2013 CAP Policy Meeting

GME and the Future of the Pathologist Workforce

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Graduate Medical Education

CAP Policy Meeting

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Medicare GME Payments

1. Direct Graduate Medical Education (DGME) Payments—Resident Training
   - Partially “reimburse[s] teaching hospitals for Medicare’s share of the costs of salaries and fringe benefits paid to residents, interns, and teaching faculty, and certain overhead costs relating to teaching activities.” U.S. Congress, 1999

2. Indirect Medical Education (IME) Payments—Patient Care
   - Percentage add-on reimbursement to the basic per-case (MS-DRG) payment paid to teaching hospitals

Medicare DGME and IME support capped since 1996
Medicare Covers 21% of Direct Teaching Costs (DGME)

- There are ~110,000 trainees.
- The average DGME cost per trainee was $143,000.
- Medicare based its reimbursement on a $101,000 PRA.

Source: HCRIS 9/30/2012 Release
IME is a Patient Care Payment with An “Education” Label

Created because of concerns about the inability of Medicare coding to “account fully for factors such as severity of illness of patients requiring the specialized services and treatment programs provided by teaching institutions and the additional costs associated with the teaching of residents”

(House Ways & Means Committee Rept., No. 98-25, March 4, 1983 and Senate Finance Committee Rept., No. 98-23, March 11, 1983 [emphasis added]).

“to compensate teaching hospitals for their relatively higher costs attributable to the involvement of residents in patient care and the severity of illness of patients requiring specialized services available only in teaching hospitals.”

U.S. Congress, 1999
EXAMPLE: Level I Trauma Center Requirements (80% in COTH)

Clinical Service Costs Alone:

- **Minimum** 1200 trauma admissions annually
- 24/7 in-hospital trauma surgeon and anesthesiologist
- 24/7 *immediate access* to complete operating room team (team cannot be dedicated to other functions in the hospital)
- 24/7 in-hospital surgical ICU physician
- 24/7 in-hospital radiology staff
- 24/7 in-hospital clinical lab services
- 24/7 access *within 15 minutes* to a board certified:
  - cardiac surgeon; hand surgeon; neurosurgeon; orthopedic surgeon; microvascular/replant surgeon; OB/GYN surgeon; eye surgeon; oral/maxillofacial surgeon; plastic surgeon; thoracic surgeon; critical care physician; radiologist
Level I Trauma Center Requirements

Examples: Education and Research Requirements are Mandatory

• Maintain a trauma fellowship and/or trauma-focused residency training programs in related specialties

• Offer educational programs for providers not affiliated with the trauma center

• Maintain a trauma registry

• Conduct research that investigates issues related to trauma, trauma care, and trauma prevention
Regional Access: Univ of CO

University of Colorado Health Systems Inpatient Discharge
By Zipcode

Date Covered: 12/01/2011 - 11/30/2012
Note: 2% of inpatient discharges were from foreign or unmatched zipcode areas.
IME Cut Impact: 1 member est.

8% reduction in staffing that would equal approx 385 FTEs or $25M

Reduce residency programs by 75-100 residents

Further reduce or close Mental Health services and other services with low or negative contribution margins e.g. the burn unit

Decrease access to select ambulatory services, such as sickle cell, geriatric, coagulation clinics, CHF clinics etc.

Decrease access to transfers from surrounding community hospitals seeking specialized service

Reductions in research support
## Deficit Reduction Plans—GME

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<th>Plan</th>
<th>Cuts</th>
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<tr>
<td>Simpson/Bowles (bipartisan) (2010)</td>
<td>Cut GME by 60%</td>
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<td>“Fix the Debt”/Simpson/Bowles II (bipartisan) (2012)</td>
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<td>Sen. Conrad (D-ND, Budget Committee Chairman) (2012)</td>
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<td>Rep. Ryan (R-WI, Budget Committee Chairman) (2012)</td>
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<td>BCA (Sequestration) (2011)</td>
<td>Cut GME by 2%</td>
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<td>Biden Negotiations Team (bipartisan) (2011)</td>
<td>Cut GME by 15%</td>
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<td>Super Committee (bipartisan) (2011)</td>
<td>Cut GME by 15%-60%</td>
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<td>Senate Gang of Six (bipartisan) (2011)</td>
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<tr>
<td>President Obama FY 2013 Budget Proposal (2012, 2013)</td>
<td>Cut GME by 10% (CHGME by 60%)</td>
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<tr>
<td>President Obama Deficit Reduction Plan (2011, 2012)</td>
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<tr>
<td>Sen. Corker (R-TN) (2012)</td>
<td>Cut GME by $50 Billion over 10 Years</td>
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<td>CAP (2012)</td>
<td>Cut GME by $28 Billion over 10 years</td>
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<td>CBO Choices for Deficit Reduction (2012)</td>
<td>Cut $10 Billion annually by 2020 (consolidate and reduce federal payments to teaching hospitals)</td>
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<td>President Obama Offer During Fiscal Cliff Negotiations (11/29/12)</td>
<td>Cut $400 Billion in Medicare/entitlement payments (to be determined)</td>
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<td>Republican Offer During Fiscal Cliff Negotiations (12/3/12)</td>
<td>Cut $600 Billion in health spending (to be determined)</td>
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[Image: AAMC logo]
IOM GME Committee

• Tasked to review:
  ▪ # of residents
  ▪ # GME slots
  ▪ Balance of PC providers, specialists and subspecialists
  ▪ Training sites
  ▪ Financing options
  ▪ Accreditation process
  ▪ Relevant provisions of Titles III, VII & VII of the ACT
  ▪ Relationships among safety net providers, teaching CHCs, academic centers
Reduce the Shortage

**S. 577: Resident Physician Shortage Reduction Act of 2013**

A bill to amend title XVIII of the Social Security Act to provide for the distribution of additional residency positions, and for other purposes


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**Bill Nelson (D-Fla.)**

**Charles Schumer (D-N.Y.)**

**Harry Reid (D-Nev.)**
S. 577, The Resident Physician Shortage Reduction Act of 2013

• Introduced by Sens. Nelson (D-FL), Schumer (D-NY), and Reid (D-NV)
• Increases # of residency slots by 15k over 5 years (3k annually)
• Half of new slots must be used to train residents in a shortage specialty residency programs
• Specifies the process for distributing positions – including priority for states with new medical schools
• Directs the National Health Care Workforce Commission to study the physician workforce
Graduate Medical Education Reform Act of 2012 (S. 3201 Reed/Kyl)

- IME performance program—up to 3 % of IME at risk, in line with other VBP programs
- Directs HHS Secretary to develop measures of pt care priorities consistent with MedPAC; and to report on GME costs/payments (transparency)

- Training provided in E/M or cognitive services;
- Training across a variety of settings and systems;
- Coordination of patient care across various settings;
- The use of HIT;
- Relevant cost and value of diagnostic and treatment optns;
- Inter-professional & multidisciplinary care teams;
- Methods for identifying system errors & implementing system solutions.
Lift 1997 Residency Caps

H.R. 1201: *Training Tomorrow’s Doctors Today Act of 2013*
A bill to amend title XVIII of the Social Security Act to provide for the distribution of additional residency positions.

Aaron Schock (R-IL) 
Allyson Schwartz (D-PA)
H.R. 1201 (Schock/Schwartz)

- Bipartisan legislation introduced by Reps. Aaron Schock (R-IL) and Allyson Schwartz (D-PA)
- Increases # of residency slots by 15k over 5 years (3k annually)
- 1/3 of slots available only to hospitals training over their resident cap
- Half of new slots must be used to train residents in a shortage specialty residency programs
- Specifies the process for distributing positions – including priority for states with new medical schools
- Directs the Government Accountability Office (GAO) to study the physician workforce
AAMC Physician Workforce Policy Recommendations

1. “The number of federally supported GME training positions should be increased by at least 4,000 new positions a year to meet the needs of a growing, aging population and to accommodate the additional graduates from accredited medical schools. The medical education community will be accountable and transparent throughout the expansion.”

Goal: Address less than half of expected physician shortage through increased training capacity
2. “Current and future targeting of funding for new residency positions should be planned with clear attention to population growth, regional and state-specific needs, and evolving changes in delivery systems. Today, approximately half (2,000) of these additional positions should be targeted to primary care and generalist disciplines; the remainder should be distributed across the dozens of the approximately 140 other specialties that an aging nation relies upon. Attempts to increase physicians in targeted specialties by reducing training of other specialists will impede access to care.”
AAMC Policy Rec’s (con’t)

3. “In addition to expanding support for GME, policymakers should leverage clinical reimbursement and other mechanisms to affect geographic distribution of physicians and influence specialty composition.”

4. “The federal government should continue to invest in delivery system research and evidence-based innovations in health care delivery.”

Need more efficient health care delivery models and increased physician training positions
### Is There a Dr. in the House?

**Impending Physician Shortages**

- **- 63,000** by 2015
- **- 91,500** by 2020
- **- 130,600** by 2025

**Source:** Association of American Medical Colleges

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**A Bipartisan Issue!**

**NEW CONCERNS HEALTH CARE INDUSTRY WON'T BE ABLE TO DEAL WITH INFLUX OF NEW PATIENTS**
If there’s no doctor, what will you do?

Reducing the deficit is essential but America is running out of doctors. The nation faces a projected shortage of 90,000 doctors—from primary care physicians to surgeons to specialists for children—by 2020. Cutting federal funding that supports doctor training at teaching hospitals will exacerbate the shortages of physicians and other health care providers and jeopardize the life-saving care and critical services that teaching hospitals provide in their communities.

Congress: Preserve funding for graduate medical education

- Alliance of Specialty Medicine
- American Academy of Child and Adolescent Psychiatry
- American Academy of Dermatology
- American Academy of Family Physicians
- American Academy of Hospice and Palliative Medicine
- American Academy of Neurology
- American Academy of Ophthalmology
- American Academy of Otolaryngology—Head and Neck Surgery
- American Association for the Study of Liver Diseases
- American Association of Clinical Endocrinologists
- American Association of Colleges of Osteopathic Medicine
- American Association of Neurological Surgeons
- American Association of Orthopaedic Surgeons
- American College of Emergency Physicians
- American College of Mohs Surgery
- American College of Osteopathic Family Physicians
- American College of Osteopathic Internists
- American College of Physicians
- American College of Radiology
- American College of Surgeons
- American Congress of Obstetricians and Gynecologists
- American Geriatrics Society
- American Hospital Association
- American Medical Association
- American Orthopaedic Association
- American Society for Clinical Pathology
- American Society of Anesthesiologists
- American Society of Echocardiography
- American Society of Nephrology
- American Society of Nuclear Cardiology
- American Society of Plastic Surgeons

For more information, visit www.aamc.org