



**Position Statement  
on  
Graduate Medical Education (GME)  
(Approved by the Board of Directors: August 3, 2013)**

The American Academy of Dermatology Association (AADA) supports an increase in Medicare supported GME positions. Considering the education and training of a physician can take more than a decade, the AADA must be proactive in addressing the physician shortage in this country. An adequate supply of physicians must be achieved both through more efficient health care delivery models and by increasing physician-training positions. No single approach is sufficient; all of the following are necessary to ensure an adequate supply of physicians: Congress must remove the freeze on Medicare supported residency positions that has been in effect since 1997. Because all physicians must complete three or more years of residency training after they receive an M.D. degree, Medicare must continue paying for its share of training costs by supporting at least a 15 percent increase in GME positions, allowing teaching hospitals to prepare another 4,000 physicians a year to meet the needs of 2020 and beyond. At least 50 percent of those GME positions should be allotted to specialty care training, including training in dermatology.

**Background:**

The passage of health care reform, while setting in motion efforts to insure millions of Americans, will increase the need for physicians and exacerbate a physician shortage driven by the rapid expansion of the number of Americans over age 65. Increasing graduate medical education by eliminating the freeze in Medicare's support for training positions is essential to address the projected shortfall.

A physician workforce shortage loomed prior to the passage of the Affordable Care Act (ACA). An analysis of the projected supply and demand for physicians, conducted by the Health Resources and Services Administration in 2008, foretells of a total shortage across the entire workforce. Particularly evident is the deficit projected in non-primary care subspecialties, with a shortage of 35,000 surgeons and 27,000 medical specialists by 2020.

The Association of American Medical Colleges (AAMC) issued a Statement on the Physician Workforce in 2006 that included a recommendation to expand U.S. medical school enrollment by 30 percent over 2002 levels. Medical schools are expected to meet that 30 percent goal by 2016 but residency positions have increased only by 8 percent since 2002, due in part to lack of Medicare funding. The expansion of medical schools is vital to creating a satisfactory supply of physicians, but the inadequate availability of residency positions results in physicians who will be unable to finish their training and enter the physician workforce. In addition, medical residents and fellows are an essential resource as they provide direct patient care in hospitals and clinics while learning under the supervision of a teaching physician and also spend a substantial amount of their time teaching medical students. Formal residency training occurs in a small portion of the nation's hospitals (6 percent), however, these residents provide a disproportionate amount of acute care to the general population as well as to a large number of the medically indigent, elderly and underserved patients.

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The Balanced Budget Act of 1997 capped Medicare-funded GME at 1996 levels for almost all teaching hospitals and continues to limit teaching hospital efforts to expand or create new programs. The Affordable Care Act did not eliminate the cap but allowed for the training of approximately 300 additional physicians a year - far fewer than the 10,000 additional physicians the nation would need to train annually to address the entire physician shortage. Unless Congress increases the 1997 cap on the number of residency positions for which Medicare pays its share of the costs, the number of physicians per capita will continue to decrease. The caps on physician training were imposed at a time when most researchers predicted that the delivery system would rapidly and drastically change under the influence of tightly managed care.

In addressing the U.S. physician workforce shortages, the AADA supports a balanced approach that recognizes the importance of dermatology and all physician specialties in providing comprehensive care for an aging and increasingly diverse U.S. population.

*This Position Statement is provided for educational and informational purposes only. It is intended to offer physicians guiding principles and policies regarding the practice of dermatology. This Position Statement is not intended to establish a legal or medical standard of care. Physicians should use their personal and professional judgment in interpreting these guidelines and applying them to the particular circumstances of their individual practice arrangements.*