



## **FAQ on GME, Workforce, and Student Loan Provisions**

in

**The Patient Protection and Affordable Care Act, P.L. 111-148 (H.R. 3590), as amended by The Health Care and Education Reconciliation Act, P.L. 111-152 (H.R. 4872)**

### **Does H.R. 3590 support Graduate Medical Education (GME)?**

Yes. H.R. 3590 includes provisions that support GME. Specifically, the law authorizes:

- the re-distribution of 65 percent of current unused GME residency slots to qualifying hospitals to address physician shortages, especially in rural and other underserved areas. A hospital that qualifies for an increase in residency positions would have to maintain its base level of primary care residents and ensure that at least 75 percent of the additional positions are in primary care or general surgery residency;
- more flexibility for GME programs to count training in outpatient settings and didactic and scholarly activities towards GME payments; and
- preservation of GME positions from closed hospitals based on certain criteria.

### **Are the GME provisions in H.R. 3590 adequate for addressing physician shortages?**

The AMA believes that filling vacant GME resident slots alone will not be enough to address the predicted physician shortages and ensure that we have a fully trained physician workforce available to serve the needs of patients. The Balanced Budget Act (BBA) of 1997 capped the number of medical residents each teaching hospital could claim for reimbursement under Medicare. An article published in the *Journal of the American Medical Association (JAMA)* in 2008 projects that at least 21,000 additional residency positions will be needed within the next decade to keep pace with the projected increment of more than 5,300 additional MD and DO graduates from U.S. allopathic and osteopathic medical schools.

The AMA continues to recommend the following additional, necessary GME actions to ensure an adequate physician workforce: (1) maintain adequate and stable Medicare and Medicaid GME funding levels; (2) investigate additional sources of GME funding (e.g., private payers); and (3) authorize new funding to increase Medicare supported GME positions in primary care, general surgery, and other undersupplied specialties, as well as in underserved areas to address physician shortages and to ensure access to care.

### **What other provisions in H.R. 3590 address physician workforce shortages?**

H.R. 3590 establishes a National Health Care Workforce Commission that will be comprised of a broad range of stakeholders to review health care workforce supply and demand and make recommendations on national priorities and policies on health care workforce, including recruitment, retention, and training of the health care workforce. The law also increases authorized funding for existing scholarship, loan repayment, and training programs like the National Health Service Corps (NHSC) and Title VII health professions and diversity programs in order to increase the number of physicians and other health care professionals in underserved areas.

### **Does H.R. 3590 make improvements to the National Health Service Corps (NHSC) program?**

Yes. The NHSC is a vital program that recruits and retains primary care physicians (i.e., general internal medicine, general psychiatry, general pediatrics, OBGYNs) and other health care providers (i.e., nurse practitioners, dentists, mental and behavioral health professionals, physician assistants, and dental hygienists) in underserved rural areas by providing incentives through loan forgiveness programs and scholarships. Not only does H.R. 3590 authorize increased funding for the NHSC to address workforce shortages in high need areas, but part-time service and teaching time will now qualify towards the NHSC

service requirement. In addition, the NHSC loan repayment amount has been increased from \$35,000 to \$50,000 for the initial 2 year service requirement. For more information on the NHSC program, please link to <http://nhsc.hrsa.gov/>.

**Does H.R. 3590 expand Title VII health professions and diversity programs?**

Yes. H.R. 3590 authorizes funding for Title VII health professions and diversity programs. Through loans, loan repayment programs, and scholarships to students, as well as grants and contracts to academic institutions and non-profit organizations, Title VII of the Public Health Service Act is an essential component of the nation's health care safety net. Some of the key provisions in H.R. 3590 authorize: grants to teaching health centers to establish newly accredited or to expand eligible primary care residency programs meeting certain criteria; establishment of pediatric specialty and public health professionals loan repayment programs; grants to support training programs in primary care and for capacity building; establishes a rural physician training grants program; grants to support preventive medicine and public health residency training; and authorizes funding and support for Title VII Centers of Excellence, Scholarships for Disadvantaged Students, Health Careers Opportunity Program, and Faculty Loan Repayment Program. These programs are crucial for developing a well-prepared, well-distributed, and diverse health care workforce.

**Do either H.R. 3590 or H.R. 4872 provide relief for medical students with high debt burdens?**

Yes. H.R. 3590 includes a loan repayment tax exclusion. Certain state funded student loan repayment programs that are intended to increase the availability of health care services in shortage or underserved areas, along with the NHSC loan repayments, are excluded from federal income taxation. In addition, H.R. 4872 amends the Income-Based Repayment (IBR) Program to cap student loan payments for new borrowers after July 1, 2014 to 10 percent of adjusted income (rather than 15 percent) and would allow any remaining debt to be forgiven after 20 years of payments (rather than 25 years). Please consult with your School Financial Aid Officer or tax advisor for details.

**Will changes to the federal student loan program affect my ability to get a student loan?**

No. H.R. 4872 requires converting all new federal student lending to the federally run Direct Loan Program as of July 1, 2010, and thus would end government subsidies to private, commercial student lenders. The federal government would lend directly to students. This change will not affect your ability to get a student loan. Please consult with your School Financial Aid Officer and Lender for more information.

**What other loan programs are currently available to assist medical students manage their debts?**

Income Based Repayment (IBR) is a repayment plan for the major types of federal loans made to students. Under IBR, your required monthly payment is capped at an amount that is intended to be affordable based on your income and family size. If you repay under the IBR plan for 25 years and meet certain other requirements, any remaining balance will be forgiven.

If you work in public service and have reduced loan payments through IBR, your remaining balance after ten years in a public service job could be cancelled if you made loan payments for each month of those ten years. This loan forgiveness program has other specific requirements. For more information, please consult with your School Financial Aid Officer, Lender, and link to [www.studentaid.ed.gov](http://www.studentaid.ed.gov).