The Future of Graduate Medical Education Funding

Kimberly A. Hopely
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Abstract

Osteopathic and allopathic medical schools are expanding class size, opening regional campuses, and establishing new medical schools to address the anticipated physician shortage. The most prominent barrier to a more rapidly paced expansion is the cap on federally-financed graduate medical education (GME) slots and the lack of alternative funding sources to help establish new slots.

Future financing for Graduate Medical Education (GME) is a major challenge as there is substantial pressure to reduce and potentially eliminate Centers for Medicare and Medicaid (CMS) funding for residencies. New residency positions need to be established to meet the need for healthcare, but current funding streams are not likely to be able to expand without involving private stakeholders – hospitals, professional organizations, and health plans.

The potential changing role of federal funding for graduate medical education provides an opportunity for collaboration with state governments, regional medical schools, and local communities to create new, sustainable residencies that meet the changing needs in the state. The American Osteopathic Association (AOA) and Association of American Colleges of Colleges of Osteopathic Medicine (AACOM) have an opportunity to support their constituents in efforts to collaborate regionally with stakeholders to identify innovative funding options and find alternatives to the capitation and possible reduction in current levels of federally-funded GME slots.