
REPORT OF THE COUNCIL ON MEDICAL EDUCATION

CME Report 6-I-19

Subject: Veterans Health Administration Funding of Graduate Medical Education (Resolution 954-I-18)

Presented by: Jacqueline A. Bello, MD, Chair

Referred to: Reference Committee C (, MD, Chair)

INTRODUCTION

Resolution 954-I-18, introduced by the American Academy of Dermatology, American Society for Dermatologic Surgery Association, and American Society of Dermatopathology, asked that our American Medical Association (AMA):

1. Continue to support the mission of the Department of Veterans Affairs Office of Academic Affiliations for expansion of graduate medical education (GME) residency positions;

2. Collaborate with appropriate stakeholder organizations to advocate for preservation of Veterans Health Administration (VHA) funding for GME and support its efforts to expand GME residency positions in the federal budget and appropriations process; and

3. Oppose service obligations linked to VHA GME residency or fellowship positions, particularly for resident physicians rotating through the VA for only a portion of their GME training.

The AMA House of Delegates adopted Resolves 1 and 2; these were appended to Policy D-510.990, “Fixing the VA Physician Shortage with Physicians.” Resolve 3, which was referred, is the topic of this report.

Testimony before the reference committee on this resolution was mixed. The AMA has long been an advocate for preservation and expansion of GME funding to mitigate projected physician shortages and ensure that positions are available for medical school graduates applying to residency programs. Currently, there are no residency completion service obligations for Veterans Administration (VA) residency programs. Furthermore, it was noted that all funding for residency/fellowship positions, whether from private, VA, and/or Centers for Medicare & Medicaid Services (CMS) sources, carries with it the expectation that residents/fellows perform service for patients during their years in the training program. In addition, the VA sponsors very few residency programs; most residents who train in a VA facility do so as part of their training, with other sites and institutions responsible for components of the residency or fellowship. Due to the complicated rules at institutions that sponsor residency programs related to full funding for a resident full-time employee, it was recommended that Resolve 3 be referred for further study.

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BACKGROUND

The Department of Veterans Affairs (VA) has long supported the training of health care professionals as part of its mission. With very few exceptions, the VA does not sponsor and operate its own GME programs, but instead partners with teaching hospitals to provide rotations in VA medical facilities, sharing the costs of faculty and residents when residents are training in VA facilities. When a resident is training at a VA facility, that resident is not counted as part of the Medicare GME cap for the sponsoring institution (and so is not paid via Medicare). This allows the sponsoring institution to train additional residents above its Medicare cap. Over 43,000 residents and fellows rotate through roughly 11,000 VA-funded full-time-equivalent residency positions in VA medical facilities each year; while rotating through the VA, residents remain employees of the sponsoring institution and are not employees of the VA, nor are they subject to service obligations upon completion of the rotation or training program. Approximately one third of the entire GME workforce per year receives training in VA facilities and provides care to veterans.

VA GME Expansion

The Veterans Access, Choice, and Accountability Act (VACAA) of 2014 included a requirement that the VA expand the number of residents and fellows it trains by up to 1,500 positions by 2024, in selected specialties and/or geographic areas, as well as specialties designated as critical need specialties located within health professional shortage areas (as defined by the Health Resources and Services Administration), having a shortage of physicians, rural locations, or in a program/area where there are significant delays in veteran access to care. After five rounds, the VA has approved 1,055 positions, from 2015 through 2019 (443.2 in primary care, 229.1 in mental health, and 383.0 in critical need specialties).

Subsequent legislation introduced in 2017, but not passed, also increased the number of GME positions funded by the VA by 1,500, but required a service obligation post-GME equal to the number of years of residency stipend and benefit support.

The VA Maintaining Internal Systems and Strengthening Integrated Outside Networks (MISSION) Act of 2018 builds upon VACAA in that one of its aims is to increase GME in rural locations, an area in which VACAA has had limited success. The MISSION Act will enable the VA to place at least 100 residents (through positions created by VACAA) in “covered” federal facilities, that may not be on a traditional VA campus. Indian Health Service facilities, Federally Qualified Health Centers, Department of Defense medical centers, or other underserved VA areas are included as sites for potential GME expansion. The MISSION Act also provides the VA authority to assist in the development costs of starting new GME programs in VA-designated underserved areas.

Finally, the MISSION Act includes provisions to enable the VA to recruit physicians and dentists into rural and underserved areas through two scholarship opportunities and a loan repayment program. The Health Professions Scholarship Program (HPSP) will offer scholarships to medical and dental students in exchange for VA service, with a repayment period of 18 months per year of support. Upon completion of training, the participants will be assigned by the VA to areas experiencing a critical need in the specialty of training. The number of scholarships to be funded will be based on VA-determined provider shortages.

A second scholarship opportunity provides four years of tuition, fees and stipend support to two veterans at nine medical schools:

- Charles R. Drew University of Medicine and Science (California)
- Howard University College of Medicine (District of Columbia)
After completion of residency or fellowship, the recipient of the scholarship is required to practice in a VA facility for four years.7

The Specialty Education Loan Repayment program offers $40,000 in loan repayment to residents (who have at least two or more years left of training) in exchange for 12 months’ service post-GME in a VA medical center or site, with a maximum of $160,000 loan repayment. Preferences will be given to veterans, residents training in rural areas or in the Indian Health Services, or in sites in underserved areas. Rather than an assignment by the VA, recipients in the loan repayment program can select from a list of approved sites the location of the VA site for their service obligation.7

To date, the Specialty Education Loan Repayment program has been enacted. The scholarship opportunity for recently separated military veterans attending selected medical schools will be offered to the medical school class of 2020, as a trial, with hope of its continuation. The language for the HPSP scholarship opportunity is currently in development and not yet published for public comment. It is anticipated that the GME expansion in “covered” facilities, as well as the creation of new GME programs in Indian Health Service (IHS) and tribal facilities, will not be underway until at least 2022.8

RELEVANT AMA POLICY

D-510.990, “Fixing the VA Physician Shortage with Physicians”

Our AMA will: (1) work with the VA to enhance its loan forgiveness efforts to further incentivize physician recruiting and retention and improve patient access in the Veterans Administration facilities; (2) Call for an immediate change in the Public Service Loan Forgiveness Program to allow physicians to receive immediate loan forgiveness when they practice in a Veterans Administration facility; (3) Work with the Veterans Administration to minimize the administrative burdens that discourage or prevent non-VA physicians without compensation (WOCs) from volunteering their time to care for veterans; (4) (a) continue to support the mission of the Department of Veterans Affairs Office of Academic Affiliations for expansion of graduate medical education (GME) residency positions; and (b) collaborate with appropriate stakeholder organizations to advocate for preservation of Veterans Health Administration funding for GME and support its efforts to expand GME residency positions in the federal budget and appropriations process.

SUMMARY AND RECOMMENDATIONS

The health care system of the VA is the largest system in the U.S. Not only does the VA provide training opportunities for over 43,000 residents and fellows, it also has collaborative agreements with 178 allopathic and osteopathic medical schools, providing educational opportunities for nearly 25,000 medical students and other health professions trainees7 (who are not subject to service
obligations upon completion of the rotation or training program). As such, the importance and
value of the VA to the nation’s health care workforce cannot be overstated.

While other sources of financing for more GME positions have been limited, the VA’s ability to
expand may reduce the effects of a forecasted physician shortage. Recently passed legislation that
enables the VA to expand opportunities for physician training within the VA, and to provide
financial assistance to eligible physicians who will then repay that assistance through service
obligation to VA and other underserved populations, will further one of the statutory missions of
the VA, which is to assist in the training of health professionals for its own needs and those of the
nation.

The Council on Medical Education therefore recommends that the following recommendations be
adopted in lieu of Resolution 954-I-18 and the remainder of this report be filed:

1. That our AMA support postgraduate medical education service obligations through
   programs where the expectation for service, such as military service, is reasonable and
   explicitly delineated in the contract with the trainee. (New HOD Policy)

2. That our American Medical Association (AMA) oppose the blanket imposition of service
   obligations through any program where physician trainees rotate through the facility as one
   of many sites for their training. (New HOD Policy)

Fiscal note: $500.
REFERENCES


