

Importing Doctors Is Not Necessary

Jason Richwine

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Steven Camarota and Karen Zeigler showed yesterday that the Cato Institute's <u>estimate of 42,000</u> <u>illegal alien doctors is implausibly high</u>. They didn't address Cato's broader argument that immigration is essential to our healthcare system, so I'll do that here.

Legal or not, many immigrants certainly do work as healthcare professionals in the United States. That should not be surprising in a nation where 17 percent of the labor force is foreign-born. It is also not surprising that immigrants are overrepresented among doctors, given that we have selected for them through the H-1B and J-1 visas.

It does not follow, however, that we would have a terrible shortage of doctors in the absence of past immigration. For one thing, lower immigration would mean a smaller population, and smaller populations need fewer doctors. More to the point, no <u>"shortage"</u> of any workers should develop under a properly functioning labor market. With 280 million native-born individuals and a vast system of higher education, there is no reason that Americans would not have been able to meet the demand for doctors that immigrants gradually filled over the past decades.

Of course, the labor market takes time to adjust. A sudden pandemic could generate a spike in demand for doctors without an immediate supply response. That is the premise of the proposed <u>Healthcare Workforce Resilience Act</u> (S.3599), which would grant permanent residency to 25,000 nurses and 15,000 doctors, plus their families. It's a solution in search of a problem, however, because the spike in demand for healthcare workers has not materialized. On the contrary, demand appears to have fallen.

The table below shows that unemployment rates for healthcare workers have increased since February, which is the last month before Covid-19 hit. This trend is the opposite of what we would expect if there were a dire need for more workers.

Employment Trends for Healthcare Workers

	Total Employed		Unemployment Rate		Sample Size	
Health Care Occupation	February	April	February	April	February	April
Physicians	605,222	528,123	0.4%	1.4%	224	167
Registered Nurses	3,180,835	3,075,449	0.9%	4.3%	1,228	1,036
Licensed Practical/ Vocational Nurses	741,816	636,117	2.0%	2.4%	261	189
Nursing Assistants	1,501,753	1,367,440	3.1%	7.8%	542	473
Medical Assistants	624,489	516,140	1.7%	13.6 %	212	168

Source: Current Population Survey.

Occupations limited to sample sizes of at least 100.

At 1.4 percent, the unemployment rate for physicians is still low, but it's up from 0.4 percent, implying no shortage. Registered nurses have an unemployment rate of 4.3 percent, up from 0.9 percent. The less-skilled healthcare occupations have been hit even harder, with the unemployment rate for medical assistants rising from 1.7 percent to 13.6 percent. The <u>decline in demand for health</u> services unrelated to Covid-19 is the likely cause.

Under the Healthcare Workforce Resilience Act, it is unclear which jobs the new doctors and nurses would fill. Even if demand increases in the near future, the Americans who recently lost their jobs would be the obvious source of workers to draw from.