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The IOM GME Report: GME Financing Reform, Workforce Needs and the Resistance to Change

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GW Speaker Series

Topics to be Covered

- The IOM GME report: Key workforce related recommendations
- What's in it for academic medicine?
- What about shortages and the "GME squeeze"?
- Would the IOM recommendations worsen shortages?
- Closing comments

IOM GME Report: Key Recommendations

1. Maintain the $10 billion in Medicare GME dollars annually (adjusted for inflation) and establish:
   - An Operational Fund for direct GME costs of existing Medicare GME positions; and
   - A Transformation Fund to support new needed GME expansion and innovations
2. Operational Fund pays a national Per Resident Amount (regionally adjusted) to GME program sponsor
3. 10% to 30% of total funds to Transformation Fund
4. New GME Policy Council in Office of HHS Secretary

The IOM Recommendations: Many Positives for Academic Medicine

1. Holds GME funding constant adjusted for inflation (vs. decreasing funding)
2. Increases the amount going to **training** (reprograms IME to GME programs)
3. Flows funds to GME sponsor and detaches from Medicare inpatient days
4. Uses a per resident amount (regionally adjusted)
5. Supports expansion of GME positions based on documented need and covers Teaching Health Centers and Children's GME
6. Supports innovation in GME

Three Key Workforce Questions to Consider in Assessing the IOM Report

- Are we facing a physician shortage?
- Are we facing a GME squeeze?
- Would the IOM GME recommendations worsen shortages?

Are we Facing a Physician Shortage?

2010 AAMC projections for 2020 - shortage of:

45,400 primary care physicians

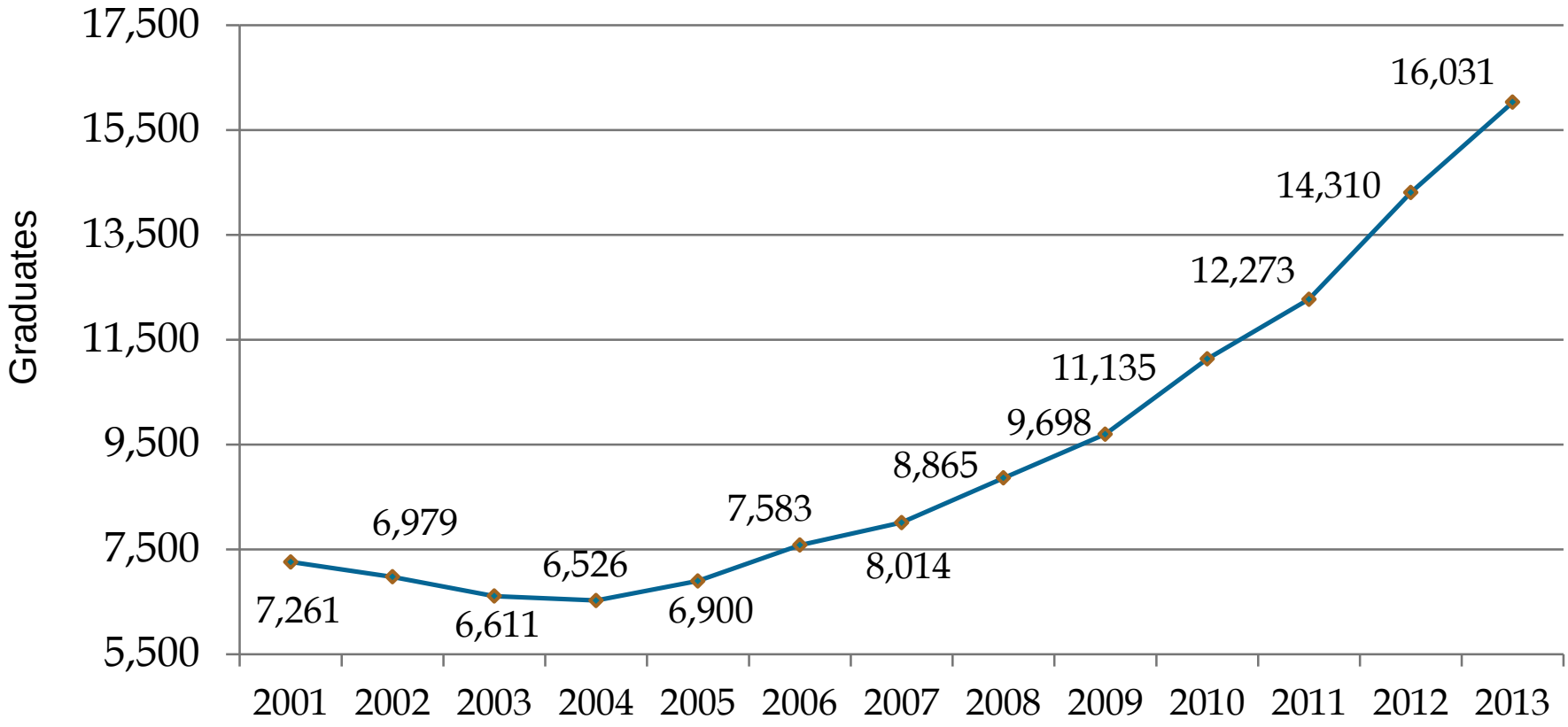
2013 Federal (HRSA) projections for 2020 using updated data and information - shortage of: **6,400** primary care practitioners, less than the shortage in 2010!

The problem is geographic and specialty mal-distribution not a general shortage.

Why a Future General Physician Shortage is Unlikely

- ✓ The changing health delivery system: driven to improve efficiency and effectiveness (ACOs, bundled payments, patient centered medical homes, demonstrations, etc.)
- ✓ The growing supply of physicians (slow, but growing)
- ✓ The rapidly growing supply and expanded use of NPs, PAs, pharmacists, therapists, nurses, assistants, community health workers and others
- ✓ Technology/EHRs/telehealth/ehealth
- ✓ The flexibility and creativity of health providers (supply and demand are not static/independent)

Growth in Nurse Practitioner Graduates
2001 - 2013



Source: American Association of Colleges of Nursing and National Organization of Nurse Practitioner Faculties Annual Surveys

[1]Counts include master's and post-master's NP and NP/CNS graduates, and Baccalaureate-to-DNP graduates.

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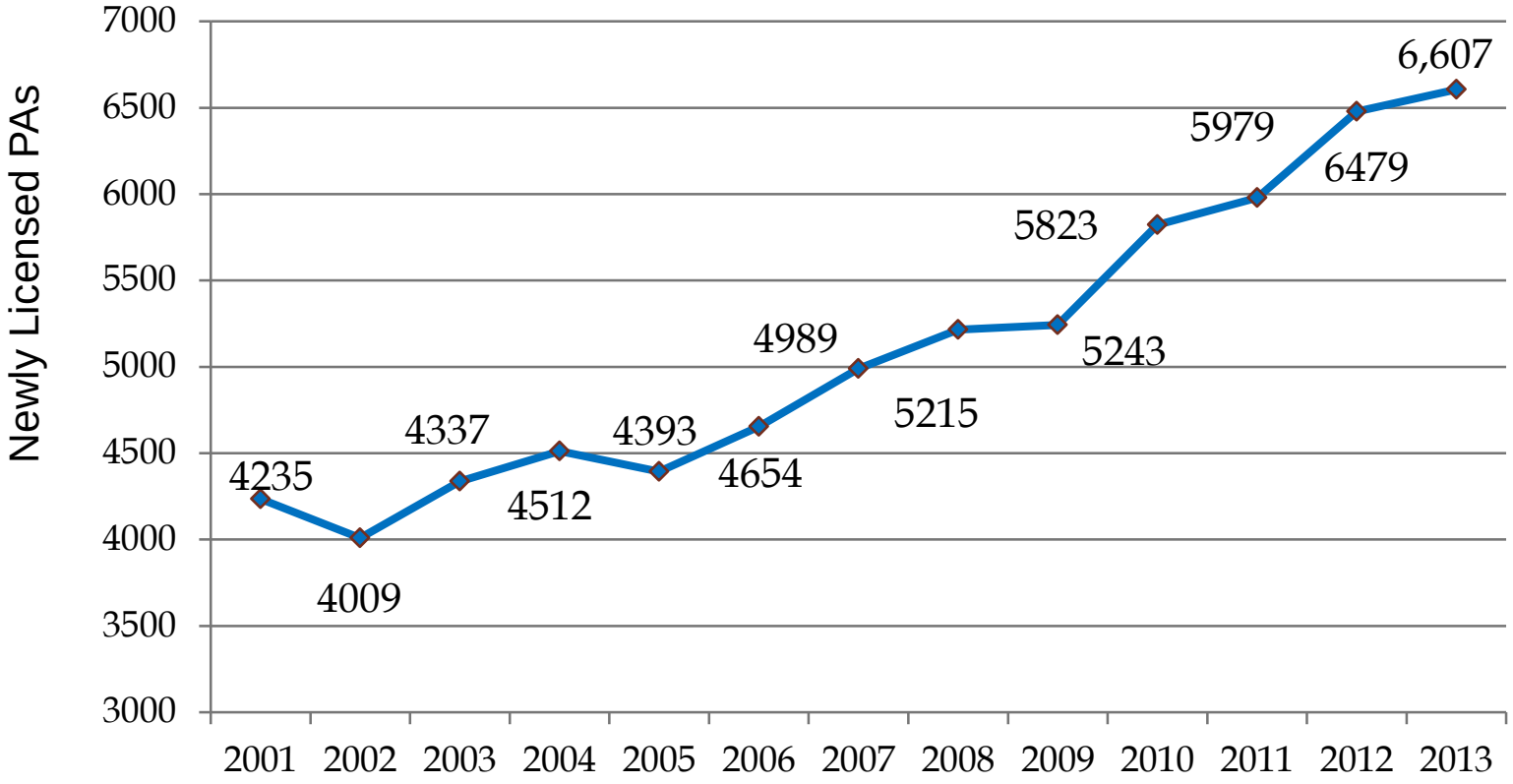
Physician Assistant Growth

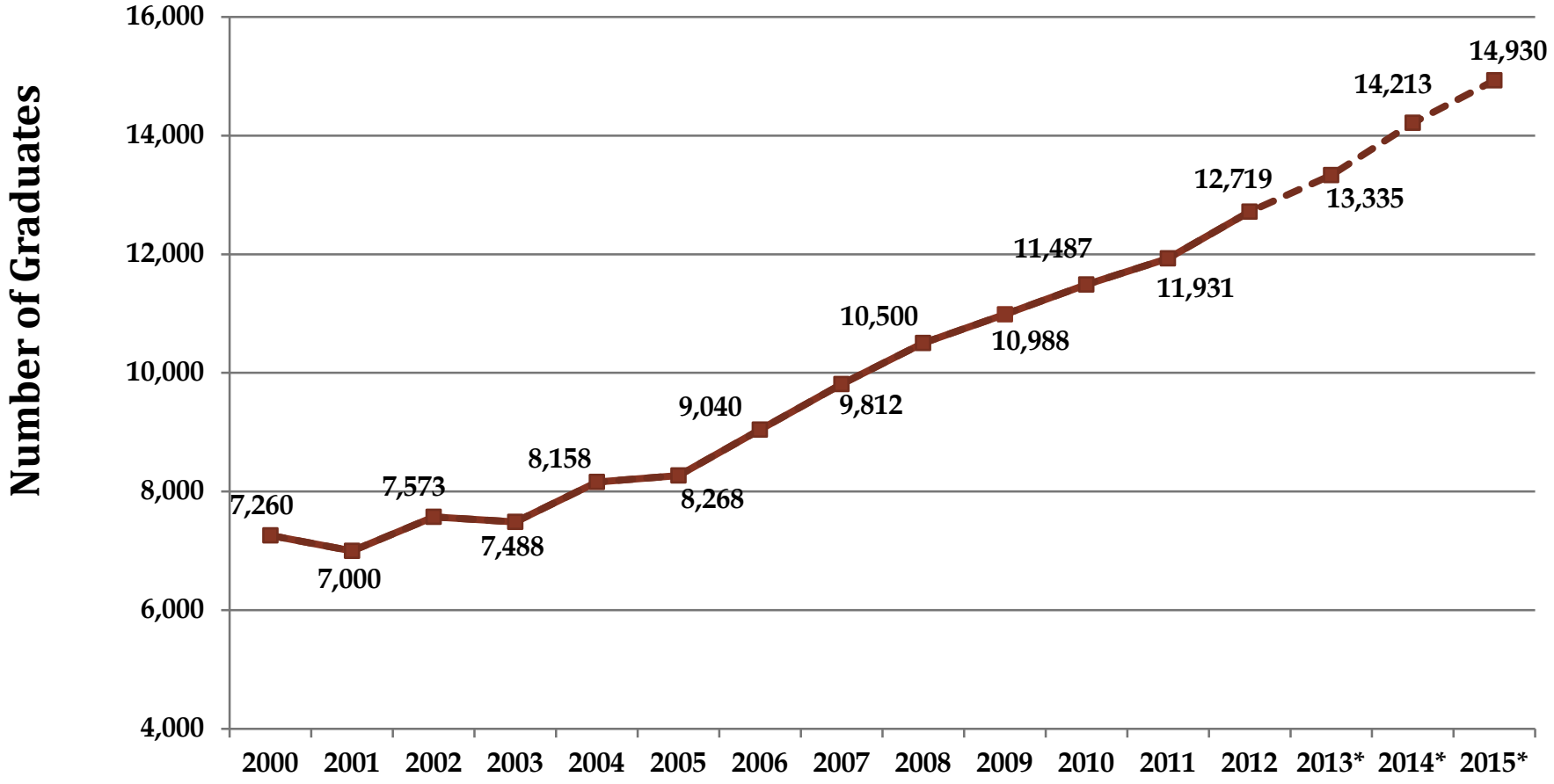
Newly Certified PAs, 2001 - 2013



Source: National Commission on Certification of Physician Assistants “Certified Physician Assistant Population Trends ”; 2013 data from personal communication with NCCPA January 2014

Pharmacy School Graduation Trends

2000 - 2015



* Graduation projection figure based on enrollment data
Data represent first professional degrees including B.S. Pharmacy, B.Pharm., and Pharm.D.1
Source: AACP 2012 Enrollment Data

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Team for Comprehensive Care

Physicians

Nurse practitioners

Physician assistants

Psychologists

Optometrists

Registered Nurses

Pharmacists

Case Managers

Nutritionists/Dieticians

Physical Therapists

Community Health Workers

…And more

Importance of Effectively Using Non-Physician Clinicians in Primary Care

Impact of alternative staffing for PCMHs:

- If no delegation: 1 physician for 983 patients = 315,000 PC physicians; *Then significant shortage!*

- If significant delegation: 1 physician for 1,947 pts = 159,000 PC physicians; *Then significant surplus!*

* *"Estimating a Reasonable Patient Panel Size for Primary Care Physicians with Team Based Delegation*", Altschuler, Margolis, Bodenheimer and Grumbach; Annals of Family Medicine, Sept/Oct 2012

Growing Evidence of Systems Transformation
Health Affairs Workforce Issue, Nov. 2013

- **Primary Care: Proposed Solutions To the Primary Shortage Without Training More Physicians** by Bodenheimer and. Smith
- **Nurse-Managed Health Centers And Patient-Centered Medical Homes Could Mitigate Expected Primary Care Physician Shortage** by Auerbach, et.al.
- **Physician Assistants And Nurse Practitioners Perform Effective Roles on Teams Caring For Medicare Patients With Diabetes** by Everett, et. al.
- **Scope-Of-Practice Laws For Nurse Practitioners Limit Cost Savings That Can Be Achieved In Retail Clinics** by Spetz, et.al.
- **Primary Care Technicians: A Solution To The Primary Care Workforce Gap** by Kellermann,et. al.
- **It Is time to Restructure Health Professions Scope-Of-Practice Regulations To Remove Barriers To Care** by Dower, et.al.

Are we facing a GME Squeeze?

What Does the 2014 Data Show?

- There were:

  22,300 seniors (MD + DO)

  For **30,459 PGY-1 positions** (ACGME, AOA, military)

- There were 1.54 first year positions in NRMP for every US MD senior, a record high
- **6,355 IMGs** were matched through the NRMP;

Of 17,374 US MD seniors in NRMP, 366 **(2%)** didn't Get an ACGME position (includes SOAP)

The GME Squeeze is Limited & There will be Plenty of Slots for US Grads

- Based on current enrollment plans of MD and DO schools, there will be about 28,000 graduates in 2021;
- Assuming a continuation of the 1% annual growth in GME PGY-1 positions since 1997, there would be more than 32,000 PGY-1 positions in 2021;
- Leaving plenty of PGY-1 positions for US MD and DO graduates. Depending on assumptions, there would still be slots for all US MDs and DOs and between 3,600 and 4,500 PGY-1 positions for IMGs in 2021;
- US med students need good counseling; not scare tactics.

Rapidly Increasing GME Slots Will Further Promote the Use of IMGs

- Adding a few thousand PGY1 slots does not guarantee slots for US MDs
- Facilitating more IMGs is contrary to the *WHO Global Code of Practice on the International Recruitment of Health Personnel* which was signed by the US and 182 other countries
- Medicine is an outlier in its dependence on foreign grads 25% vs. 5 – 8 % for most health professions
- The main beneficiary is likely to be for-profit Caribbean schools

Would the IOM Recommendations Worsen Shortages? NO

- IOM approach would provide $1 to $3 billion per year for needed GME expansion and innovation
- Expansion targeted to high need areas and specialties as identified by new GME Policy Council
- Targeted expansion far more likely to meet workforce needs than general increase in GME funding (and more likely to be politically acceptable in tight budget times)
- Targeting will be facilitated by advances in projection modeling (i.e. UNC Shep's Center Forecasting Tool)

Why the Opposition?

What they said*:

- "…the IOM's proposal to *radically overhaul* graduate medical education (GME) and make *major cuts* to patient care would *threaten* the world's best training programs for health professionals and *jeopardize* patients, particularly those who are the most medically vulnerable."
- "…proposed *wholesale dismantling* of our nation's graduate medical education system will have significant negative impact on the future of health care…"
- "By *drastically cutting support to teaching hospitals*, the IOM recommendations *will worsen these projected shortages…" [My italics]*

* AAMC Press Release

Why the Opposition?

What they may have meant:

- The proposal would reprogram IME which provides about $3.5 B per year to hospitals (mostly to do important things but with no accountability or links to performance)
- The report does not call for new dollars for general GME expansion
- The proposal would allow dollars to sponsors who are not hospitals
- The proposal would use a PRA eliminating the great disparities and some hospitals will see a loss in dollars (although many more would see an increase).

Closing Comments

- The current GME financing system is outdated, inequitable, has unintended consequences, and is unsustainable
- The IOM GME committee recommendations provide a rational and reasonable framework for financing GME and meeting future workforce needs
- There is a need for targeted investments in GME to address specific geographic/specialty needs and to support educational innovations
- The IOM recommendations would **not** destroy GME; they would strengthen the "E" in GME
- It is time for constructive dialogue not narrow protectionism; we need all of the key players around the table

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