



Issue: Graduate Medical Education (GME)

CAP Position: The CAP projects a substantially lower supply of pathologists in the next 15 years due to a projected retirement cliff. The number of physicians entering the pathology workforce each year will be far less than the number needed to keep up with the approaching retirement cliff. Pathology slots must be protected to ensure there is not an adverse impact on health care delivery. Overall Graduate Medical Education (GME) funding needs to be maintained, if not increased, to help protect funding for residency slots for pathology. Unfortunately, there is little awareness among policymakers about the pathology retirement cliff and the impact it could have on patients. The CAP has successfully raised its visibility with the Health Resources and Services Administration and Congress on the GME issues facing pathology.

Legislative Ask: Congress should, at a minimum, maintain funding for GME to help protect the current allocation of residency slots for pathology. Additionally, the CAP supports the Resident Physician Shortage Reduction Act of 2015 (S.1148 / H.R. 2124) introduced by Senators Bill Nelson (D-FL), Charles Schumer (D-NY), and Senate Minority Leader Harry Reid (D-NV), and Representatives Joe Crowley (D-NY) and Charles Boustany (R-LA). The legislation would lift the GME funding cap and expand the number of funded residencies, including for specialties with a demonstrated shortage. The legislation would phase in 15,000 additional Medicare-supported residency slots over five years and would set aside some percentage of the slots to shortage specialties.

Status: A number of members of Congress have concerns about the physician shortage, especially in rural areas. In 2015, current House Ways and Means Committee Chair Kevin Brady (R-TX) and Rep. Cathy McMorris Rodgers (R-WA) sent a letter to the Government Accountability Office to evaluate the current structure of the GME programs and provide recommendations for improvements. The letter was signed by 27 members from the House Ways and Means and Energy and Commerce Committees. Other key members of Congress have indicated that they would like to address GME this year, but the significant cost to reform the program is a major barrier to action.

Background: Pathologists perform a range of vital services from basic laboratory monitoring/management of individual patients and patient populations to direct disease diagnosis, prognosis, and therapeutic guidance in cancer care, and advanced genomic medicine that are indispensable to quality patient care. Resident physicians who have graduated from medical school typically spend three to seven years in GME training at teaching hospitals and their associated ambulatory (outpatient) settings. The vast majority of funding comes from the federal Medicare program. The Medicare program pays for direct GME – for the costs of educating residents – and indirect medical education to cover the generally higher costs teaching hospitals incur.

The Balanced Budget Act of 1997 limited the number of allopathic and osteopathic medical residents that would be counted for purposes of calculating Medicare reimbursement to each hospital's 1996 resident count. Additionally, the Balanced Budget Refinement Act of 1999 increased the limit for rural teaching hospitals to equal 130% of each rural teaching hospital's 1996 resident count. These caps reflect the health care workforce in 1996 and do not reflect how health care needs have changed over the past 20 years.

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