TEACHING HEALTH CENTERS

RECOMMENDATION

Congress should reauthorize the innovative Teaching Health Center Graduate Medical Education (THCGME) program before the program expires on September 30, 2017. Legislators should also provide sufficient funding to ensure an adequate per resident annual payment to improve program sustainability. The per-resident payment should cover direct expenses associated with sponsoring an approved graduate medical residency program. The payment should also cover indirect expenses associated with the additional costs related to teaching residents in such programs.

Background

The THCGME program, currently administered by the Health Resources and Services Administration (HRSA), provides funding to increase the number of primary care medical and dental residents training in community-based settings across the country. Since most health care in the U.S. takes place in the outpatient setting, the fundamental goal of the THCGME program is to increase access to well-trained primary care clinicians, particularly in ambulatory settings.

In the current 2016-17 academic year, there are approximately 740 residents being trained in 59 HRSA-supported teaching health center (THC) residencies in 27 states and the District of Columbia. THCs may be located in a federally qualified health center, community mental health center, rural health clinic, a health center operated by the Indian Health Service, an Indian tribe or tribal organization, an urban Indian organization, or other outpatient clinic which operates a primary care residency program. Congress extended the funding for THCs as part of the *Medicare Access and CHIP Reauthorization Act* (MACRA) by providing $60 million for direct and indirect graduate medical education (GME) payments to THCs for fiscal years 2016 and 2017.

Benefits of THCs

This program directly addresses three major concerns regarding physician production: the serious shortage of primary care physicians in general, their geographic maldistribution, and the growing need for physicians who serve underserved populations. In addition its accountability requirements serve as a model for other GME programs.

Residents trained in THCs are well prepared for primary care practice in community settings, and data [http://www.stfm.org/fmhub/fm2009/June/Warren405.pdf] show that training in underserved communities increases the likelihood that these residents will choose to practice in similar settings upon graduation. THC graduates are more likely [http://www.aafp.org/afp/2015/1115/p868.html] to work in safety net clinics than residents who did not train in these community-based centers. In addition, research demonstrates [http://www.aafp.org/afp/2013/1115/p704.html] that most family physicians ultimately practice within 100 miles of their residency program, so the THC's decentralized training model serves to help remedy the uneven distribution of physicians. Clearly, the program has been successful in increasing access for people who are geographically isolated and economically or medically vulnerable

Additionally, THCGME residency programs meet strict accountability requirements in which every federal dollar is used exclusively for primary care training.

Need for Sustainable Funding
Under the current law, THCGME residency programs have had to subsist at a much reduced per-resident payment – from the previous $150,000 to the current $116,000. The per-resident payment is expected to cover the costs of the salaries and benefits of residents, faculty and support staff, curriculum development, medical liability and the facility. As a result of the reduced per-resident payment, many THCs are in financial difficulty. Their options in the face of reduced funding include plundering institutional reserve accounts, reducing the number of trainees they recruit, and potentially disengaging from the program. All of these options are destructive to this exceptional program.

George Washington University published a report in the *New England Journal of Medicine* examining the costs associated with managing a THC program entitled The Cost of Residency Training in Teaching Health Centers [http://www.nejm.org/doi/pdf/10.1056/NEJMp1607866] on August 18, 2016. It showed the average cost per resident to be $157,000, well over the current $116,000, and just slightly higher than the programs' initial funding level.

This is an important and productive program, and it should be adequately funded. In 2014, a report [https://www.nap.edu/read/18754/chapter/1] of the Institute of Medicine (now National Academy of Medicine) noted that the long term prospects of the program are uncertain without some assurance of future funding.