Account for all facets of GME value when considering funding

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The looming physician shortage has put a spotlight on the approximately $15.1 billion in taxpayer dollars spent each year on graduate medical education (GME), but the value of the work done by physicians in residency training goes beyond dollars and cents and this should not be overlooked.

“Residents positively affect patient care and health care delivery, providing intrinsic and often unmeasured value to patients, the hospital, the local community, the research enterprise, and undergraduate medical education,” write the authors who include AMA staffers as well as current and former members of the AMA Council on Medical Education in an article that was published in Academic Medicine. The views expressed in the article reflect those of the authors and do not necessarily represent the views of the AMA, which has policy advocating for stable and adequate funding of GME.

The majority of public GME funding, about 71%, according to a 2018 U.S. Government Accountability Office report, comes from Medicare. Remaining sources include 16% from Medicaid, 10% from the Veterans Health Administration (VHA), and the rest from a variety of other sources, including many GME positions funded by the institutions where the residents train. These particular slots are funded by health systems and hospitals “that perceive value in this investment.”

These slots are often referred to as “over-the-cap” positions in reference to the Medicare-funding cap imposed by the Balanced Budget Act of 1997 which limited growth in the number of residency training positions. Some government officials have proposed cutting Medicare’s funding of GME or diverting some of that money to finance the training of nurse practitioners (NPs) and physician assistants (PAs).

“It is imperative to increase GME funding and thus train more physicians, and we disagree with any proposals to cut GME funding or reallocate this support to train other nonphysician providers,” the Academic Medicine article says. “The full value, both monetary and nonmonetary, provided by residents to their training institutions, is critical to incorporate into discussions on the funding of GME.”
What residents do

“At teaching hospitals, residents perform the initial evaluation of patients, provide emergency care, and operate under the supervision of an attending physician,” the authors wrote.

Residents also provide a substantial portion of care for individuals who are uninsured, Medicaid and Medicare enrollees and are patients in free community clinics.

Their reach is significant, as residents treat:

- More than 20% of all teaching-hospital inpatients in the U.S.
- 28% of Medicaid hospital admissions.
- 40% of all hospital-based charity care, amounting to roughly $9.9 billion annually.
- 40% of high-acuity patient transfers.
- 62% of pediatric intensive-care unit care.
- 80% of Level 1 trauma care.

The authors also noted that more teaching hospitals (89%) than nonteaching hospitals (16%) offer community-outreach ambulatory and preventive services, while free community clinics staffed by residents provide continuity in care for community health.

When Philadelphia’s Hahnemann University Hospital closed in 2019, displacing 550 medical residents and fellows, the impact “was felt by neighboring hospitals, who reported an increase in emergency department visits in the subsequent months,” the authors wrote. Learn more about why private equity’s growing impact on residency training must be addressed.

At the onset of the COVID-19 pandemic, the Accreditation Council for Graduate Medical Education permitted residency programs to declare temporary pandemic emergency status, which allowed residents and fellows to be deployed as part of the pandemic-response workforce and 151 institutions—representing 33% of residents and fellows—did so.

“Much of the critical patient care delivered in areas hard hit by the initial wave of the COVID-19 pandemic would not have been possible had residents not been allowed to practice in areas of need,” the article says.

Residents are also active in their institutions’ quality- and patient safety-improvement efforts, serve a vital role in medical students’ clinical rotations, and conduct medical research.

The authors cited a Journal of Graduate Medical Education study finding that teams consisting of hospitalist physicians and residents provided care that was less expensive than care provided by teams of hospitalists with NPs and PAs. Per patient direct costs were reduced by $617, and patients
seen by the hospitalist-resident teams also had shorter lengths of stay.

“The presence of residents at an institution improves patient care, provides increased access to care for underserved populations, enhances the teaching of medical students, and improves the scholarly output of teaching hospitals and residency programs,” the authors wrote.

The AMA, as part of the GME Advocacy Coalition, supports the bipartisan “Resident Physician Shortage Reduction Act of 2021” (S. 834/H.R. 2256) that would gradually provide 14,000 new Medicare-supported GME positions.

The AMA’s SaveGME.org website explains in greater detail how funding for GME helps ensure resident physicians learn to provide the care that’s needed when it is needed.