

February 11, 2019

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

Dear Senator Menendez:

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) writes in support of your legislation, the Resident Physician Shortage Reduction Act of 2019 (S. 348).

Your bipartisan bill 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.

Your legislation 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



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reflect the communities they serve, and your bill would help make progress toward that worthy goal. Again, we thank you for your strong leadership. The AHA stands ready to work with you to ensure enactment of this vital legislation.

Sincerely,

/s/

Thomas P. Nickels

Executive Vice President

cc: The Honorable John Boozman

The Honorable Charles E. Schumer