

Medicare Graduate Medical Education: Overview and Implications

HRSA Future of Primary Care in Rural and Urban America

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MEDICAL EDUCATION FUTURES STUDY

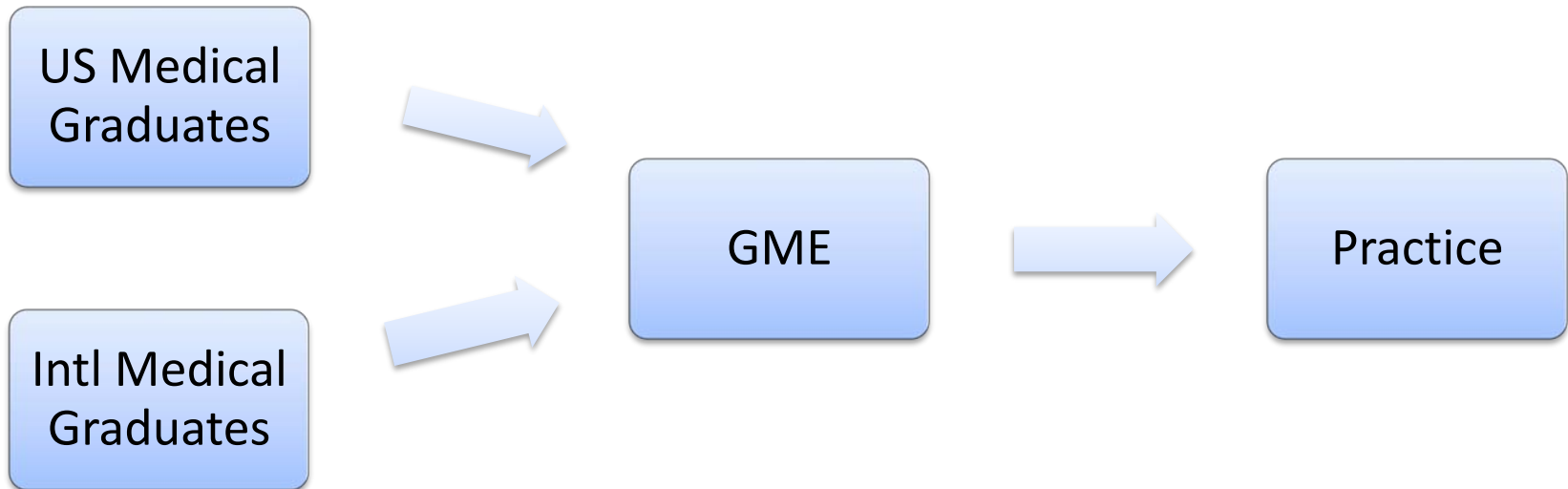
EXAMINING MEDICAL EDUCATION'S ROLE IN REDUCING DISPARITIES, INCREASING
ACCESS AND IMPROVING HEALTH IN AN ERA OF HEALTH CARE REFORM



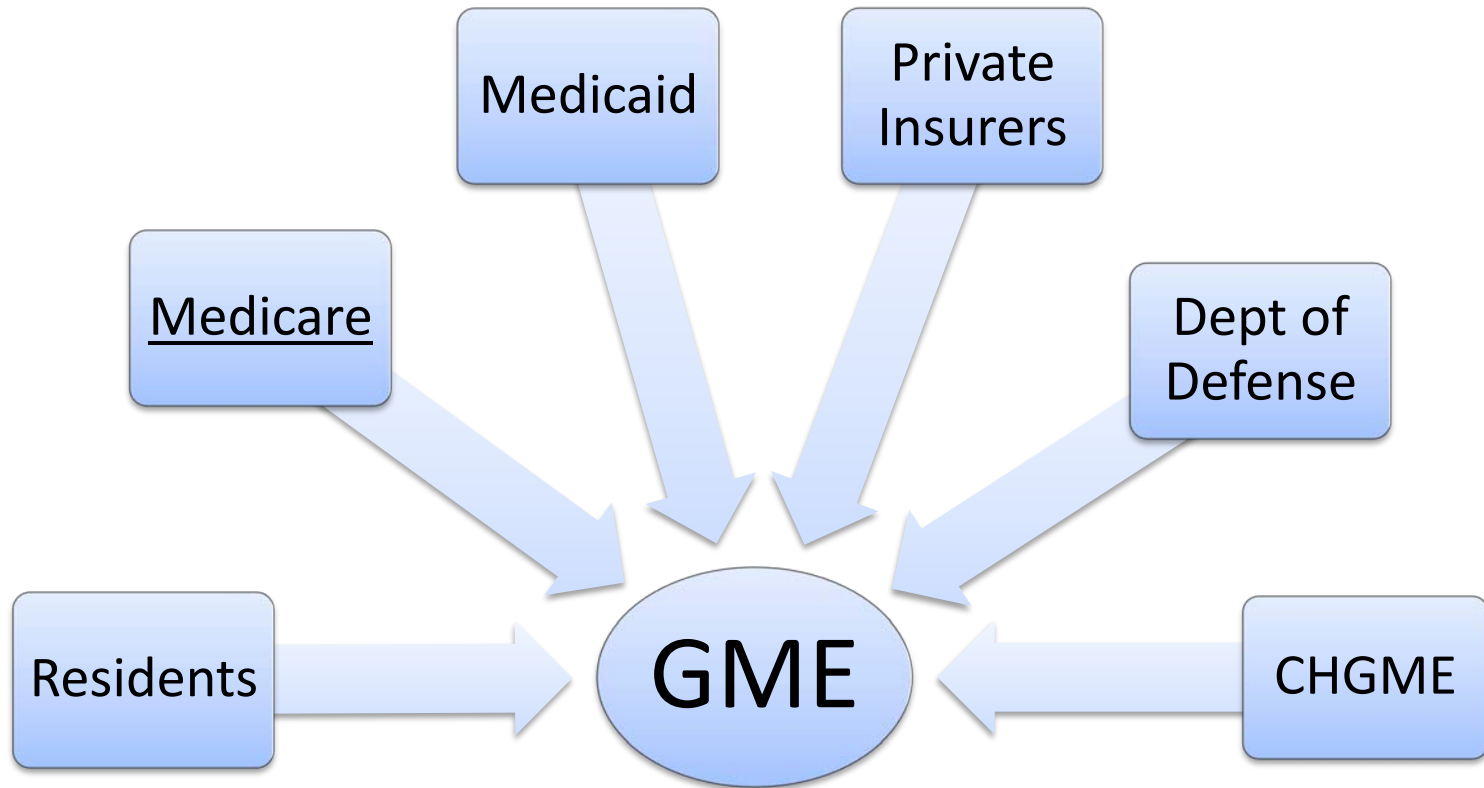
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GME Defines the Physician Workforce



GME Funding



Medicare GME

Direct GME

- Resident Salaries & Fringe
- Faculty Salaries for teaching activities
- Administrative costs

Indirect GME

- The higher costs of patient care associated with teaching
- Higher patient severity/uncompensated care
- Specialized/emerging technology services
- Research

In 2007, DME = \$2.9 billion

In 2007, IME = \$6 billion

Medicare Direct GME

Formula = PRA * FTE * % Medicare Days

PRA = per-resident amount

FTE = weighted full-time equivalent residents

Medicare Indirect GME

Percentage increase (or add-on) to the inpatient prospective payment rate

$$\text{Formula IME \%} = c * [(1+r)^{0.405} - 1]$$

c = multiplier set by Congress

r = hospital's resident FTE to bed ratio

Medicare GME Adjustments

Balanced Budget Act 1997

- Cut the IME add-on from 7.0% to 5.5% over a 5 year phase-in
- Capped Medicare funded GME positions to December 1996 levels for each hospital

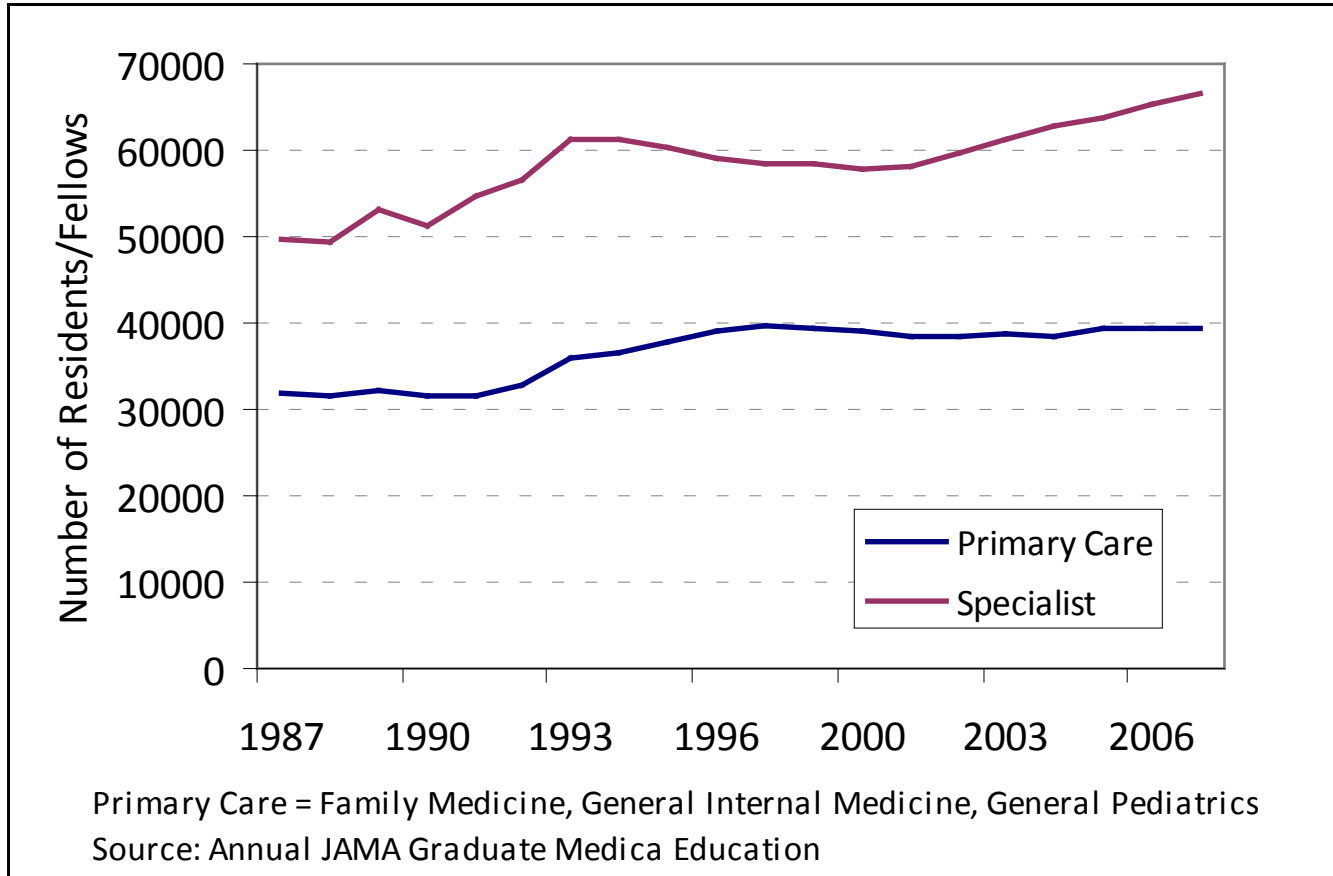
What's Missing?

- Accountability
 - Primary Care - Specialty mix
 - Curriculum consistent with health care system delivery reform (e.g. medical homes, multidisciplinary teams, HIT, ambulatory care)
 - Geographic distribution

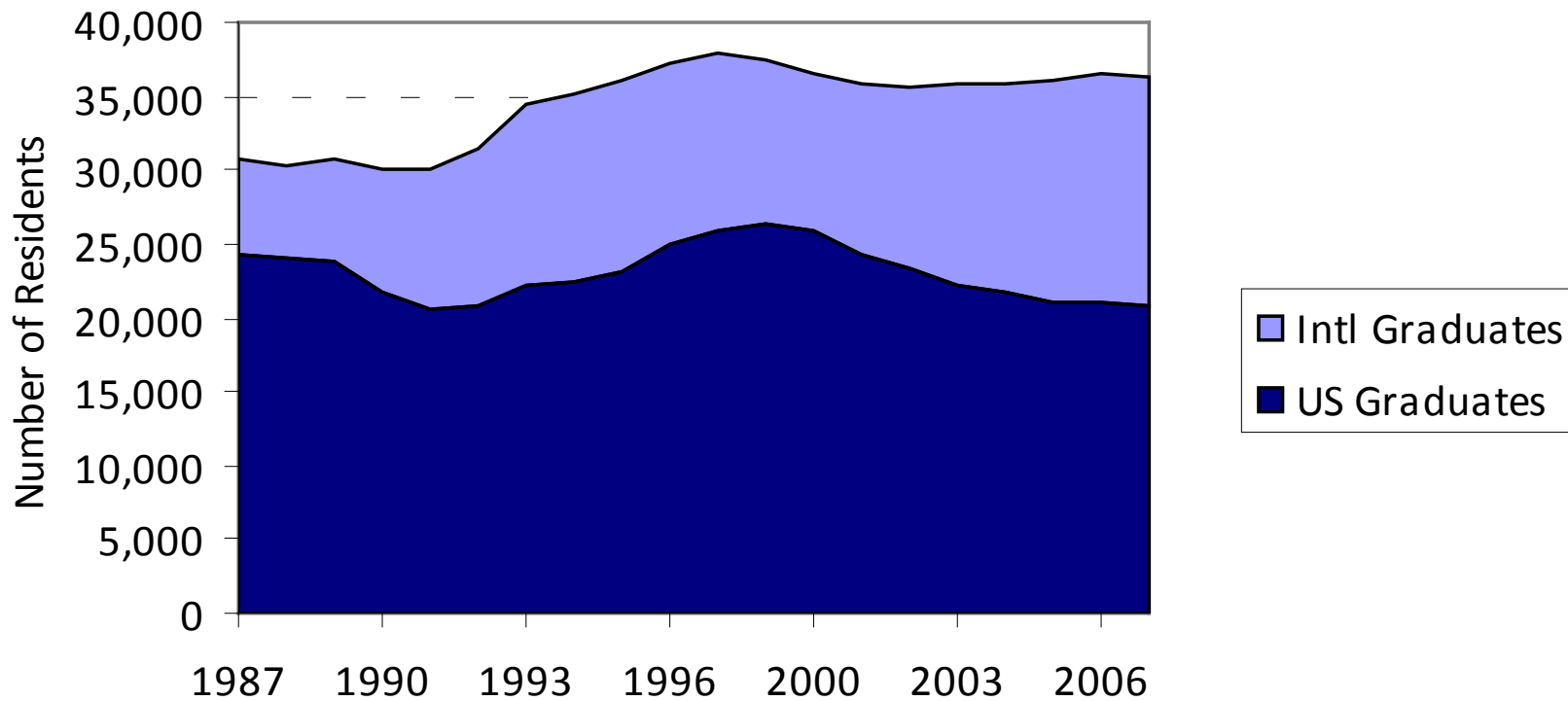
Primary Care Adjustments

- COBRA 1985 – established the PRA formula and set the payment for fellowship training, beyond “initial residency” at 0.5FTE
- 1994, 1995 – PRA inflation update was withheld for specialty positions giving primary care positions a 6% higher PRA
- BBRA 1999 – established a “floor” for hospital PRAs, initially set at 70% of the locality-adjusted national average PRA, later reset to 85% - MMA of 2003 set a ceiling of 140%

Graduate Medical Education – Primary care vs. Specialty Positions

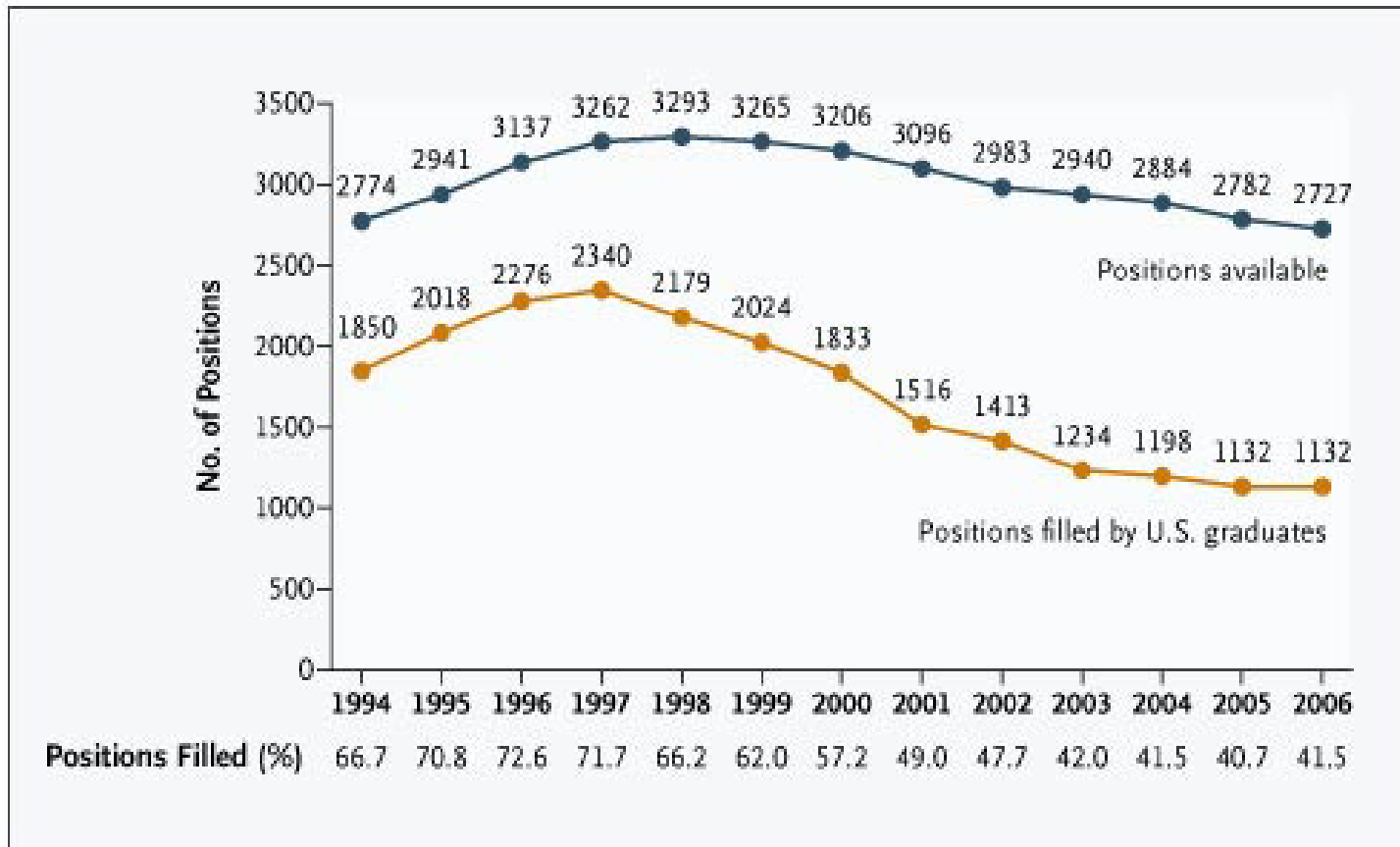


Primary Care GME – US vs. International Graduates



Source: Annual JAMA Medical Education

Family Medicine Match



Source: Bodenheimer T. Primary Care – Will It Survive? NEJM;355:861-864.

Specialization Following “Primary Care” Residency

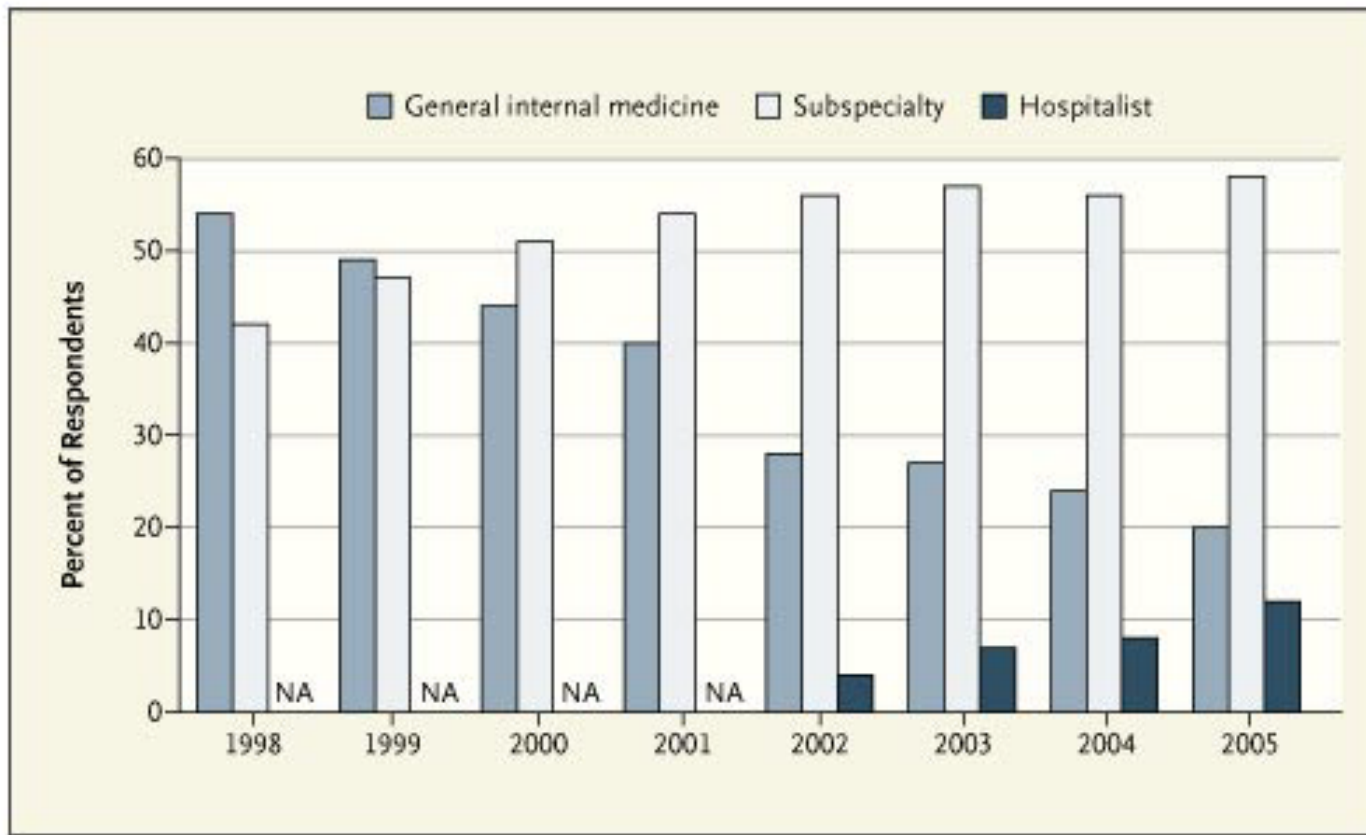
Hauer et al. Factors Associated with Medical Students' Career Choices Regarding Internal Medicine. JAMA, Sept 2008.

“Of 1177 respondents, 274 (23.2%) planned careers in IM, including 24 (2.0%) in general IM.”

Internal Medicine	Family Medicine	Pediatrics
274 (23.2%)	58 (4.9%)	138 (11.7%)

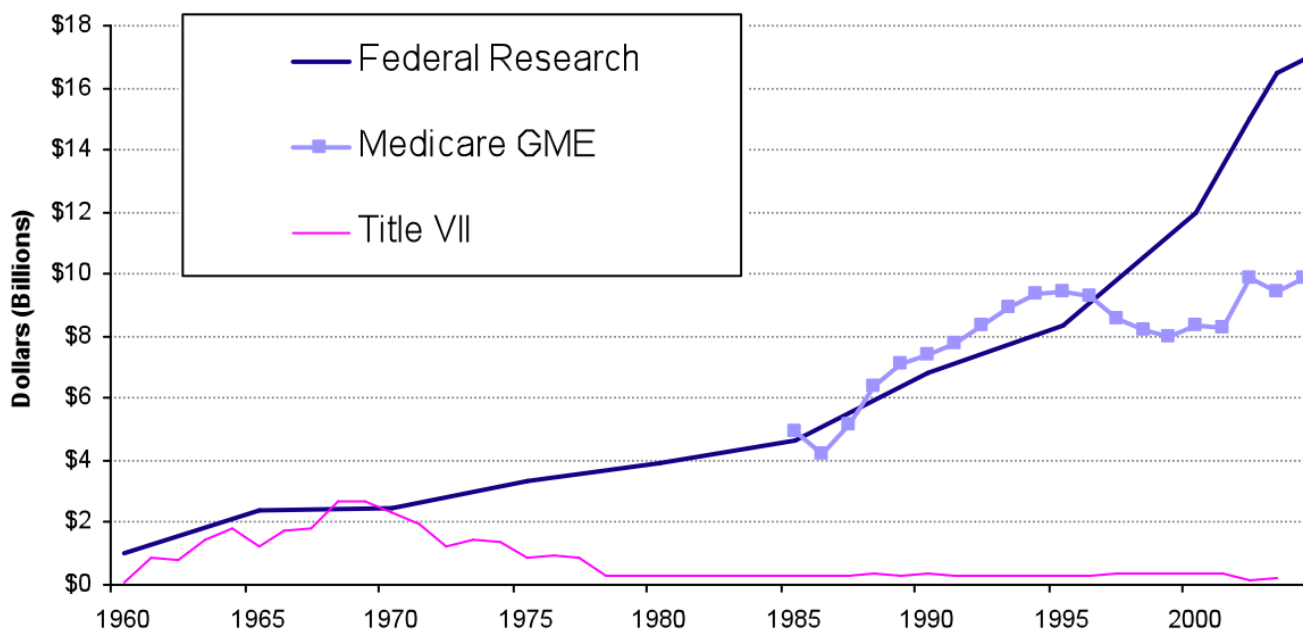
Internal Medicine – Practice Plans

Proportions of Third-Year Internal Medical Residents Choosing Careers as Generalists, Subspecialists, and Hospitalists.



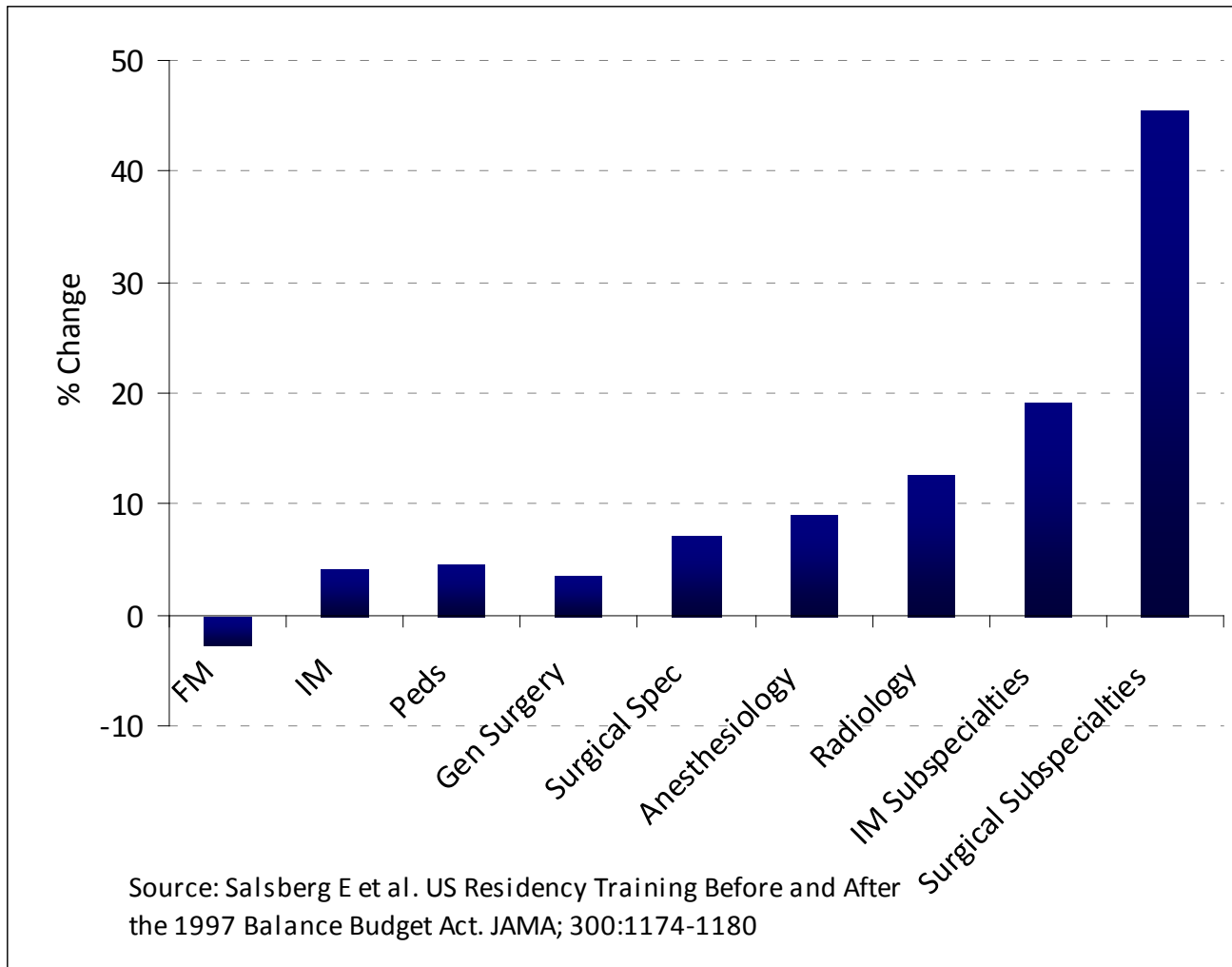
Source: Bodenheimer T. Primary Care – Will It Survive? NEJM;355:861-864.

Figure 6: U.S. Medical School Revenue, 2008 Dollars



Source: AAMC Data Book, Centers for Medicare and Medicaid Services, Health Resources and Services Administration

Change in Total Residents: AY2002 to AY 2007



Current GME Proposals

- House Tri-Committee Bill
 - Distribution of Unused Residency Positions:
 - Primary care resident level maintenance requirement and dedicated assignment to primary care
 - Preference criteria including: hospitals with a number of positions in excess of their resident limit, low resident-to-population ratios
 - Increasing training in non-hospital settings
 - Decreasing barriers to training in non-hospital settings
 - Teaching Health Centers Demonstration

House Tri-Committee Bill

- Training of Medical Residents in Community-Based Settings
 - Development grants – 2 years, non-renewable
 - Operation grants – 5 years, renewable

 - Authorization for appropriations grouped with Section 747 grants

Senate ...

Thank you.

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