Teaching hospitals train future health care professionals, conduct medical research and fulfill a distinct and vital role in delivering patient care. While many hospitals offer comprehensive care, our nation’s 1,038 teaching hospitals also deliver sophisticated diagnostic and treatment services. Teaching hospitals serve as economic engines of their local communities, providing millions of jobs and serving as hubs for biomedical research and other business activity.

### The Emerging Physician Shortage Crisis

The projected demand for active physicians is poised to increasingly outpace the supply of trained personnel. If anything, more resources should be invested in the next generation of doctors to fulfill our nation’s future medical needs.

### Medicare’s Support of Teaching Hospitals

Teaching hospitals receive Medicare funding to offset some of the costs associated with training medical and dental residents through direct graduate medical education (DGME) payments and are paid for high patient care costs associated with training residents – such as additional diagnostic testing – through indirect medical education (IME) payments.

72,000 jobs are at stake if the Simpson-Bowles deficit commission’s recommended 60% cut to Medicare’s indirect medical education funding is enacted.

### The 17-Year Funding Freeze

IME payments are based on hospitals’ ratios of residents to beds, and DGME payments are based on hospital-specific, per-resident costs. The number of Medicare-funded residency training positions has been frozen at 1996 levels; to address the looming shortage of doctors, the 17-year freeze must be ended and Medicare funding must keep pace with the nation’s need for physicians.

### Increase Medicare-funded Residency Positions to Preserve the Medical Landscape of Tomorrow – Don’t Cut Funding for Training Future Care Givers.

Sources: 2011 data from American Hospital Association; Association of American Medical Colleges