

SAVE OUR DOCTORS

Don't Cut Graduate Medical Education

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In the coming weeks, Congress and the Obama administration must consider many proposals to significantly reduce federal spending. Without question, our nation cannot continue to borrow 40 percent of its annual budget and sustain a mounting federal debt, which currently exceeds \$14 trillion.

However, it would be unconscionable to promote any proposal that would undermine the health and well-being of our citizens—and the recommendations to reduce Medicare Graduate Medical Education (GME) funding would do just that. These cuts would choke America's teaching hospitals—stitutions that represent just 6 percent of all hospitals but that provide 41 percent of all free care and nearly one-quarter of all discharges.

Medicare contributes to physician training at the nation's few teaching hospitals in two ways. First, it spends about \$3 billion per year on Direct Graduate Medical Education (DGME) payments for expenses, such as salaries, that relate to training medical residents. Residency is rigorous hospital-based training that can last three or more years following medical school. DGME payments cover one-quarter of these costs and the hospital picks up the balance. Second, Medicare makes Indirect Medical Education (IME) payments, totaling about \$6 billion annually, to partially compensate teaching hospitals for providing specialized care to poor and underserved communities, regardless of a patient's ability to pay. If federal funding is cut, teaching hospitals will have no choice but to reduce the number of physicians they train.

The nation already faces a physician shortage of 90,000 or more by 2020, and 125,000 by 2025. Currently, there are about 700,000 active physicians in the United

States—for a population of over 310 million—and nearly one-third of our doctors will retire in the next decade. Meanwhile, the number of Americans over the age of 65 is projected to grow by 36 percent in the next 10 years. Older patients have multiple chronic conditions that require more medical care. Add to that the estimated 32 million Americans who will gain access to medical insurance as a result of recent health care reforms.

Clearly, we should be training more doctors—not fewer. Equally important, hospitals that train physicians

also provide highly complex services that are not available elsewhere, including organ transplantation units, burn centers, intensive care facilities for newborns and children, and specialized cardiac-care services. A loss of GME funding could jeopardize all of this.

In 1997, Congress reduced IME funding by nearly one-third and issued a *de facto* residency reduction by freezing the number of GME-eligible

slots at the previous year's level. We currently train just 25,000 residents per year, a number that is woefully inadequate to keep pace with our nation's growing and aging population. To help meet the nation's need for more physicians, many teaching hospitals create and fully fund resident slots beyond those supported by GME. Between this and the financing required to supplement the GME-eligible positions, Mount Sinai alone invests more than \$100 million annually in unreimbursed training expenses.

We applaud Congress and the administration for trying to rein in federal spending. However, for the health of the nation and longer-term fiscal prudence, they should reject GME cuts.

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