



**Testimony in Support of  
Senate Bill 96 An Act Establishing A Work Group To Enhance  
Physician Recruitment In The State  
Public Health Committee  
February 25, 2019**

Senator Abrams, Senator, Representative Steinberg and members of the Public Health Committee, on behalf of the physicians and physicians in training of our organizations listed above, please accept this testimony in support of **Senate Bill 96 An Act Establishing A Work Group To Enhance Physician Recruitment In The State**. We appreciate the acknowledgement with this proposed bill of the difficulties we face in recruiting and retaining physicians in Connecticut.

The impact on the economy by physicians is irrefutable. The attached Economic Impact information demonstrates that:

- **50,759** direct jobs are supported by physicians
- **120,759** total jobs are supported by the physician industry
- **11.6** jobs are supported by EACH physician
- **\$24.1 Billion** in economic activity is generated by the physician industry
- **9.4%** of Gross State Product is directly related to physicians
- **\$13,6 Billion** in wages and benefits.
- **\$1.1 Billion** state and local tax is related to physician activity

Yet, while physicians are significant contributors to economic activity, we still face some serious statistics:

- Nearly 1/3 (32.6%) of Connecticut physicians are 60 or older. National projections are for a shortage of 90,00 doctors by 2025.
- Only 1,892 physicians are under 40 years old- 15.3%. This is a reduction from 16.5% just 2 years ago
- Connecticut ranks 21<sup>st</sup> in total residents and fellows in accredited programs and 36<sup>th</sup> among public granting institutions
- Connecticut is well below the state median (38.5%) in physicians retained from undergraduate medical education
- Connecticut ranks 41<sup>st</sup> retaining on 19.2% of those we train
- Connecticut is well below the state median (44.9%) of physicians retained from Graduate Medical Education.
- Connecticut ranks 45<sup>th</sup> retaining on 35.0% of Graduate Medical Education students
- Combined, Connecticut ranks 43<sup>nd</sup> in total retention.

We know our difficulties in recruiting and retaining do not stem from one specific environmental factor, but rather a confluence of circumstance that can be identified by the establishment of SB 96 and provide a path toward corrections. However, we do offer that the following factors play a significant role in our inability to recruit and retain physicians:

**Incentives for young physicians-** Unlike many other states, Connecticut does not offer supports to keep the physicians we train in the state. Programs for student loan forgiveness and forbearance for commitment to practice in certain communities or locations for specific periods of time have proven successful.

**Highly Concentrated Insurance Marketplace-** A highly concentrated health insurance market prevents physicians from fair and equitable negotiations with insurers to remain independently viable.

**Medical Liability-** Connecticut continues to have some of the highest liability insurance rates in the country. In addition, information on closed medical liability claims required by PA 05-275 to be provided by the Connecticut Insurance Department (CID) identifies that the cost and impact of the tort system continues to increase.

**Certificate of Need-** While most state continue to remove the burdens of Certificate of Need Laws (CON), Connecticut continues to have some of the most stringent in the country. This runs against Federal Trade Commission recommendations that such burdens of CON be lifted. Such requirements for the expansion of imaging equipment to arbitrary CON triggers for office based surgeries should be addressed.

**Industry Specific Taxes-** Such issues as provider taxes on ambulatory services and overall licensing costs impact retention.

The establishment of a work group as provided in SB 96 begins the long overdue process to address these concerns. While several proposals exist to look at workforce issues in other sectors such as the industry, the impact of an inadequate physician workforce not only impacts the economy, but access to and the quality of healthcare to our citizens. For this reason, we ask for your support of SB 96 and ask to work with the committee to identify the appropriate participants in the process. Such participants should include both privately practicing and employed physicians in primary care, surgery, and subspecialties. It also should include representation from our medical students and residents as they are the future of medicine.

Thank you for the opportunity to provide this information to you today. We welcome the opportunity that exists with this legislation.

# Physicians bring economic health to Connecticut's communities

Beyond their role in safeguarding the health of our communities, physicians in Connecticut are a major driver of the state economy, spurring economic growth and creating jobs across all industries.

Connecticut physicians hire locally, buy locally and support the local economy. Through the **creation of jobs** with strong wages and benefits paid to workers across the state, physicians empower a high-quality, sustainable workforce that **generates state and local tax revenue** for community investments.

Physicians' economic output—the value of the goods and services provided—helps other businesses grow through their own purchasing and through the purchasing of their employees. Each dollar in direct output applied to physician services supports \$1.94 in economic activity in Connecticut, and **physician-driven economic activity** is greater than legal services, home health care, higher education, and nursing home and residential care.

View the **2018 American Medical Association Economic Impact Study** to learn more about the contributions physicians make to the health of Connecticut's economy at [PhysiciansEconomicImpact.org](http://PhysiciansEconomicImpact.org)

## VITAL SIGNS: THE ECONOMIC IMPACT OF PHYSICIANS IN CONNECTICUT<sup>1</sup>

### Jobs 120,759

Direct jobs .....	50,034
Indirect jobs .....	70,725
<b>Average jobs supported by each physician.....</b>	<b>11.6</b>

### Economic activity \$24.1 billion

Direct economic output .....	\$12.4 billion
Indirect economic output .....	\$11.7 billion
Percent of total GSP/GDP <sup>2</sup> .....	9.4%
<b>Average economic output generated by each physician.....</b>	<b>\$2.3 million</b>

### Wages and benefits \$13.6 billion

Direct wages and benefits .....	\$9.2 billion
Indirect wages and benefits .....	\$4.4 billion
<b>Average wages and benefits supported by each physician.....</b>	<b>\$1.3 million</b>

### State and local tax revenue \$1.1 billion

<b>Average state and local tax revenue generated by each physician.....</b>	<b>\$106,188</b>
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1. The economic impact of physicians in Connecticut (QuintilesIMS, January 2018).

2. US Bureau of Economic Analysis: Current-Dollar GDP by State, 2015.2018

AMA ECONOMIC IMPACT STUDY

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