



American Medical Group Association®

## **2015 ISSUE BRIEF**

### **STRENGTHEN GRADUATE MEDICAL EDUCATION**

#### **Issue**

With the rapidly aging population and the increase in the number of new patients with access to health insurance, strengthening Graduate Medical Education (GME) is essential in light of increasing demand for healthcare services. The Association of American Medical Colleges estimates a shortage of between 46,000 and 90,000 physicians by 2025. The shortage is especially acute in the area of primary care and internal medicine.

Physicians graduating as an M.D. or D.O. will spend three to seven years in a residency program. Much of the funding for these programs comes from Medicare in the form of direct payments (to cover the cost of the educating residents) and indirect payments (to cover the cost of the treating complex patients at teaching hospitals).

Multi-specialty medical groups and integrated delivery systems employ a large number of physicians and need an adequate pool of residency trained physicians to meet the growing demand for their services.

Despite the growing demand due to the aging population, since the implementation of the 1997 Balanced Budget Act, Medicare currently caps the number of Medicare funded residency slots. Relief is needed.

#### **AMGA Asks Congress To:**

Preserve essential GME funding and support legislation such as the Resident Physician Shortage Reduction Act of 2015 (H.R. 2124 and S. 1148), which would increase the number of Medicare funded residency slots by 15,000 over 5 years. This legislation would help begin to address the looming physician shortage.