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 1,041 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.

Although teaching hospitals represent only 1 in 5 hospitals, they deliver a much larger share of the nation’s health services.

Percent and annual number of all hospital services provided by teaching hospitals:

- Admissions: 54%
- Surgeries: 51%
- Emergency dept. visits: 46%
- Births: 53%
- Other out-patient visits: 53%

18 million inpatients treated
14 million surgeries
62 million emergency dept. visits
2 million births
291 million other out-patient visits

61% of uncompensated care throughout the nation is delivered in teaching hospitals.

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.

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.

The 18-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 18-year freeze must be ended and Medicare funding must keep pace with the nation’s need for physicians.