

Title: Adopting Alternative Sources of Graduate Medical Education Funding

Introduced by: Erin Conrad, Brian Salata, Michael Johnson, Vanessa Stan, and Christopher Wee for the Medical Student Section

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Referred to: Reference Committee E

House Action: Adopted as Amended

Whereas, it is predicted there will be a nationwide physician shortage of 62,900 physicians by 2015 and 91,500 by 2020¹, and

Whereas, Michigan is predicted to face a shortage of 4,400 physicians, or 12 percent of the number of physicians required to meet the expected demand, by 2020, and a projected shortage of primary-care physicians of 7 percent², and

Whereas, the number of graduate medical education (GME) positions has grown at an annual rate of only 0.9% over the past decade, while the number of first-year medical students is expected to increase 35% between 2002 and 2015³, and

Whereas, three new medical schools in Michigan have recently opened or will soon open, and Michigan State University is opening a new medical campus, which will together produce more than 1,000 additional medical school graduates in Michigan per year by 2017⁴, and

Whereas, a recent survey conducted by Michigan’s Department of Community Health found 60% of doctors stay and practice close to where they trained as residents⁵, and

Whereas, the President’s 2013 budget proposal plans include cuts to federal GME funding of \$10 billion, which the Association of American Medical Colleges expects would reduce the number of new residents trained by up to 10,000 every year^{6/7}, and

Whereas, several proposals have been put forth for alternative sources of GME funding, including Medicaid-based funding and all-payer methods, which spread the costs of training physicians across Medicare, Medicaid, and surcharges on private health insurance premiums^{8/9}, and

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48 **Whereas, the Council on GME has recommended implementing an all-payer**
49 **fund as an effective way to fund graduate medical education⁹, and**

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51 **Whereas, Medicaid-based funding provides the state flexibility to**
52 **incentivize primary care or other healthcare specialties according to the state**
53 **workforce need^{8/10}; therefore be it**

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55 **RESOLVED: That the MSMS support the continued research into the**
56 **effectiveness and feasibility of alternative sources of GME; and be it further**

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58 **RESOLVED: That the MSMS support the adoption of an all-payer fund that**
59 **would distribute the cost of training physicians across Medicare, Medicaid, and**
60 **private health insurance plans; and be it further**

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62 **RESOLVED: That the MSMS amend the policy “Medicaid Funding for**
63 **Graduate Medical Education” to read: “MSMS supports increased funding for**
64 **GME by Medicaid.”**

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66 **WAYS AND MEANS COMMITTEE FISCAL NOTE: NONE**
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¹Physician shortages to worsen without increases in residency training. Association of American Medical Colleges, Sept 30 2010.

²Michigan physician supply and demand through 2020. The Center for Health Workforce Studies, University at Albany, State University of New York. Jan 2007

³Inglehart, J. (2011) The uncertain future of Medicare and graduate medical education. NEJM, 365, pp. 1340-1345.

⁴Beene, Ryan. (2009) Med schools multiplying: more won't solve the doc shortage, some say. Crain's Detroit Business, March 8 2009.

⁵Pluta, R. (2011) Lawmakers say they'll continue push for physician training. Michigan Radio, Dec 27 2011.

⁶Budget of the US Government, Fiscal Year 2013. Office of Management and Budget

⁷Kirch D. (2012) AAMC says Obama budget plan threatens access to health care. AAMC, Feb 13, 2012. <https://www.aamc.org/newsroom/newsreleases/273718/120213.html>. Accessed Feb 23, 2012.

⁸Wynn B, Guarino C, Morse L & Cho, M. Alternative ways of financing graduate medical education. RAND Health, May 2006.

⁹Financing graduate medical education in a changing health care environment. Council on Graduate Medical Education Fifteenth Report, US Department of Health and Human Services, Dec 2000.

¹⁰Henderson T. (2000) Medicaid's role in financing graduate medical education. Health Affairs, 19, pp. 221-229