In light of a high-profile hospital closure last year and increased corporate ownership of institutions in which resident physicians train, the AMA House of Delegates adopted policy aimed at protecting residents.

The fall 2019 closure of Hahnemann University Hospital in Philadelphia left more than 550 residents and fellows without a program accredited by the Accreditation Council for Graduate Medical Education (ACGME) in which they could continue their graduate medical education.

An AMA Council on Medical Education report on the topic notes that “the closure of a large, long-standing teaching institution due to the financial decisions of its for-profit owner may have been sudden, and certainly historic, but such closures may become more frequent given the current health care financial environment.”

“The AMA remains committed to ensuring that residents and fellows are safeguarded professionally and financially in the event of an unforeseen teaching hospital closure. It is our obligation to help mitigate any related hardships that displaced residents may face in these unfortunate situations,” said AMA Trustee Grayson Armstrong, MD, MPH.

“By creating a policy playbook to plan ahead and prepare for potential shutdown circumstances, we can better assist these physicians-in-training in moving forward as seamlessly as possible, allowing them to focus on completing their training and caring for patients,” Dr. Armstrong said of the actions taken at the November 2020 AMA Special Meeting.

Delegates directed the AMA to:

- Ask the Centers for Medicare & Medicaid Services (CMS) to stipulate in its regulations that residency slots are not assets that belong to the teaching institution.
- Encourage the Association of American Medical Colleges (AAMC), American Association of Colleges of Osteopathic Medicine (AACOM) and the National Resident Matching Program
to develop a process similar to the Supplemental Offer and Acceptance Program that could be used in the event of a sudden teaching institution or program closure.

Encourage the ACGME to specify in its Institutional Requirements that sponsoring institutions are to provide residents and residency applicants information regarding the financial health of the institution, such as its credit rating, or if it has recently been part of an acquisition or merger.

Work with the AAMC, AACOM, ACGME and relevant state and specialty societies to coordinate and collaborate on the communication with sponsoring institutions, residency programs, and resident physicians in the event of a sudden institution or program closure to minimize confusion, reduce misinformation and increase clarity.

Encourage the ACGME to revise its Institutional Requirements, under section IV.E., Professional Liability Insurance, to state that sponsoring institutions must create and maintain a fund that will ensure professional liability coverage for residents in the event of an institution or program closure.

Continue to work with the ACGME to monitor issues related to training programs run by corporate entities and the effect on medical education.

In a separate action, delegates modified AMA policy to “continue to monitor issues, including waiver of due process requirements, created by corporate-owned lay entity control of graduate medical education sites.”

The policy is aimed at ensuring that residents and fellows are protected from “potential conflicts between GME and the fiduciary responsibilities of training programs and their institutions,” says the AMA Council on Medical Education report whose recommendation was adopted.

Learn how an AMA-brokered deal secured long-tail medical liability insurance coverage for former Hahnemann residents and fellows.