

February 25, 2019

United States Senate
Washington, DC 20510

Dear Senator:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, and our clinician partners – including more than 270,000 affiliated physicians, 2 million nurses and other caregivers – and the 43,000 health care leaders who belong to our professional membership groups, the American Hospital Association (AHA) urges you to co-sponsor the Resident Physician Shortage Reduction Act of 2019 (S. 348).

This bipartisan bill, authored by Senators Menendez, Boozman and Schumer, would increase the number of Medicare-funded residency positions by 15,000 over five years, thereby helping to alleviate physician shortages that threaten patients' access to care. The purpose of graduate medical education (GME) funding is to ensure an adequate supply of well-trained physicians. However, the current cap on residency slots, established in the Balanced Budget Act of 1997, restricts the number of slots for which hospitals may receive direct GME funding. The cap also limits the number of residents that hospitals can include in their ratio of residents-to-beds, which affects indirect medical education (IME) payments.

S. 348 outlines a hierarchy for distributing the new slots, prioritizing teaching hospitals that are currently training residents in excess of their cap, those in states with newly opened medical schools, those that emphasize training physicians in community-based or outpatient hospital settings, and those that operate a rural training track. At least half of the new slots would be allotted to shortage specialty residency programs as identified by the Health Resources and Services Administration. We believe this approach responsibly addresses the nation's urgent need for additional physicians.

Additionally, we applaud the provision directing the Government Accountability Office to recommend to Congress strategies for increasing the diversity of the health professions workforce. The AHA is firmly committed to ensuring that hospitals' staff and governance reflect the communities they serve, and S. 348 bill would help make progress toward that worthy goal.



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America's hospitals strongly support this legislation and urge you to become a cosponsor. For additional information, or if you have any questions, please contact Priscilla A. Ross, senior associate director, federal relations, at (202) 626-2677.

Sincerely,

/s/

Thomas P. Nickels
Executive Vice President