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Federal



GME

Position: AMSNY supports the provision in the Iraq War Supplemental to implement a one-year moratorium that would prevent the Administration from implementing its administrative proposal to eliminate Federal support for Medicaid GME.

Background: New York trains about 16,000 physician residents per year, more than twice as much as any other state. This training commitment represents approximately 17% (or 1 out of 6) of all physician resident training in the U.S. Independent research has found that the nation will be facing a physician workforce shortage due to the demands of an aging population and that an increase in physician workforce production is needed. It is precisely for these reasons that the American Association of Medical Colleges is calling for a 30% increase in medical school enrollment to address the pending shortage. Although medical residents continue to be the main health profession eligible for Medicaid DGME/IME payments, graduate nurse and other health professions students in 17 states may also have their training subsidized with such payments.

Medicare support for GME in New York is approximately \$1.6 billion. Indirect medical education (IME) reimbursement has been cut in recent years, straining the financial viability of teaching hospitals. The number of physician residents for which teaching hospitals can receive Medicare reimbursement is capped at the 1996 level. This cap acts as a disincentive for teaching hospitals to create new residency programs and train the additional physicians that the country needs.

Medicaid support for GME in New York is approximately \$1.2 billion. The President indicated in his FY 08 budget that he would discontinue permitting the states to fund GME as part of their program. AMS strongly advocates for Congress to continue to recognize the critical value of investing in GME so that NYS can continue training the physicians of tomorrow.