

Medicare-funded GME and the Physician Shortage

**Brought to you by:
American Medical Association – Medical Student Section
Committee on Legislation and Advocacy (COLA)**



Fundamental Problems

- Caps on funding for Graduate Medical Education (GME)
 - No growth in number of physicians despite growing need
- Aging physician population
- Increased work-hour restrictions
- Growing, aging general population
 - Increased need for physician providers
- Current increased demand and reduced supply will inevitably lead to:

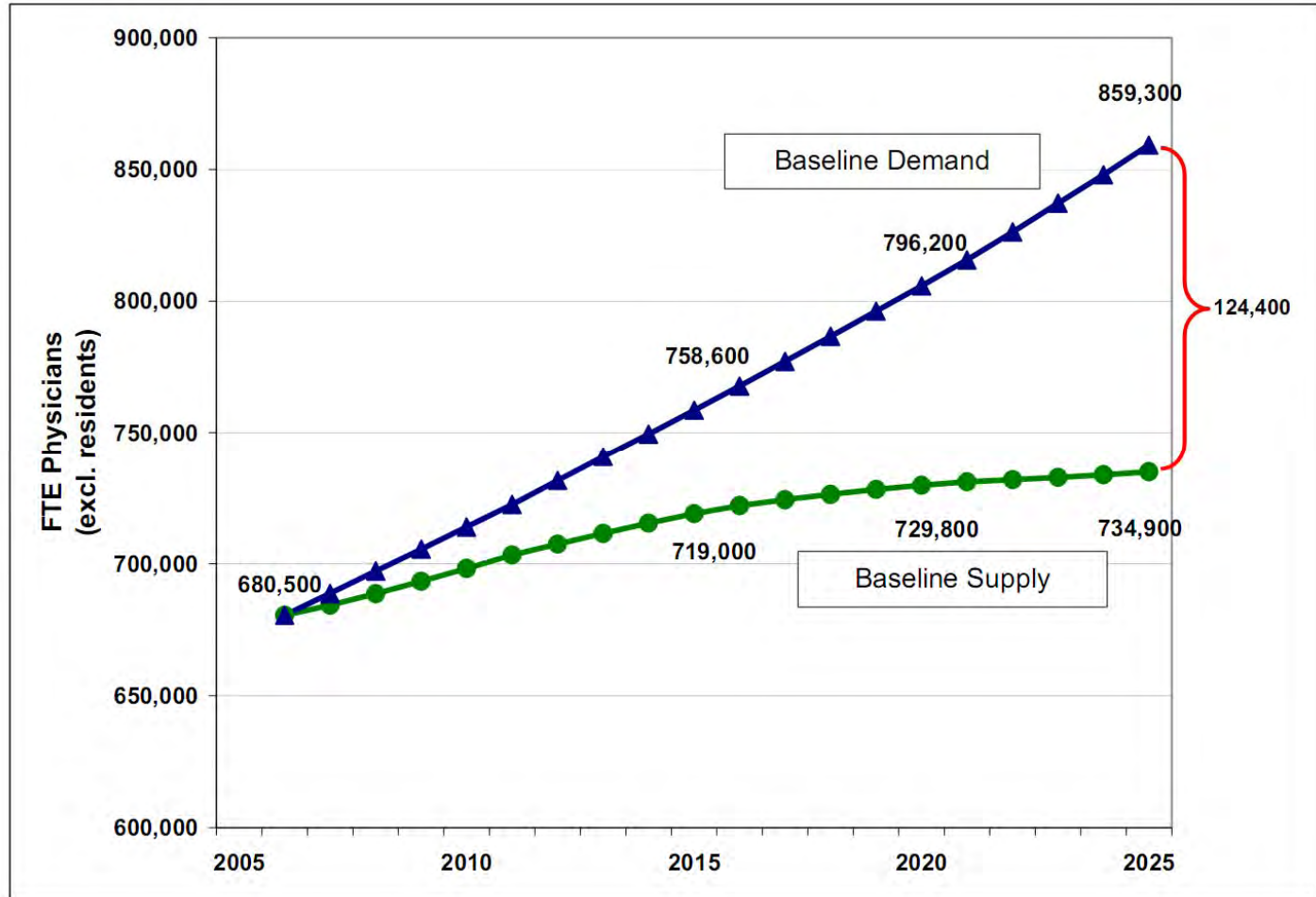


A Physician Shortage!

Physician Shortage

- Council on Graduate Medical Education (COGME) predicts a shortage of:
 - 85,000 physicians by 2020
- American Association of Medical Colleges (AAMC) predicts a shortage of:
 - 124,400 physicians by 2025

Physician Shortage



Source: *The Complexities of Physician Supply and Demand: Projections through 2025*. AAMC. Nov 2008.



Tackling the Shortage: Increasing GME

GME: Who pays?

- Medicare is the single largest contributor to GME funding
 - Estimated \$7B annually in:
 - Direct costs (resident and instructor salaries)
 - Indirect costs (inefficient patient care in teaching environment, increased patient complexity)
- Minor sources of funding include Medicaid, Department of Defense, and Department of Veterans Affairs
- Hospitals occasionally fund their own fellows and residents

GME: Caps

- Balanced Budget Act (BBA) of 1997:
 - Caps number of residents a hospital can be compensated for through Medicare
- Specifically:
 - The caps froze GME numbers at 1996 levels
 - Payments for indirect costs were reduced
- Effect of BBA:
 - 1997-2002 saw no growth in residency positions
 - Relatively constant at 98,000

GME: Where are we?

- Residency programs have only recently seen an 8% growth since the BBA
 - Funded by Medicaid, state dollars, and hospitals' bottom lines
 - Relative growth highest in previously unfilled positions:
 - Subspecialties, especially new subspecialties
 - International medical graduates
 - Decreases in:
 - Primary care specialties

GME: Where should we be?

- AAMC:

- Recommends 30% increase in graduating physicians
- Many medical schools in the process of expanding class size

- COGME:

- More than 15% increase in funded GME positions
 - To begin accommodating increasing number of graduating physicians
 - Likely more to meet demands of population and eventual 30% increase in graduating physicians
- Incrementally increase caps to accommodate growth

GME: Where should we be?

- Increased medical school enrollment without a corresponding increase in GME positions does not help alleviate the physician shortage
 - Only increases the proportion of graduates from American medical schools

GME: Where should we be?

- Recent peer-reviewed study in *JAMA*:
 - 21,000 new residency positions will be required within the next decade
 - Simply increasing U.S. medical school graduates will not be sufficient to meet this demand
 - Current GME caps may preclude physicians from training in primary care specialties
- Medicare Payment Advisory Commission (MedPAC):
 - Patients in teaching settings receive enhanced care
 - MedPAC says GME funds should be viewed as direct payments for patient care

The AMA on GME

- Recommendations:

- Lift the caps on Medicare-funded GME
- Fully fund GME
 - Preserve Medicare/Medicaid GME funding
 - Investigate additional sources of GME funds, including all-payer systems
- Remove barriers to expanding GME sites
- Establish diverse commissions to make recommendations on physician workforce needs

What can you do?

- Tell your representative that you support legislation that would:
 - Allow the Secretary of Health and Human Services to increase caps on Medicare-supported residency positions in states with shortages

Sources

- *Sixteenth Report: Physician Workforce Policy Guidelines for the United States, 2000-2020.* COGME. Jan 2005.
- *The Complexities of Physician Supply and Demand: Projections through 2025.* AAMC. Nov 2008.
- *Nineteenth Report: Enhancing Flexibility in Graduate Medical Education.* COGME. Sep 2007.
- Salsberg E, Rockey PH, Rivers KL, et al. US Residency Training Before and After the 1997 Balanced Budget Act. *JAMA.* 2008;300(10)1174-1180.
- *Rethinking Medicare.* MedPAC. Aug 1999.

