

BANK OF ISRAEL

Office of the Spokesperson and Economic Information

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**Analysis from the forthcoming Bank of Israel Annual Report for 2024:**

**The expected effect of the “Yatziv” reform on the number and quality of training of physicians in Israel**

* The “Yatziv reform” to regulate medical studies at faculties abroad is expected to reduce the number of new medical license recipients by 400–600 per year beginning in 2026. The reform is expected to be felt particularly in the periphery areas of the country.
* In recent years, several measures have been implemented to significantly increase the number of new physicians. However, it should take several years from the impact of the reform—beginning in 2026—until these measures mature, which may lead to a shortage of new physicians in the coming years.
* The impact of the Yatziv reform and the anticipated increase in demand for physicians in the coming years, highlight the importance of implementing plans to increase the number of new physicians in Israel, with an emphasis on geographic dispersal.

In 2020, 58 percent of the physicians active in Israel were trained outside its borders, an unusually high rate compared to other OECD countries (OECD, 2023). The group of physicians trained abroad includes new immigrants, but the majority are Israelis who traveled to study medicine abroad, primarily due to the high admission threshold for medical studies in Israel, a result of the limited number of places available for students in Israeli faculties. In this situation, the Israeli healthcare system relies heavily on physicians trained abroad, which has several disadvantages. For example, it is impossible to supervise the quality of training; the theoretical and clinical studies do not necessarily align with the standards of the Israeli healthcare system; and the probability of talented individuals emigrating from the country increases.

The level of professional and academic training provided by institutions abroad where Israelis study varies, which affects the professionalism of their graduates. In 2017–2018, the Ministry of Health received complaints about interns lacking clinical experience, who were trained at some of the institutions abroad.[[1]](#footnote-1) In view of this, the Department of Medical Profession Licensing at the Ministry of Health examined the medical studies institutions abroad and defined the professional criteria required for their graduates to be able to work in Israel as physicians (hereinafter "Yatziv Reform").[[2]](#footnote-2) According to the criteria, all institutions located in OECD countries and certain institutions in non-OECD countries (for example, several institutions in Jordan and Romania) were approved, while the rest were disqualified. Accordingly, it was decided that Israelis who began their studies in 2019 and onwards at nonapproved institutions would not be able to take the licensing exams in Israel. The impact of the reform is therefore expected to be felt starting in 2025[[3]](#footnote-3), in two main ways—a decline in the number of new physicians and an improvement in the average quality of physician training due to the disqualification of weaker institutions.

An analysis in the forthcoming Bank of Israel Annual Report examines the expected effects of the reform and reviews the planned measures to address the anticipated decline in the number of new physicians, particularly in the periphery.

1. Currently, the medical licensing exams are purely theoretical, and it is possible that for this reason they do not pose an effective barrier to physicians who have not undergone quality clinical training. The Ministry of Health is considering including clinical components in these exams in the future. [↑](#footnote-ref-1)
2. The examination found that in some universities, the level of studies is insufficient and the clinical training is limited in scope or does not exist at all. Accordingly, only a small percentage of students at these universities succeed in passing the licensing exam, and even within this group, the low level of training is evident in their subsequent careers (Brenner, Shalem, et al., 2023). [↑](#footnote-ref-2)
3. Based on the track for physician training, the number of interns is expected to decline in 2025, and the number of potential medical residents is expected to decline in 2026. [↑](#footnote-ref-3)