

AMERICAN ASSOCIATION OF
NEUROLOGICAL SURGEONS

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CONGRESS OF
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President
ALEX B. VALADKA, MD
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ALAN M. SCARROW, MD
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July 12, 2017

The Honorable Bill Nelson
U. S. Senate
716 Senate Hart Office Building
Washington, DC 20510

The Honorable Dean Heller
U.S. Senate
324 Hart Senate Office Building
Washington, DC 20510

The Honorable Charles Schumer
U.S. Senate
322 Hart Senate Office Building
Washington, D.C. 20510

SUBJECT: S. 1301, Resident Physician Shortage Reduction Act

Dear Senators Nelson, Heller and Schumer,

On behalf of the American Association of Neurological Surgeons and Congress of Neurological Surgeons, we are writing to endorse your legislation, S. 1301, the Resident Physician Shortage Reduction Act.

As you know, the federal government is the largest single funding source for graduate medical education (GME), and these contributions are essential to train the best and brightest physicians in the world. And while each year public funding to support GME tops \$16 billion — \$10 billion from Medicare; \$4 billion from Medicaid; and the rest from contributions through the Department of Defense, Department of Veterans Affairs, Health Resources and Services Administration, and the National Institutes of Health — the nation is facing an acute shortage of physicians due to an aging population and the expansion of health insurance coverage through the Affordable Care Act (ACA). New research from the Association of American Medical Colleges (AAMC) continues to point to a severe shortage of more than 100,000 physicians by 2030 — with a shortfall of up to 43,100 in primary care and 61,800 in specialty care (including surgeons). The supply of surgeons, in particular, is projected to have little growth by 2030, but projected demand is expected to increase, resulting in a shortage of between 19,800 and 29,000 surgeons by 2030. And while medical schools in the U.S. have increased their enrollments, and additional medical and osteopathic schools have been established, the number of Medicare-funded resident positions has been capped by law at 1996 levels.

An appropriate supply of well-educated and trained physicians — both in specialty and primary care — is essential to ensure access to quality health care services for all Americans. Unfortunately, current GME payments do not cover the real expenses that academic medical center departments incur to train residents, straining our ability support more residents to fill the physician workforce gaps. It costs approximately \$1.2 million to train a neurosurgical resident. Contributions from government and other payers fall well short of covering this expense. Academic medical centers have generally been able to support the expansion of residency programs out of departmental operational funds since the institution of the GME financing caps in 1997. However, this is increasingly no longer possible, as payments to hospitals dwindle and fewer dollars are available for such cross-subsidization.

The AANS and CNS, therefore, applaud your efforts to address the serious problem. Your bill will improve the nation's GME system and help to preserve access to specialty care by:

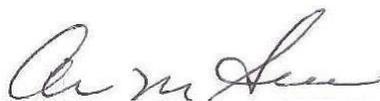
- Increasing the number of Medicare-supported GME residency slots by 15,000 over the next five years;
- Directing one-half of the newly available positions to training in shortage specialties;
- Specifying priorities for distributing the new slots (e.g., states with new medical schools); and
- Studying strategies to increase the diversity of the health professional workforce.

Thank you for leadership on this critical issue. We look forward to working with you to move this legislation forward. In the meantime, if you have any questions or need additional information, please do not hesitate to contact us.

Sincerely,



Alex B. Valadka, MD, President
American Association of Neurological Surgeons



Alan M. Scarrow, MD, President
Congress of Neurological Surgeons

cc: Members, Senate Finance Committee

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