

# Graduate Medical Education: Training Tomorrow's Physician Workforce

Graduate medical education (GME) is the supervised hands-on training after medical school that all physicians must complete to be licensed and practice independently. The length of this training varies but generally lasts at least three to five years for initial specialty training; subspecialty training may last up to 11 years after graduation from medical school. Training is generally coordinated and funded by teaching hospitals and medical schools, though the clinical experiences occur in a variety of settings.

## The Roles of Teaching Hospitals

Select examples of the roles of teaching hospitals include:

- Their education, patient care, and research missions enable teaching hospitals to offer patients the most advanced expertise, services, and technology.
- The physicians who staff teaching hospitals provide a diverse range of around-the-clock specialty care—such as in trauma centers and neonatal intensive care units—and are prepared to care for the nation's most critically ill or injured patients.
- Major teaching hospitals provide **\$7.2 billion in charity care**.

## Federal Support for Residency Training

- Hospitals that train residents incur **real and significant costs** beyond those customarily associated with providing patient care.
- **Medicare Direct Graduate Medical Education (DGME)** payments offset a portion of these direct costs associated with training physicians (for example, resident stipends and benefits, supervising physician stipends and benefits, and GME office overhead costs).
- Medicare **supports only a portion** (the “Medicare share”) of the costs associated with training a resident. This share is a hospital-specific amount that reflects each hospital's Medicare volume.
- Teaching hospitals incur **\$17.8 billion** in direct training costs each year, with **Medicare supporting only \$3.7 billion of that total**.
- Medicare support for training residents has been frozen since 1997 despite an aging, growing population. While Medicaid programs also help to offset the training costs, teaching hospitals often still must offset a portion of each resident's training costs.

## The Physician Shortage

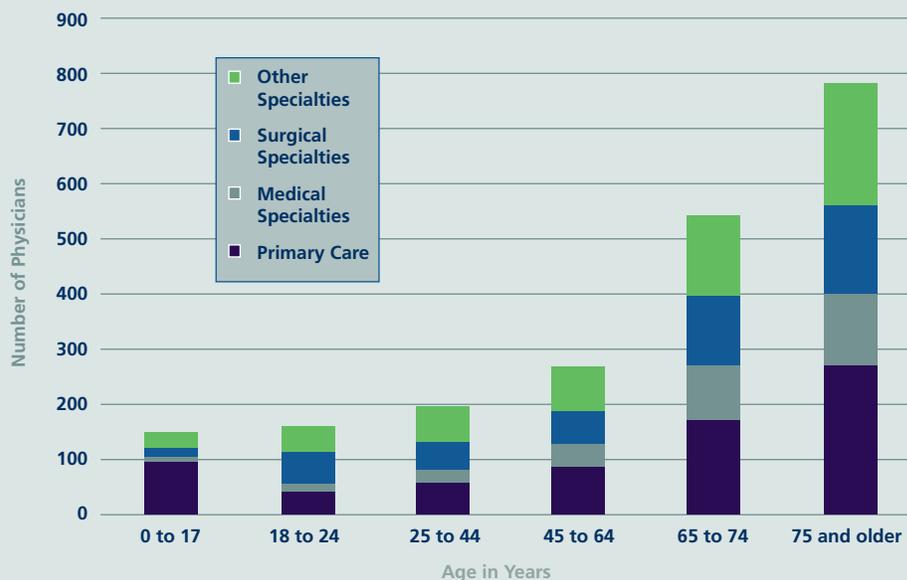
### The United States Is Facing a Shortage of Between 42,600 and 121,300 Physicians by 2030

- Between 14,800 and 49,300 primary care physicians
- Between 40,300 and 76,900 surgeons and other specialists

### What Is Driving the Physician Shortage

- By 2030, the number of Americans over age 65 will grow by 50%. Seniors today are living longer and have more active lifestyles.
- Medical advances have increased the number of people living with multiple chronic illnesses.
- More than one-third of doctors are over age 65 and likely to retire in the next decade.
- Though demand is increasing, supply is not increasing at the same pace because of a cap Congress imposed on Medicare GME support.

### Physician Utilization per 100,000 People, by Age



Source: HHS/HRSA *The Physician Workforce: Projections and Research into Current Issues Affecting Supply and Demand*, December 2008.

### GME Is NOT a Major Driver of Physician Specialty Choice—Payment Rate IS

**MedPAC June 2010 Report to Congress:** *“The single most important way Medicare can influence the mix of physicians ... is to reform how it pays for services. [Medical school graduates] reasonably look at future earnings prospects when choosing a specialty ... payment rates can influence that choice.”*

### Lifting the Cap on Medicare GME Funding Will Help Alleviate the Doctor Shortage

Currently, two bills in Congress would help address the doctor shortage by increasing residency slots by 15,000 over five years. This increase would account for one-quarter of the doctors necessary to meet the country's workforce needs.

- Resident Physician Shortage Reduction Act of 2017 (H.R. 2267)
- Resident Physician Shortage Reduction Act of 2017 (S. 1301)

For more information, visit [news.aamc.org/for-the-media/article/gme-funding-doctor-shortage](http://news.aamc.org/for-the-media/article/gme-funding-doctor-shortage).