



AMERICAN ASSOCIATION OF  
COLLEGES OF OSTEOPATHIC MEDICINE

OFFICE OF THE PRESIDENT

November 12, 2013

The Honorable Max Baucus  
Chairman  
Senate Committee on Finance  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

The Honorable Orrin Hatch  
Ranking Member  
Senate Committee on Finance  
219 Dirksen Senate Office Building  
Washington, D.C. 20510

Dear Chairman Baucus and Ranking Member Hatch:

On behalf of the American Association of Colleges of Osteopathic Medicine (AACOM), which represents the nation's 30 colleges of osteopathic medicine at 40 locations in 28 states, I thank you for the opportunity to submit comments on the sustainable growth rate (SGR) legislative framework. We greatly appreciate the opportunity to share our feedback.

During the discussion of Medicare physician payment reform, AACOM believes it is vital to ensure that there is a sufficient number of physicians to meet the needs of the growing number of Medicare beneficiaries. Therefore, AACOM strongly believes that any effort to reform Medicare physician payment policy should also increase Medicare support for graduate medical education (GME). Ensuring access for Medicare beneficiaries requires long-term and rational physician payment reforms, as well as an adequate supply of physicians to care for an aging nation. **We respectfully urge you to address the current and impending physician workforce shortage and work to ensure provider access to Medicare beneficiaries and all patients by incorporating GME expansion provisions, such as those included in "The Resident Physician Shortage Reduction Act of 2013" (S. 577), as part of any comprehensive reform legislation.**

AACOM believes that GME funding is critical to ensuring the stability and continuity of both the nation's medical residency training programs that produce future physicians and the hospitals that provide care to the nation's citizens. The current number of GME positions funded by the Centers for Medicare & Medicaid Services (CMS) will not be sufficient to accommodate the number of medical school graduates seeking positions or the number of positions needed to offset projected physician workforce shortages. Since osteopathic medical students that train in community-based institutions are more likely to practice in these areas, AACOM continues to support GME programs that expand the participation of community-based institutions. This is particularly important at a time when the number of osteopathic medical school graduates is growing and is expected to continue to grow in response to physician workforce shortages that exist and are projected over the next five to 15 years.

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Currently, more than 23,000 students are enrolled at osteopathic medical schools, and more than 20 percent of new U.S. medical students are training to be osteopathic physicians. By 2019, that number is expected to grow to 25 percent. According to the American Osteopathic Association (AOA), there are nearly 70,000 active osteopathic physicians (DO) practicing in the United States today, including those currently in GME programs (or internships, residencies and fellowships). Of the osteopathic physicians who have completed GME training, 56 percent are practicing in the primary care specialties of family and general practice, pediatrics and adolescent medicine, and general internal medicine. Many current osteopathic medical students will pursue careers in primary care and many will practice in rural and underserved areas; these are the areas that already face shortages of primary care providers. A well-trained physician workforce is essential to ensuring Americans have access to care. This is particularly true of the primary care workforce, where research has shown that access to primary care lowers costs and improves health outcomes. Adequate GME programs are necessary to ensure that the U.S. health care system has a sufficient number of well-trained physicians to provide patients with high quality health care. Such support is critical as we work together to transform the U.S. health care system to one that is patient-centered, team-based, and prevention-focused.

AACOM respectfully urges Congress to seek cost savings necessary to pay for SGR repeal outside of the Medicare program. As you know, Medicare funding provides the principal financial resource for the training of medical residents. Any redirection of funds from Medicare will have a disproportionate impact on medical residents and the nation's hospitals which train them.

**We would also ask for your consideration of extending the Health Resources and Services Administration's Teaching Health Center Graduate Medical Education (THCGME) Program.** This program provides an innovative model that trains primary care residents in the communities where there is an unmet need. Congress should consider pioneering models, such as the THCGME program, for training future physicians needed in the areas and settings where they will ultimately practice. The program's five-year reauthorization expires in fiscal year 2015, but the recruitment of new residents into the programs is being impacted now. Because of funding uncertainty, the completion of training for many current residents and the admission of new residents is in serious jeopardy. Sustainability for programs such as the THCGME program, is critical in addressing physician workforce needs and has the strong potential to increase the number of primary care physicians that serve the communities most in need.

Thank you for the opportunity to submit comments and provide feedback on this important matter, and I look forward to the continued progress of Congress in addressing Medicare physician payment reform to meet the demands of our nation's evolving health care system.

Respectfully,

A handwritten signature in black ink, appearing to read "SC Shannon". The signature is fluid and cursive, with the first letters of the first and last names being capitalized and prominent.

Stephen C. Shannon, D.O., M.P.H.  
President and CEO