The Future of Graduate Medical Education Funding

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Introduction

- Osteopathic and allopathic medical school expansion
- Barrier: cap on federally-financed GME
- New residencies—need new funding streams
Projected Physician Shortage

Affordable Care Act (ACA) expands access to approximately 30 million

- 7% increase in physicians
- 36% growth in Americans over 65

- Next decade – shortage of more than 90,000 physicians
  - 45,000 primary care physicians
  - 46,000 surgeons and medical specialists
Balanced Budget Act ‘97

- 1997 policy set limit on number of physicians in U.S.
- Capped GME positions Medicare funds
- Surplus to Shortage of 90,000 physicians
- Approaching a ratio of 1:1 medical student to residency slot
- Limits choice
Capped GME slots

- Currently 111,000 in residency
- ACGME – increase GME by 4,000/yr. for needs of 2020 and beyond
- Translates to 15% increase in GME positions
- Cost estimates for CMS: $10 billion over ten years
Medicare’s role

- Primary source of funding: $9.5 billion in 2009
- Increased budget pressures causes increased scrutiny
- MedPAC estimates:
  - DME: $3.5B
  - IME: $6.5B
- AAMC—direct teaching hospital costs have grown faster than Medicare’s payments (based on 1984 costs trended forward)
Osteopathic

- Currently 26 colleges at 34 locations
- Plans for 3 new colleges
- Potential for either new schools or campuses in 10 states
- 20,000 osteopathic medical students
- 2010 8,172 DOs in either OCGME or ACGME residency
Allopathic

- AAMC represents 137 U.S. and 17 Canadian medical schools
- 400 teaching hospitals and health systems
- 62 VA medical centers
- 90 academic and scientific societies

- 102,518 MDs in ACGME residencies in 2010
  - 75,000 med students
  - 106,000 resident physicians
The annual numbers

21,000 NRMP slots
1,000 DO slots
3,000 DO grads
17,000 MD grads
12,000 IMG grads
Alternative sources of funding

Shared financial models

- Academic medical centers joined funds from state government, hospitals’ bottom lines and Medicaid
  - Austin, TX
  - Utah
- Private sector—contributions to private nonprofit to fund residencies
Opportunities for Osteopathic Leadership

- Form a GME task force with key stakeholders
- Focus on removing barriers
  - Reduce/eliminate OPTI fees 5-yr period
  - AOA reconsider implementation of new post-doctoral training fee schedule
- Unify Osteopathic profession
  - Focus on regional collaboration
  - Focus on primary care dually accredited residencies
Leveraging innovations

- A.T. Still University—SOMA
  - Contracts with CHCs to cover salaries, facilities and materials—offset lost income from decreased preceptor productivity
  - Positive—opened new resource for clinical rotations and GME for Teaching CHCs
  - Harness in-roads for system-wide clinical partnership
  - Potential negative—COMs expected to compensate Teaching CHCs
Conclusion

- Funding for GME will and must be expanded beyond dependence on Medicare—may not be a national answer
- Regional solutions have the potential for sustained outcomes while enhancing the relationships that COMs, OPTIs and state associations have with GME stakeholders
- Demonstrating collaboration on joint task force guides constituents—leading by equipping
Resources

- Cunningham, R. (September, 2011). National Health Policy Forum: Aligning Graduate Medical Education with Health Policy.