

# 1,000 new GME slots are coming. CMS must not hamper their use.

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## Andis Robeznieks

Senior News Writer

**What's the news:** Congress has provided funding to significantly expand the number of graduate medical education (GME) positions for the first time since 1996. But the allocation process put forth to place those new residency slots is overly prescriptive, its deadlines don't align with residency program academic cycles, and the rule likely goes beyond what Congress intended.

Funding for 1,000 new Medicare-supported GME slots was included in the \$2.3 trillion Consolidated Appropriations Act of 2021. Details regarding the allocation of those residency positions were included in the 2022 Hospital Inpatient Prospective Payment Systems for Acute Care Hospitals final rule published by the Centers for Medicare & Medicaid Services (CMS).

The legislation calls for adding up to 200 positions annually, and states that no hospital can get more than 25 new full-time equivalent residency positions in total.

It also requires that at least 10% of the slots be placed in each of the following categories of hospitals that are:

- In rural areas.
- Training residents over their Medicare GME cap.
- In states with new medical schools or branch campuses that have opened since 1999.
- Serving areas designated as health professional shortage areas (HPSAs).

"The AMA hopes that this investment in additional Medicare-funded residency slots is just the first of many," wrote AMA Executive Vice President and CEO James L. Madara, MD, in a letter to CMS Administrator Chiquita Brooks-LaSure (PDF).

**Why it's important:** While new medical schools are opening and existing medical schools are expanding enrollment to meet the need for more physicians, federal support for residency positions remains subject to a stagnated federal cap. The U.S. is facing a shortage of up to 124,000 physicians

by 2034, including as many as 48,000 primary care doctors, according to the Association of American Medical Colleges.

The final rule with comment period builds off the April 2021 IPPS proposed rule. Though some changes were made in the final rule, a majority of the AMA's recommendations were not taken. In comments on the final rule, the AMA noted significant concerns.

The deadline for CMS to announce new slots was moved to March 31. While this does give programs more time to plan, the AMA advocates moving the deadline to Oct. 1 so it aligns with residency-recruitment cycles.

The rule allows only one new slot each program year, not to exceed five years or five full-time equivalent (FTE) positions. This should be expanded up to three FTEs a year for a total of 15 over a five-year period, allowing for more meaningful expansion of existing programs.

Meanwhile, the distribution methodology doesn't adhere to statutory intent. Besides the qualification that at least 10% of new slots be placed in HPSAs, the legislation doesn't give such facilities preferential treatment. But the rule does, giving hospitals outside of HPSAs the lowest priority. CMS should prioritize slot distribution based solely on the four categories included in the law and give priority to hospitals that qualify in more than one of the categories.

Geographic limits interfere with patient choice. CMS is still working on how to account for care delivered outside of an HPSA's geographic boundaries to residents of a shortage area. The AMA strongly opposes a proposed requirement that the hospital or department be physically located in an HPSA. Patients who live in shortage areas may choose to go to a teaching hospital outside of the HPSA because it's the closest facility or provides services that are unavailable elsewhere.

Adherence to the rule's mandates would require hospitals to design different training rotations for residents in the new slots.

**Learn more:** The AMA supports the bipartisan Resident Physician Shortage Reduction Act of 2021 (S. 834/H.R. 2256) that would annually create 2,000 new Medicare-supported GME positions across seven years.

The AMA's SaveGME.org website explains how GME funding helps ensure residents learn to provide care that patients need.