



National
Medical
Association

Health Policy
Committee



Resident Physician Shortage Act of 2019

Issue Brief and Recommendations

Issue

According to recent projections by the American Association of Medical Colleges (AAMC), the United States will face a physician shortage of between 42,600 and 121,300 physicians by 2030. There will be shortages in both primary and specialty care, and specialty shortages will be particularly large. This shortfall is driven by many factors, including the need for more doctors as the population grows and becomes more aged, as well as vacancies that will occur as physicians reach retirement age. Another key factor that impacts physician training is an artificial cap that was placed on the Medicare Graduate Medical Education (GME) program more than two decades ago—a cap that remains in place today.

Teaching hospitals and academic medical centers rely on support from Medicare's GME program to train physicians. In addition to providing basic health services to their communities, teaching hospitals are also sites for the clinical education of all types of health professionals, including the training of resident

physicians ("residents"). Residents have graduated from a medical school and then go on to complete several years of supervised, hands-on training in a particular area of expertise, such as primary care or surgery. This phase of their training is called "graduate medical education" (GME).

The Balanced Budget Act of 1997 (P.L. 105–33) calculated direct graduate medical education (DGME), which includes direct payments to cover residents' salaries, benefits, medical malpractice premiums, administrative costs, and stipends for supervising physicians, and indirect medical education (IME) payments, that covers teaching hospitals' higher costs to treat the sicker patients they typically have. Based on the number of trainees in 1996, the number of residency slots were capped accordingly. This limitation effectively prohibits existing teaching hospitals from receiving Medicare-support for any new medical residency positions added after 1996. As medical school enrollment continues to grow (up 30% since 2022), the Medicare GME cap has made it difficult for medical resident training to keep pace, resulting in a severe bottleneck in physician training.¹

The Medicare GME program cap also is surely exacerbating the shortage of African American doctors. A recent USA TODAY NETWORK publication examined the issue. It found that after decades of effort to increase the ranks of African-American doctors, blacks remain an underrepresented minority in the nation's medical schools. The proportion of medical students who identified as African-American or black rose from 5.6 percent in 1980 to 7.7 percent in 2016, according



to the Association of American Medical Colleges (AAMA). That's a substantial increase but still short of the 13.2 percent in the general population.²

Earlier this year, the Resident Physician Shortage Act of 2019, HR 1763 was introduced in the House of Representatives by Representatives Terri A. Sewell (D-AL) and John Katko (R-NY), while the Resident Physician Reduction Shortage Act of 2019, S 348 was introduced in the Senate by Senators Bob Menendez (D-NJ), John Boozman (R-AR), and Chuck Schumer (D-NY). Both bills take an important step towards alleviating the physician shortage by gradually providing 15,000 Medicare-supported GME

residency positions over a five-year period. They both also require GAO to conduct a study and report on strategies for increasing health professional workforce diversity.

NMA Recommendations

Co-sponsor HR 1763 and S348 as soon as possible.

Ask all teaching hospitals and academic medical centers in your District/State to support the legislation.

Ask any national medical association, with which affiliated, to support the legislation.

About the National Medical Association

The National Medical Association (NMA) is the nation's oldest and largest organization representing the collective voice of more than 50,000 African American physicians and health professionals in the United States, and the patients they serve. Established in 1895, the NMA is the leading force for parity and justice in medicine and the elimination of disparities in health. NMA is committed to improving the quality of health among minorities and disadvantaged people through its membership, professional development, community health education, advocacy, research and partnerships with federal and private agencies. Throughout its history the National Medical Association has focused primarily on health issues related to African Americans and medically underserved populations; however, its principles, goals, initiatives and philosophy encompass all ethnic groups.

1 https://news.aamc.org/press-releases/article/workforce_report_shortage_04112018/ 2
<https://news.aamc.org/press-releases/article/applicant-data-2018/>
https://www.aamc.org/advocacy/gme/71150/gme_gme0002.html