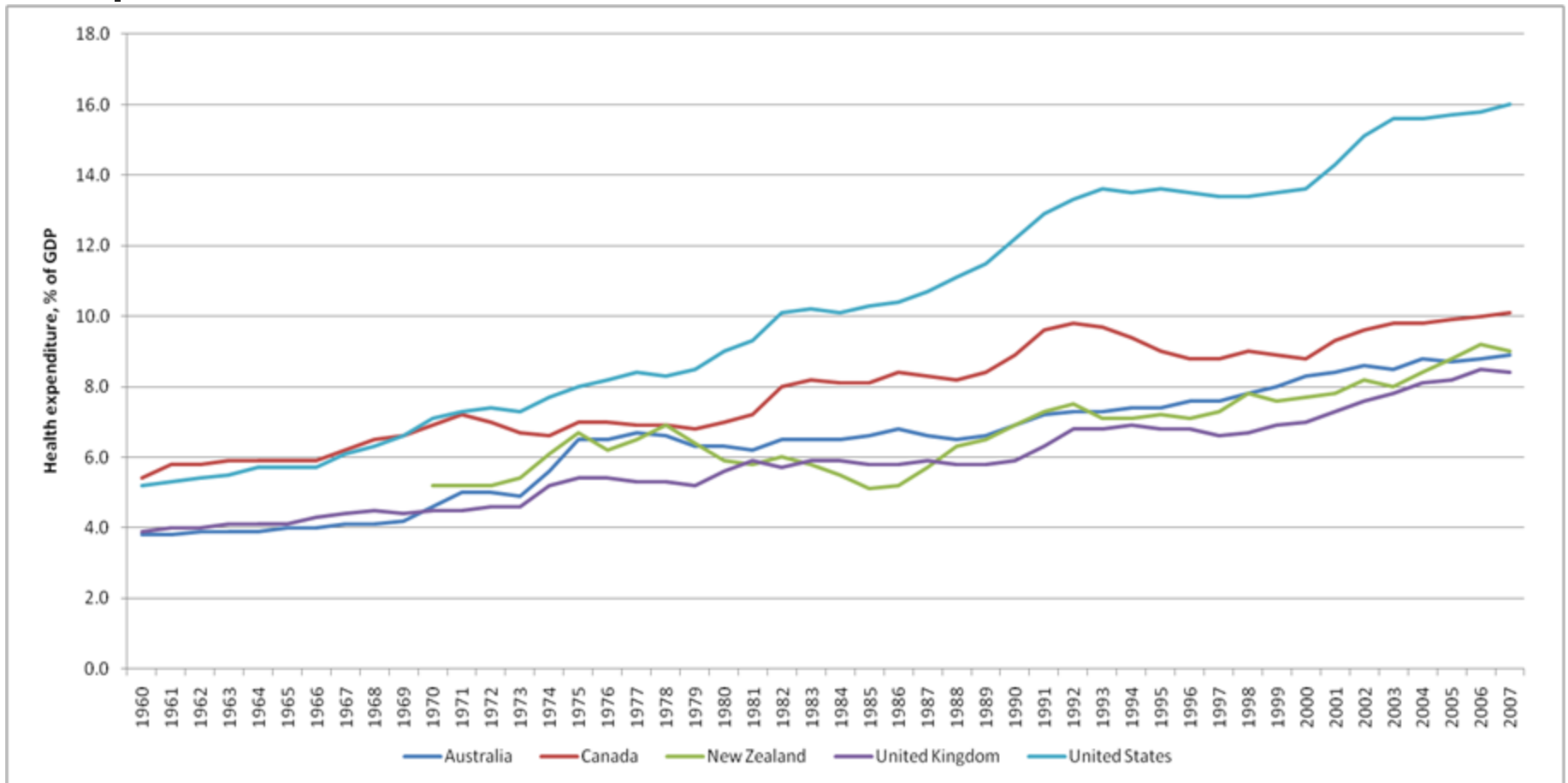
- Joint UK/US descriptive data and policy analysis
- Australia: model effects of:
 - economic shifts and supply/demand
 - impact of unemployment on demand for GP services
- Canada: literature search on impact of economic downturn on supply/demand

Despite Periodic Economic Downturns, GDP Consistently Increasing in Each Country



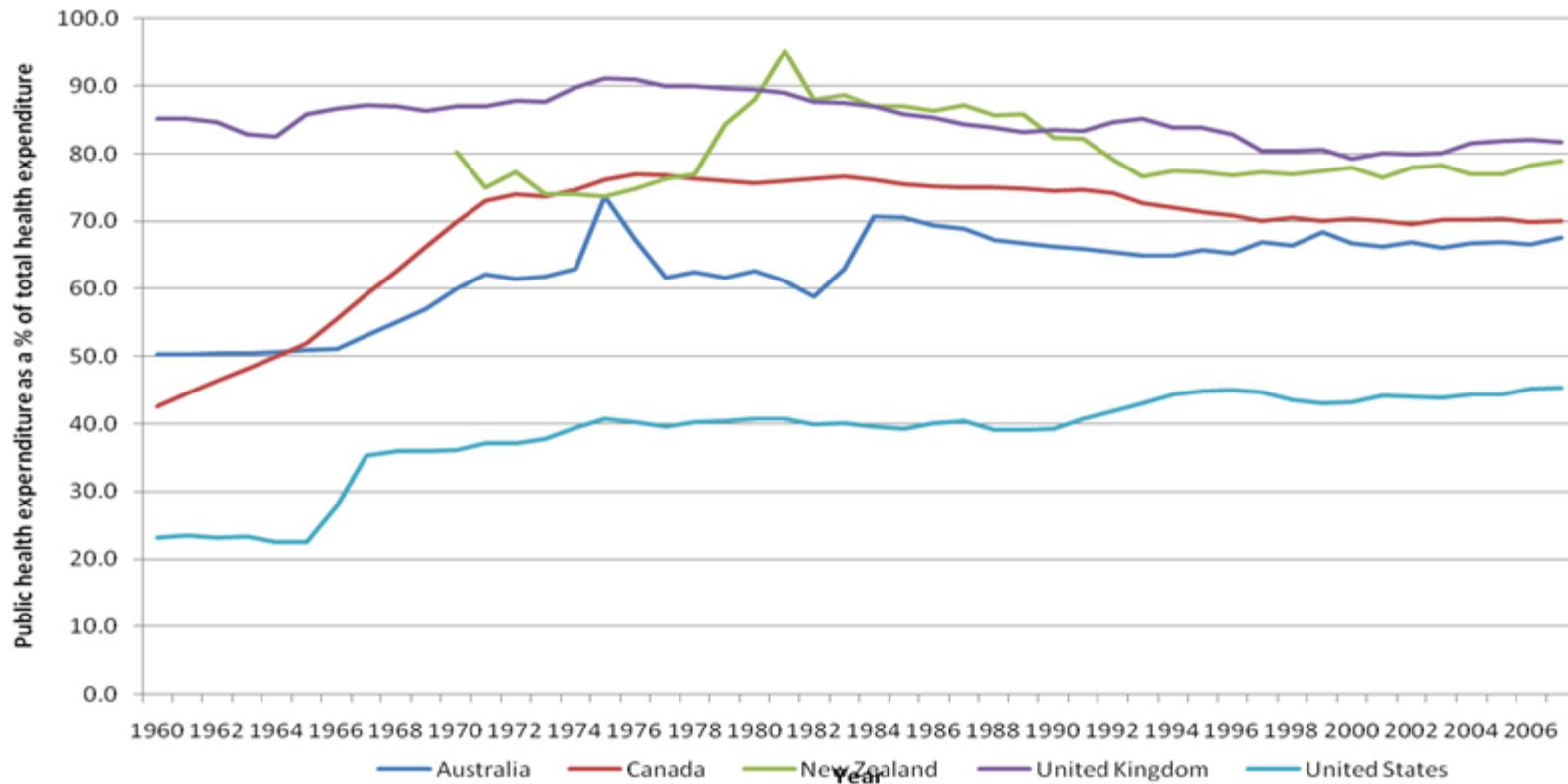
Source: Organisation for Economic Co-operation and Development

Health Expenditure as % of GDP Increasing Much More Rapidly in U.S.



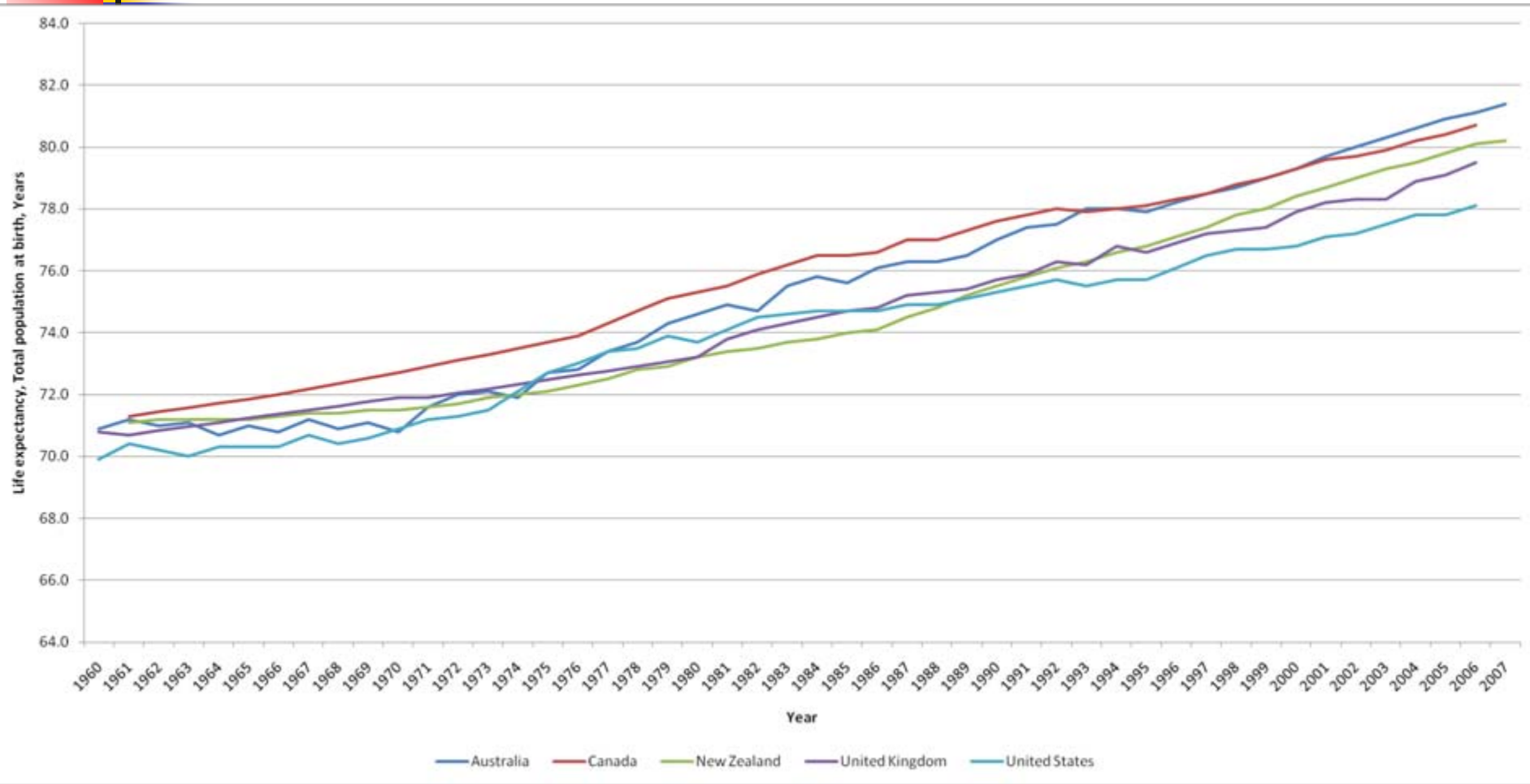
Source: Organisation for Economic Co-operation and Development

Public Expenditures Remain Relatively Steady as % of Total Health Expenditures



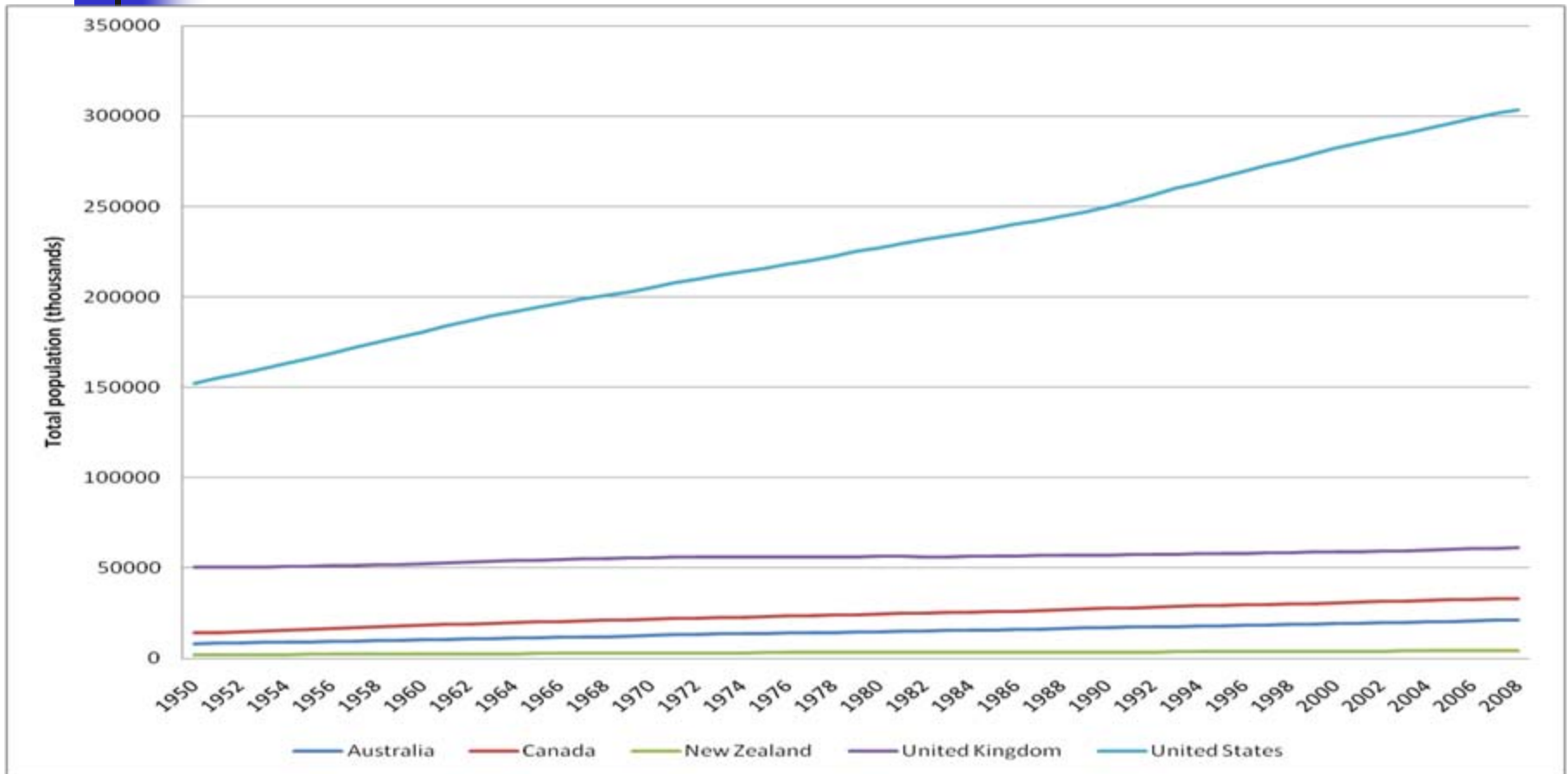
Source: Organisation for Economic Co-operation and Development

Life Expectancy Steadily Increasing



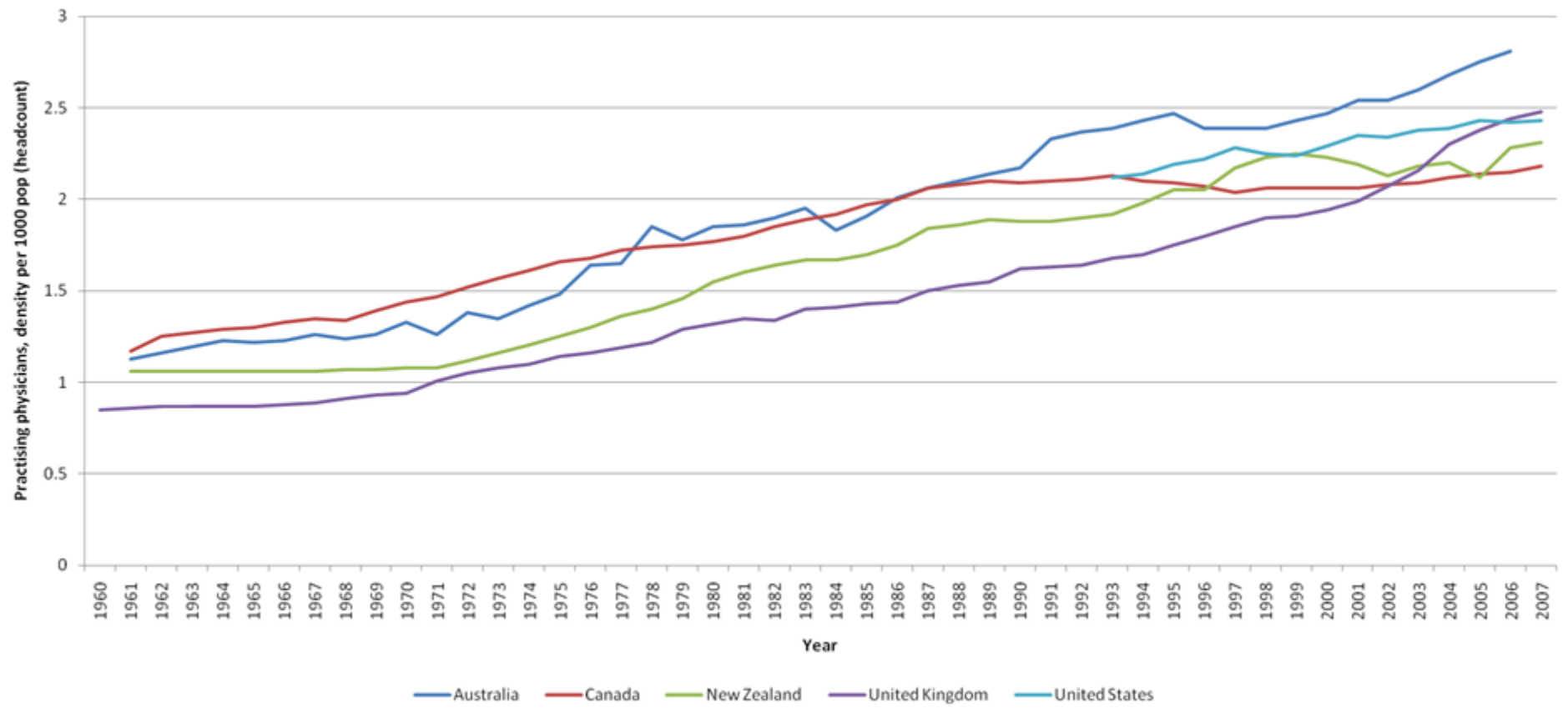
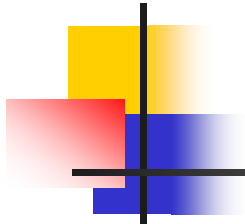
Source: Organisation for Economic Co-operation and Development

Population Relatively Steady Other than for U.S.



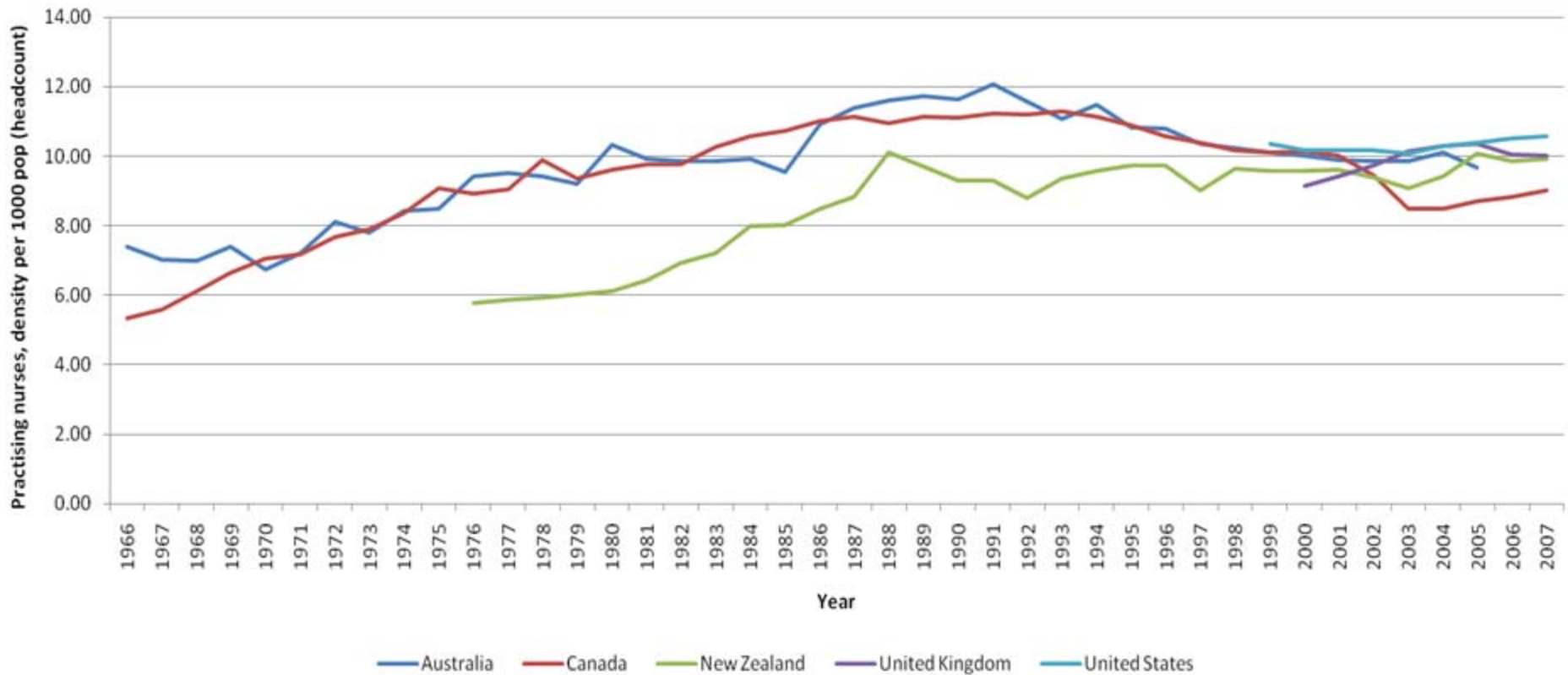
Source: Organisation for Economic Co-operation and Development

The Number of Practising Physicians per Capita Increasing in Each Country



Source: Organisation for Economic Co-operation and Development

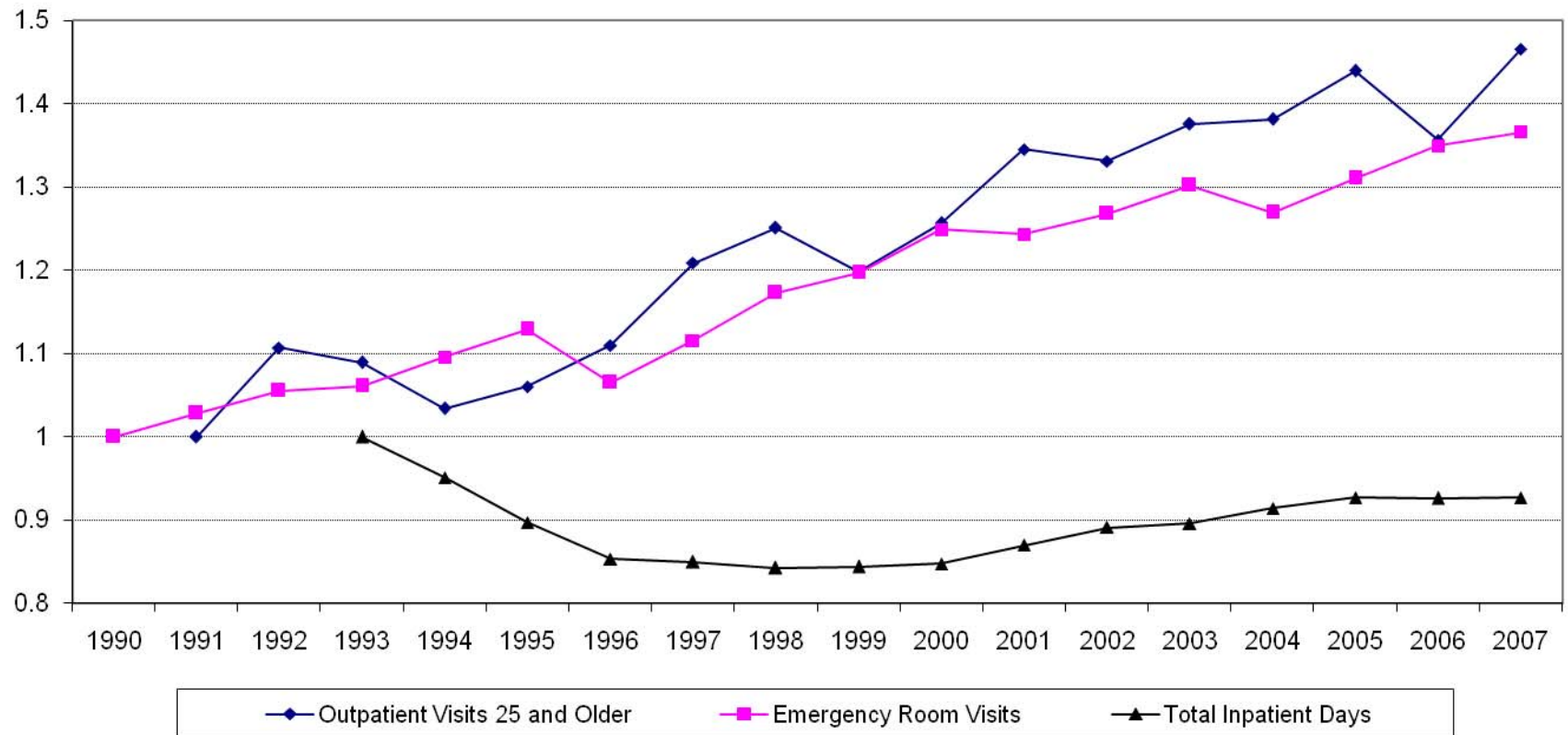
The Number of Practising RNs per Capita Remaining Relatively Steady after early 1990s



Source: Organisation for Economic Co-operation and Development

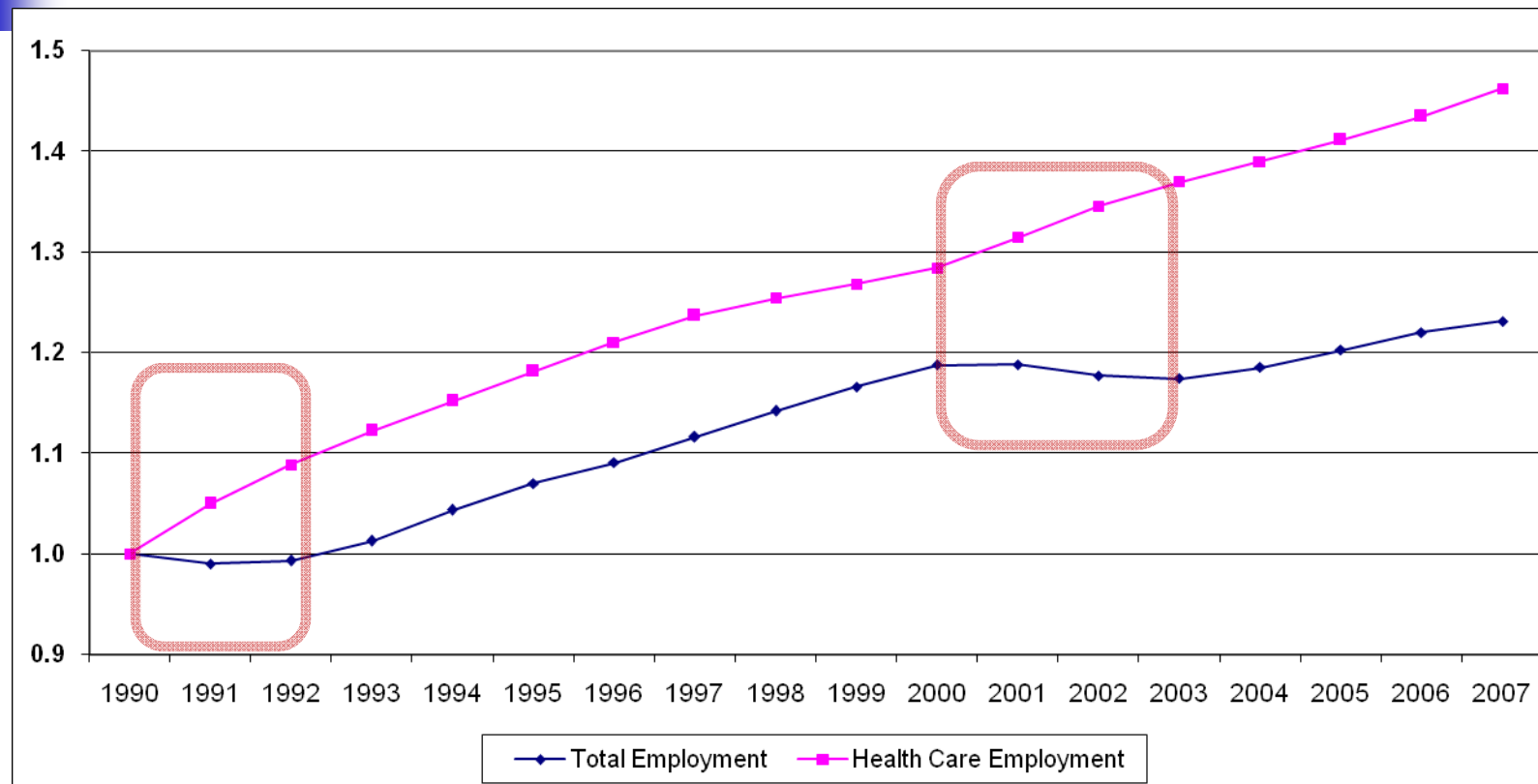
The United States

Health Care Utilization is Affected by Shifts in Policy & Service Delivery Structures



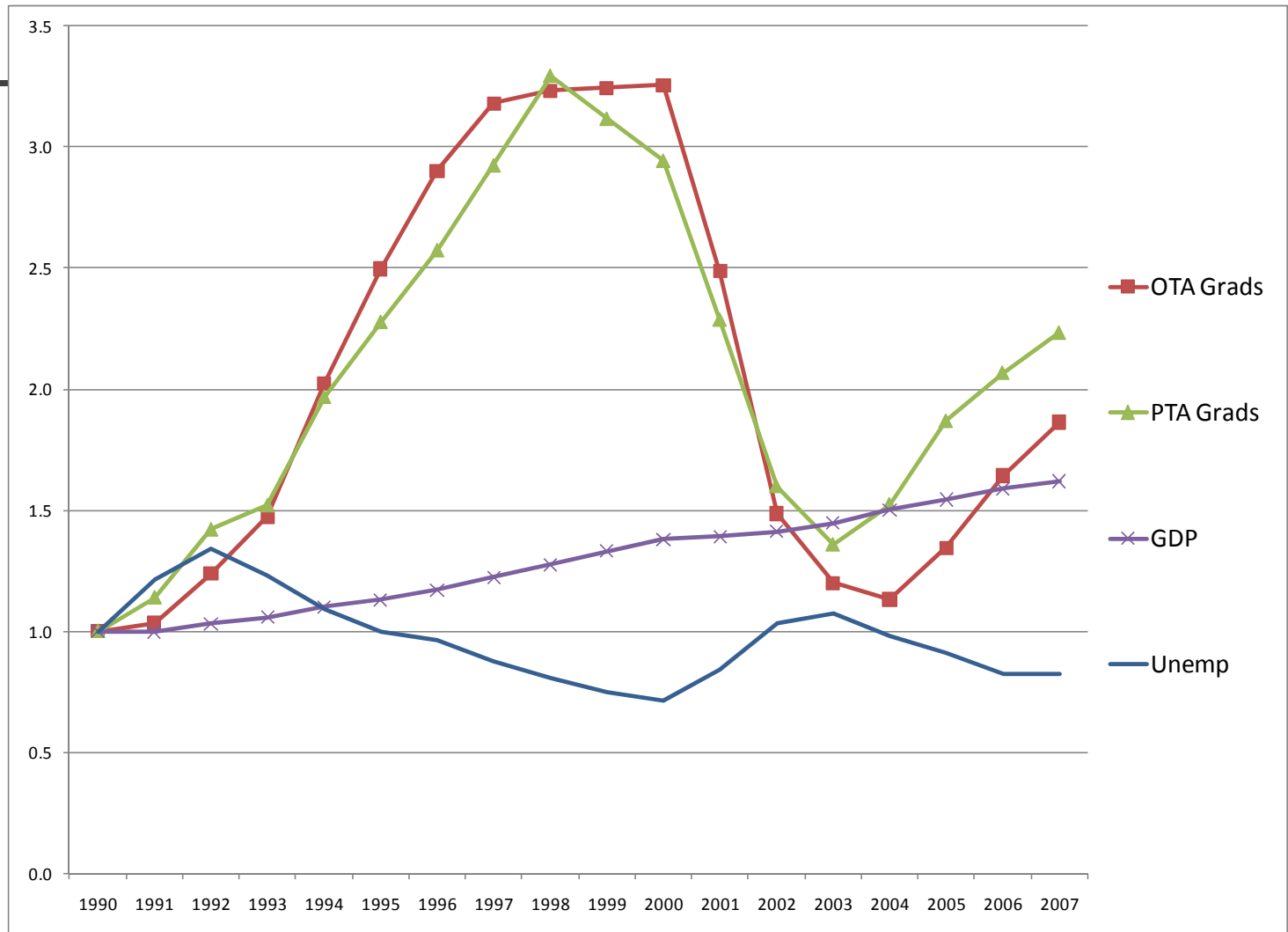
Source: National Center for Health Statistics, National Ambulatory Medical Care Survey, Annual Summaries 1991-2006, and 2007 NAMCS Public Use Data File. Note: All figures indexed to 1990.

Total Health Care Workforce Is (Relatively) Recession-Proof



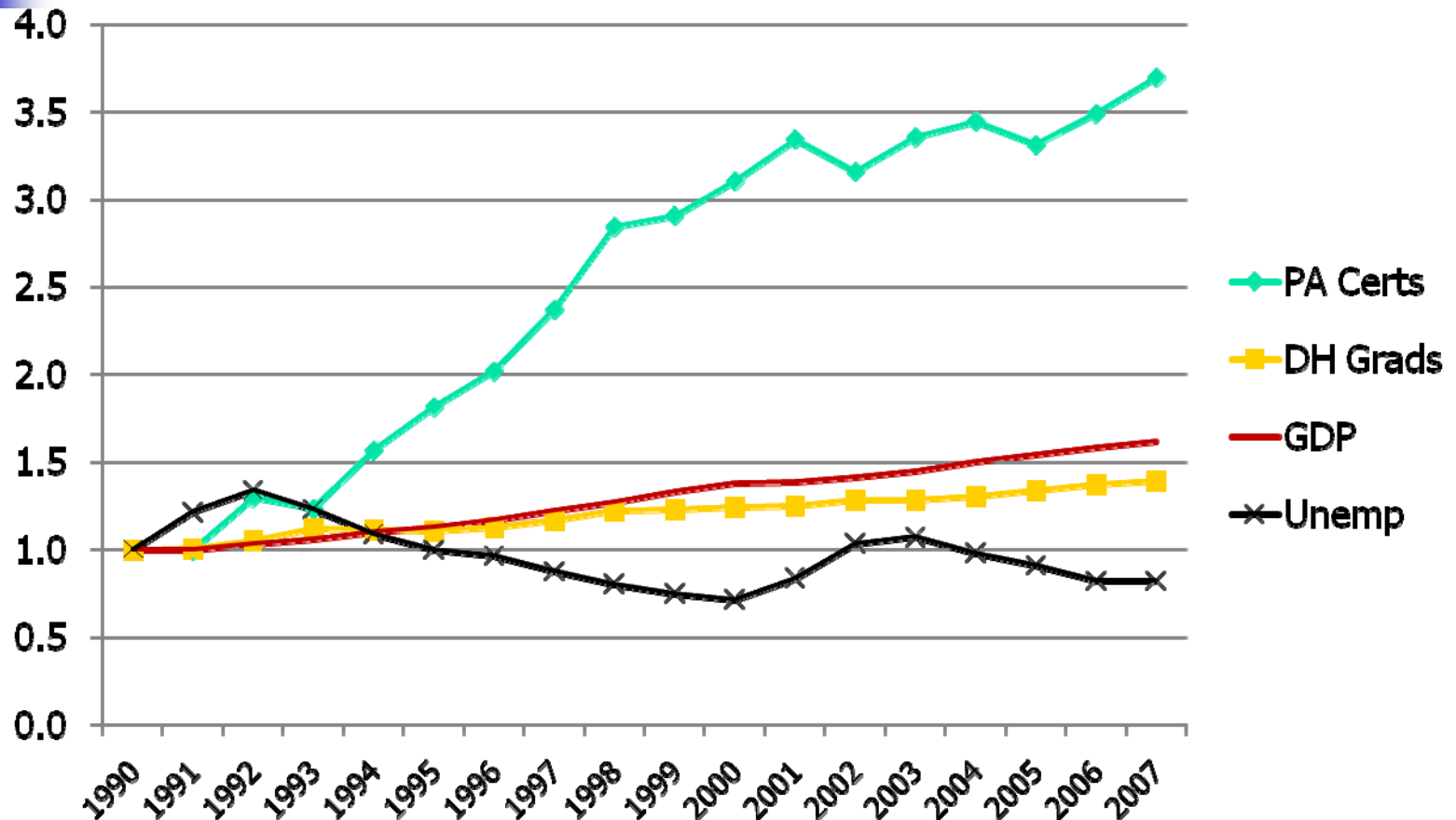
Note: All figures indexed to 1990.

Graduations in Occupations with Shorter Pipelines Trend with Unemployment Cycles

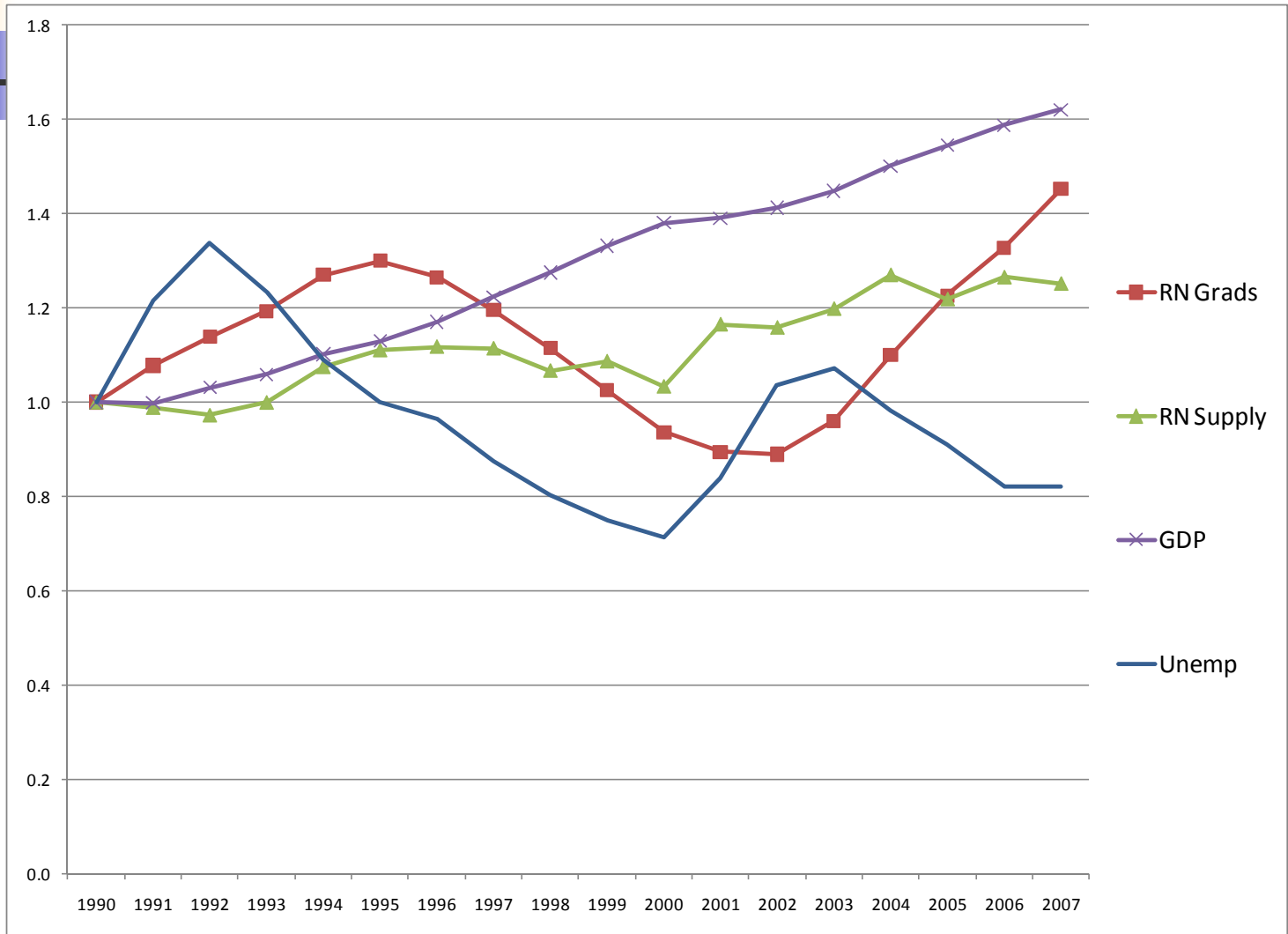


Sources: NCES; BEA; Census. Note: Graduates are per capita. All figures indexed to 1990

Graduations in “Linked” Occupations Do Not Trend with Unemployment Cycles

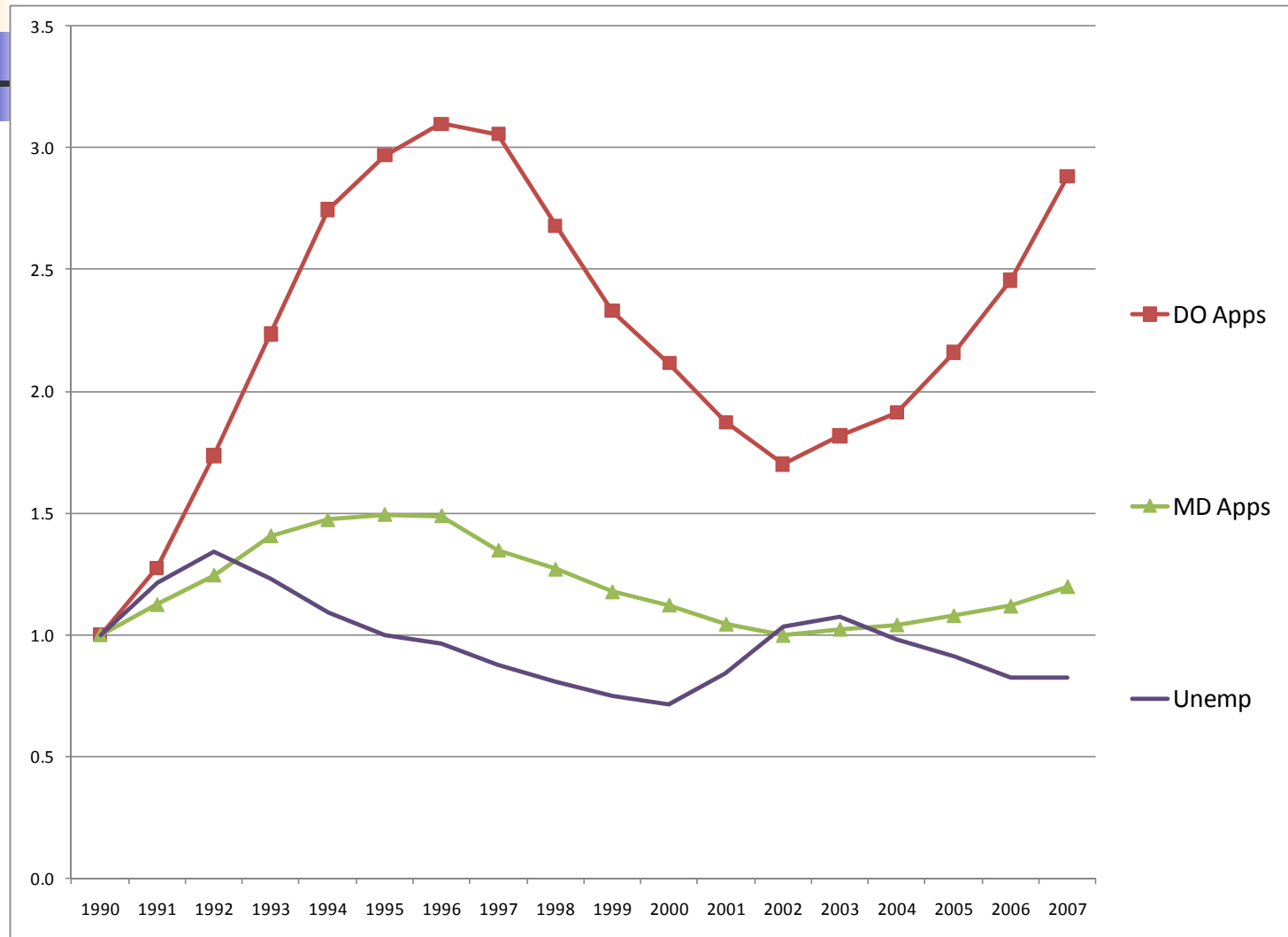


RN Graduations Trend with Economy but Other Factors Also Affect Supply



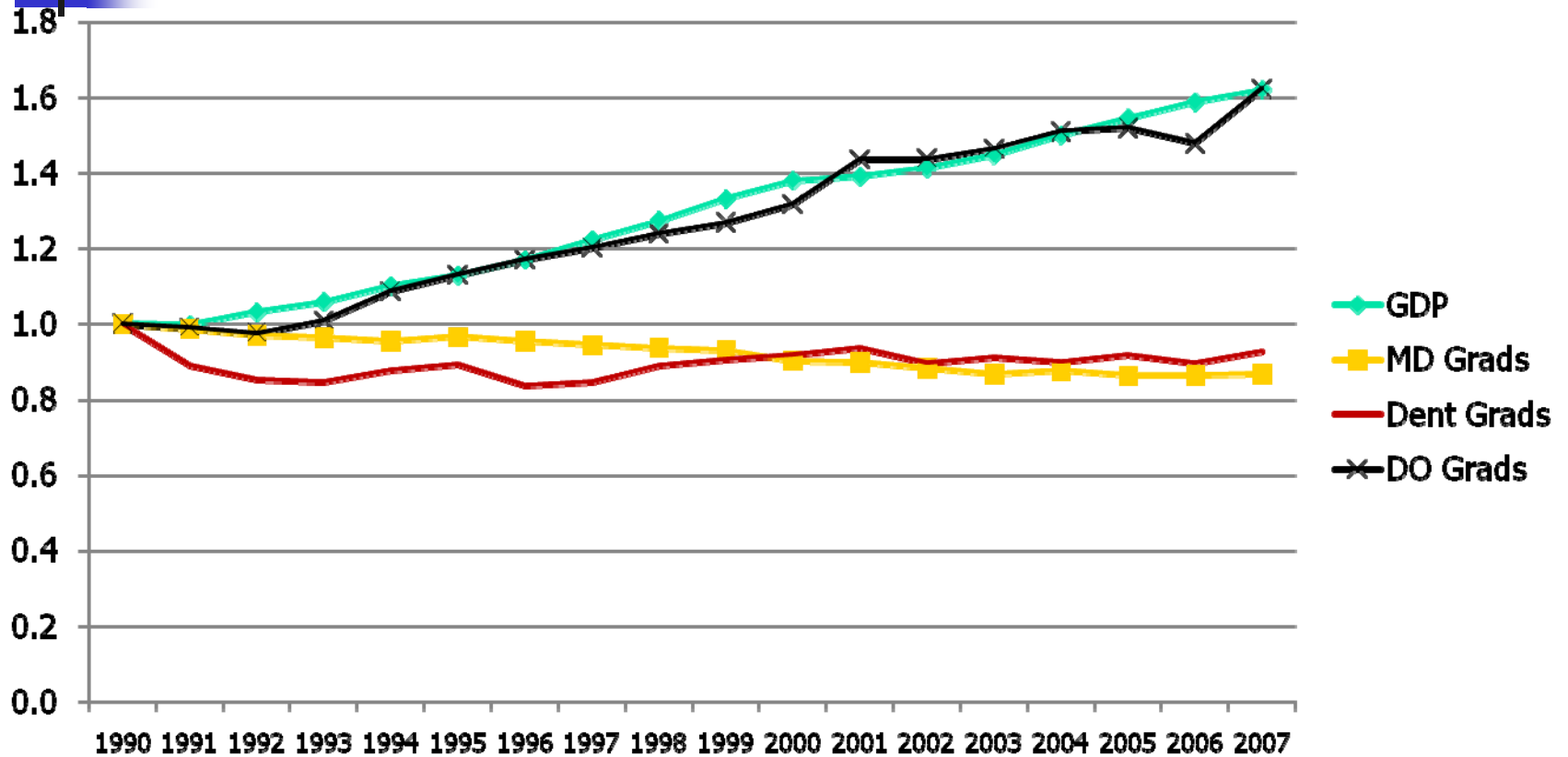
Sources: NCES; BLS; BEA; Census. Note: Graduates and RN supply are per capita. All figures indexed to 1990.

Applications to Physician Programs Trend with Economic Cycles



Sources: AACOM; AAMC; BEA; Census. Note: Applicants are per capita. All figures indexed to 1990.

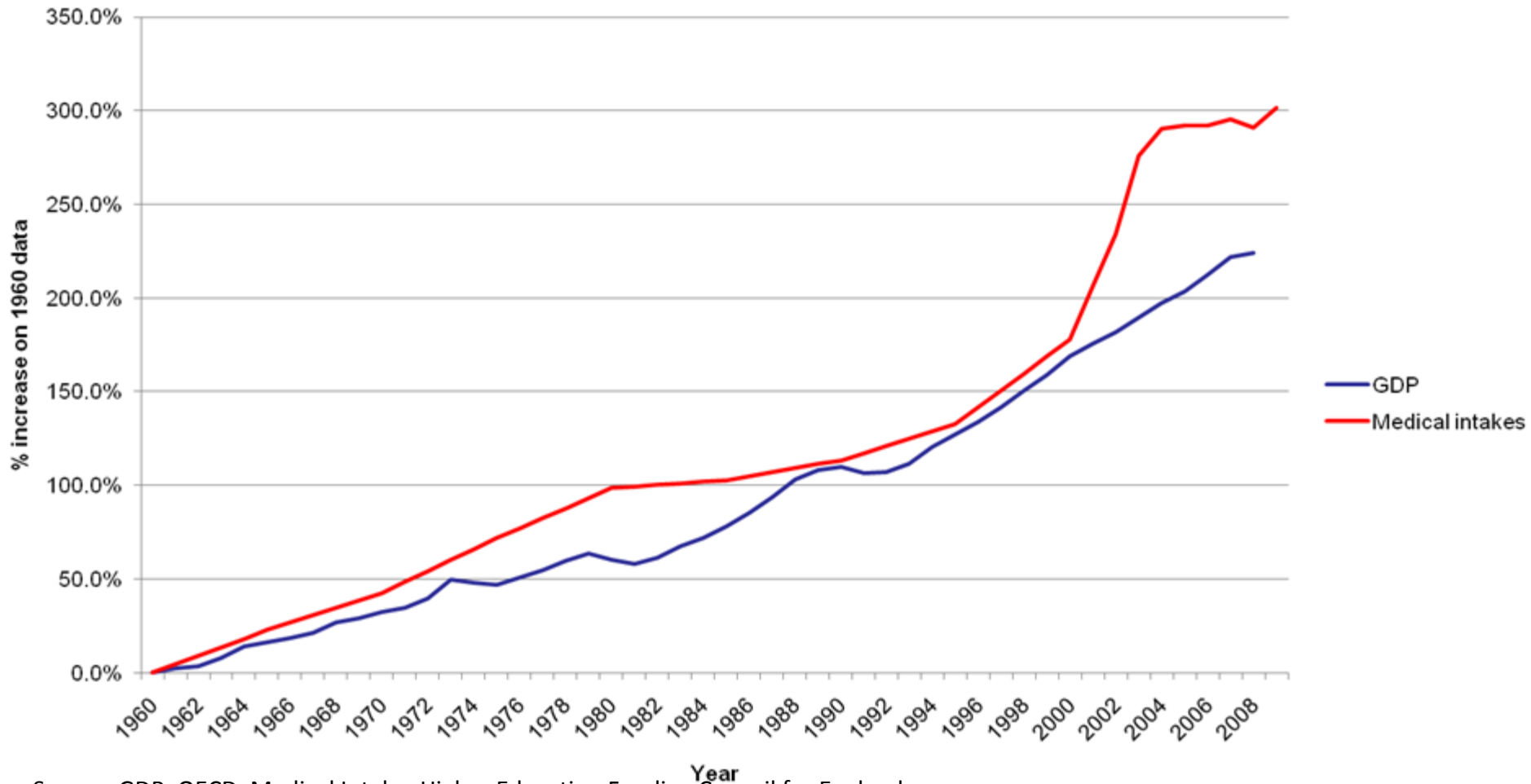
Graduations from Physician and Dental Schools Are Constrained by Other Factors



Sources: AACOM; AAMC; BEA; Census. Note: Graduates are per capita. All figures indexed to 1990.

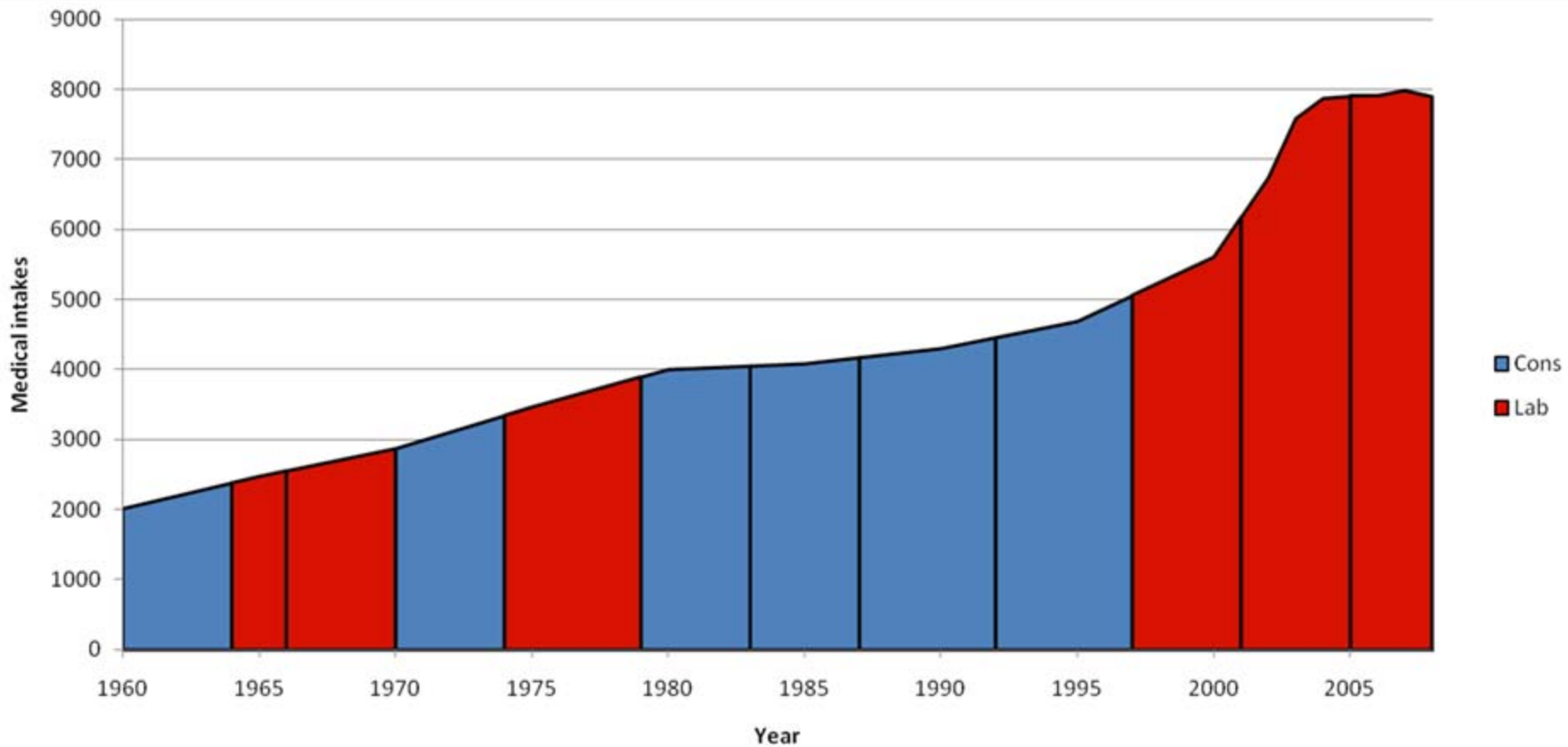
The United Kingdom

UK medical school intake "ahead" of the GDP curve

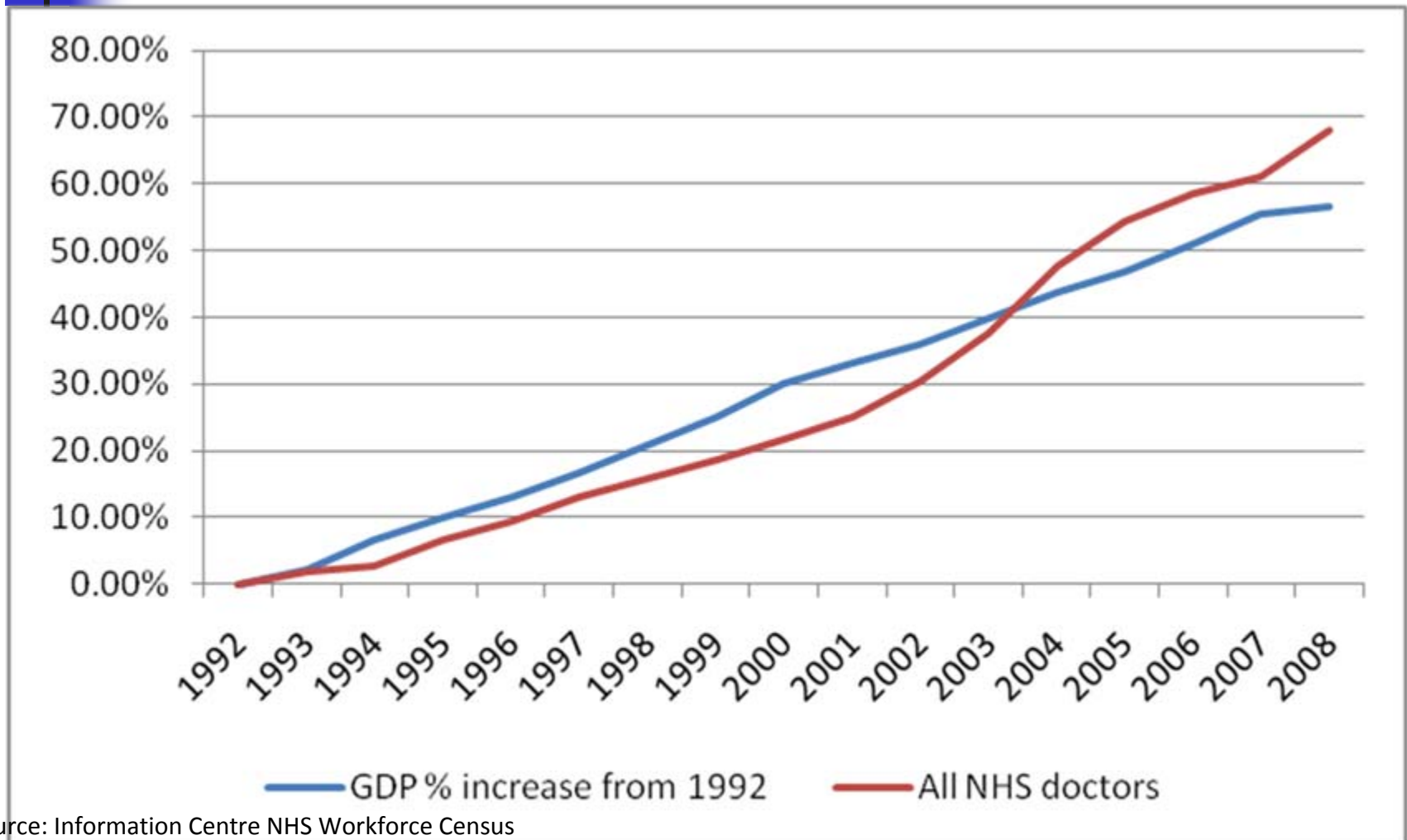


Source: GDP: OECD, Medical Intake: Higher Education Funding Council for England

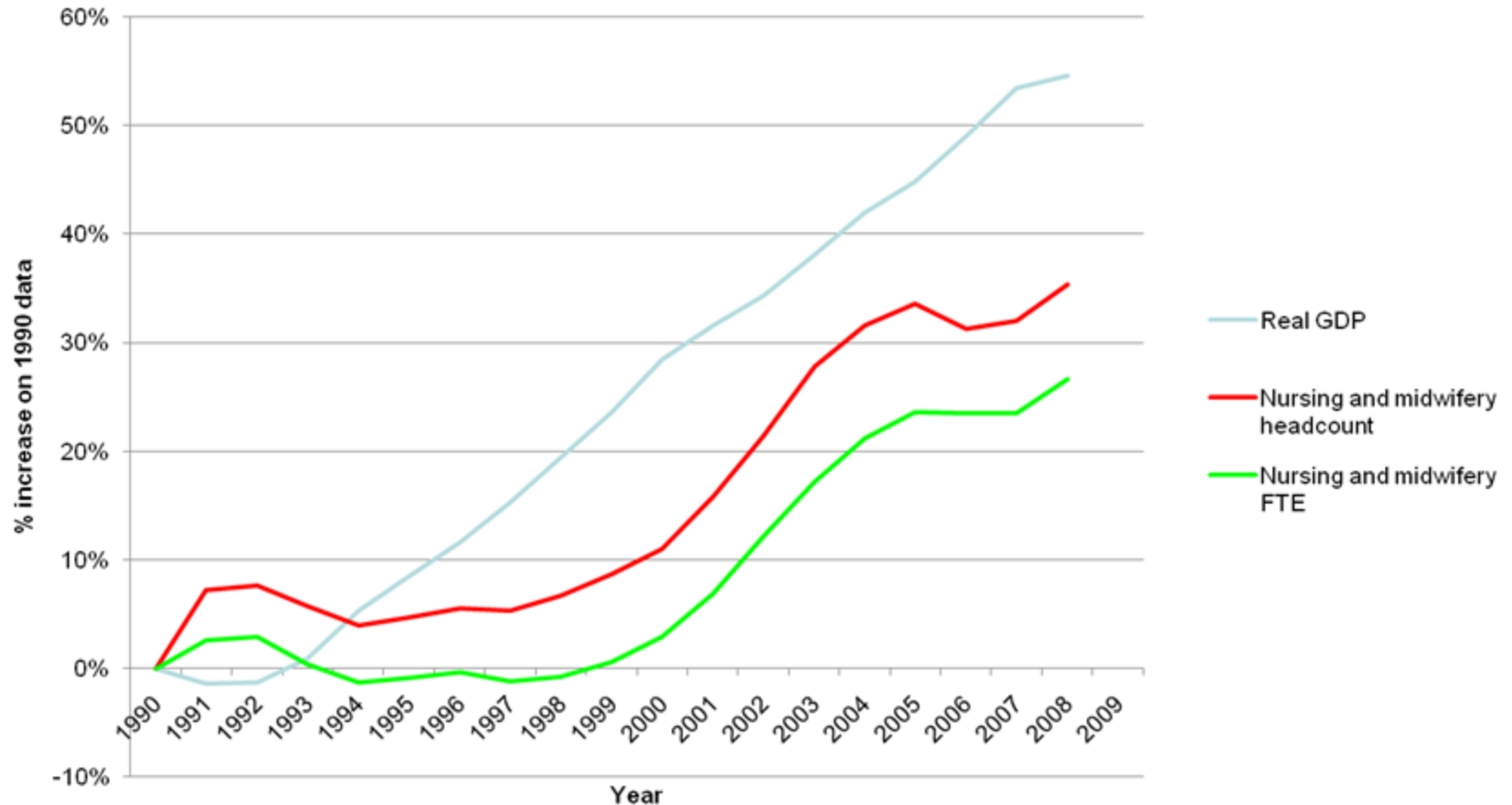
UK medical school intake is affected by policy shifts



GDP v NHS England All Doctors from 1992 baseline



Nurse & midwifery workforce affected by policy & economic factors





Looking forward in UK

- **Kings Fund - How cold will it be? Scenarios for English NHS funding from 2011/12 to 2016/17:**
 - **'tepid'** (annual real increases of 2 per cent for the first three years, increasing to 3 per cent for the final three years)
 - **'cold'** (zero real change, which is the lowest level of funding compatible with a pledge made by the Conservative Party)
 - **'arctic'** (annual real reductions of 2 per cent for the first three years, falling to 1 per cent for the final three years).
- **NHS Operating plan**
 - the NHS needs to identify £15-20 billion of efficiency savings by the end of 2013/14 that can be reinvested within the service

UK/US Lessons Learned



Lessons Learned (1)

- More similarities than differences between US/UK
- Doctors
 - Existing workforce is relatively recession resistant
 - Applications to medical school affected by US economy, graduations less responsive
 - Recent UK medical expansion not related to economy, conscious policy choice to keep pace with other OECD countries



Lessons Learned (2)

- Nurses and professions with shorter pipelines
 - Applications and graduations affected by economic downturns
 - Nurses return to workforce and increase hours
- More immediate effects in US, lagged and dampened effects in UK because NHS funding buffered by political forces
 - In both countries: big impacts from policy/funding shifts (at local and national levels)