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November 27, 2023

The Honorable Xavier Becerra
United States Secretary
Department of Health and Human Services
200 Independence Ave SW
Washington, DC 20201

The Honorable Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
Department of Health and Human Services
7500 Security Boulevard
Baltimore, MD 21244

RE: Allocation of Graduate Medical Education Positions as Enacted by the Consolidated Appropriations Act, 2023

Dear Secretary Becerra and Administrator Brooks-LaSure:

On behalf of the Council of Academic Family Medicine (CAFM), including the Society of Teachers of Family Medicine, Association of Departments of Family Medicine, Association of Family Medicine Residency Directors, and the North American Primary Care Research Group, as well as the American Academy of Family Physicians (AAFP), we write to provide recommendations for the forthcoming distribution of graduate medical education (GME) slots that were allocated by Congress in the Consolidated Appropriations Act (CAA), 2023.

In Section 4122, *Additional Residency Positions*, of the 2023 CAA, Congress allocated 200 new Medicare GME slots to support training beginning in 2026, with 100 of those slots reserved specifically for psychiatry residences. While the 2023 CAA does not provide additional guidance for the 100 remaining slots, it does utilize the same eligibility criteria for a hospital to apply for new slots as was enacted in the 2021 CAA. As CMS considers future rulemaking to outline the methodology for distributing the new slots – particularly the 100 slots not allocated to psychiatry – our organizations urge the agency to apply a similar methodology to that finalized for the GME slots enacted by Section 126 of the 2021 CAA. We strongly believe that the equity-focused methodology CMS applied for the previous slots will help mitigate health access disparities and more effectively address physician shortages.

Evidence indicates that physicians typically practice within 100 miles of their residency program, meaning that the current distribution of trainees in large academic hospitals leads to physician shortages in medically underserved and rural areas.[i] Compounded by this misalignment of resources, family medicine is also facing a particularly critical workforce shortage.[ii] Research shows that increasing the number of primary care physicians practicing in underserved areas – thereby increasing patient access – is associated with lower patient mortality and improved health outcomes.[iii] As the largest funder of graduate medical education, Medicare plays a significant role in addressing physician maldistribution and disparate access to care across the nation. **Our organizations strongly support CMS using its available authority to more effectively address physician shortages and maldistribution by prioritizing training programs in underserved areas during the distribution of newly allocated slots. We firmly believe directing Medicare GME resources to underserved areas is an essential strategy for advancing health equity**.

Specifically, CAFM and the AAFP supported the policies CMS finalized for the distribution of the slots allocated in the 2021 CAA. **We encourage CMS to continue applying the following policies in future GME distributions, including distributions related to the CAA, 2023**:

- require hospitals that serve areas designated as HPSAs to have at least 50 percent of residents' training time occur at training locations within a geographic HPSA, in order to be qualified to apply for new GME slots;
- prioritize applications from qualifying hospitals for residency programs that serve underserved populations in geographic HPSAs or population HPSAs based on their HPSA score;
- align hospital GME awards with program lengths, so that a hospital applying to train residents in a three-year program can request up to three full-time-equivalent (FTE) residents per fiscal year; and
- prioritize smaller hospitals as a tiebreaker when considering applications with equal HPSA scores.

The AAFP and CAFM understand that Section 4122, Subsection (B)(iii) of the 2023 CAA, "Pro Rata Application", may prevent CMS from being able to align hospital GME awards with program lengths as recommended above. **If so, our organizations strongly recommend CMS award a minimum of 1.0 FTE to qualifying hospitals and not award fractional positions to programs**. We believe anything less than 1.0 FTE funding would harm family medicine residencies – particularly small programs – as it would deter many programs from being able to expand. While fractional FTE awards may be workable in large academic institutions where there are multiple funding options available, it would be a barrier for small residencies that do not have similarly deep resources. **We urge CMS to support the sustainability of small programs by distributing a minimum of 1.0 FTE to qualifying residency programs**.

Thank you for your consideration of our recommendations. We look forward to continued partnership with CMS to address the primary care physician shortage and strengthen the Medicare GME program. Should you have any questions, please contact Meredith Yinger, the AAFP's Senior Manager of Federal Policy at myinger@aafp.org and Nina DeJonghe, CAFM Director, Government Relations at ndejonghe@stfm.org.

Sincerely,

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[i] Am Fam Physician. 2013 Nov 15;88(10):704. "Migration after family medicine residency: 56% of graduates practice within 100 miles of training" E Blake Fagan, Sean C Finnegan, Andrew W Bazemore, Claire B Gibbons, Stephen M Petterson

[ii] Association of American Medical Colleges. The complexities of physician supply and demand: projections from 2019 to 2034. AAMC website. https://www.aamc.org/data-reports/workforce/data/complexities-physician-supply-and-demand-projections-2019-2034. Published June 2021. Accessed June 29, 2023.

[iii] Annals of Internal Medicine. Estimated Effect on Life Expectancy of Alleviating Primary Care Shortages in the United States. https://www.acpjournals.org/doi/10.7326/M20-7381. Published March 23, 2021. Accessed Nov. 3, 2023.