

March 23, 2021

The Honorable Robert Menendez
United States Senate
528 Hart Senate Office Building
Washington, DC 20510

The Honorable Charles E. Schumer
United States Senate
322 Hart Senate Office Building
Washington, DC 20510

The Honorable John Boozman
United States Senate
141 Hart Senate Office Building
Washington, DC 20510

Dear Senators Menendez, Schumer and Boozman:

On behalf of our nearly 5,000 member hospitals, health systems and other health care organizations, 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) is pleased to support your legislation, the Resident Physician Shortage Reduction Act of 2021 (S.834). Your bipartisan bill would increase by 14,000 the number of Medicare-funded residency positions, 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 cap on residency slots established in the Balanced Budget Act restricts the number of residency slots for which hospitals may receive direct GME funding. A cap also limits the number of residents that hospitals may include in their ratios of residents-to-beds, which affects indirect medical education (IME) payments.

Thanks to your leadership, Congress provided 1,000 new Medicare-supported GME positions at the end of 2020 – the first increase of its kind in nearly 25 years. Your legislation would build on this historic investment by increasing the number of Medicare-supported GME positions by 2,000 each year for seven years, for a total of 14,000 new slots. A portion of these positions would be targeted for hospitals with diverse needs, including hospitals in rural areas, hospitals serving patients from health professional shortage areas, hospitals in states with new medical schools or branch campuses, and hospitals already training over their caps.



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We believe this approach responsibly addresses the nation's urgent need for additional physicians. We also applaud you for directing the Government Accountability Office to recommend to Congress strategies for increasing the diversity of the health professions workforce.

Again, we thank you for your strong leadership. We stand ready to work with you to ensure enactment of this important legislation.

Sincerely,

/s/

Thomas P. Nickels
Executive Vice President