

September 16, 2010

Mr. Jeffrey Zients
Acting Director
Office of Management and Budget
725 17th Street, NW
Washington, DC 20503

Dear Mr. Zients:

On behalf of the five organizations representing family medicine, we are writing to express our appreciation for the recent fiscal year 2011 budget amendment which proposed an additional \$250 million for Health Professions programs to address the expected demand for primary care providers. We commend the President for making a strong health care workforce a key component of his agenda. As you prepare the Administration's fiscal year 2012 budget, we want to highlight for inclusion a number of key programs authorized by the *Affordable Care Act* (PL 111-148).

Successful implementation of health reform will require a continuing investment to strengthen our nation's primary care workforce. The current national primary care physician workforce of just over 200,000 is estimated to be 8,000-10,000 fewer than will be needed to meet the projected demand by the people newly insured under the *Affordable Care Act* based on adjusted patterns of average population utilization, according to the Robert Graham Center for Policy Studies in Family Medicine and Primary Care. However, this shortage estimate is predicated on equitable distribution. The GAO, COGME and MedPAC agree that distribution is not equitable so the relative need for more primary care physicians is likely to be much higher without targeted incentives for new physicians to locate in rural and underserved communities with measurable social deprivation.

In the coming years, the utilization of medical services is likely to rise given the increasing and aging population as well as the increased number of insured individuals. Those demographic trends will produce worse shortages of primary care physicians. By 2025, the current trend in the production of primary care physicians is expected to yield a workforce 28.5 percent below need based on current practice models or 50 percent below the level needed to provide all Americans with a patient-centered medical home, an enhanced model of practice providing quality, comprehensive primary care.

The *Affordable Care Act* (ACA) includes a number of provisions to increase the primary care workforce. It amends and expands many of the existing health workforce programs authorized under Title VII of the Public Health Service Act and makes a number of changes to Medicare graduate medical education (GME) payments to teaching hospitals, in part to encourage the training of more primary care physicians. The new law also establishes a national commission to study projected health workforce needs and make appropriate recommendations. Increasing the level of federal funding for primary care training would reinvigorate medical education and residency programs to prepare physicians to support the patient-centered medical home.



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➤ Primary Care Training PHSA Title VII Sec. 747 – \$170 million

We recommend that the President propose \$170 million to fund the Title VII Section 747 of the Public Health Service Act, Primary Care Training and Enhancement and the Integrative Academic Administrative Units Grants, which support family medicine training and are administered by the Health Resources and Services Administration (HRSA). Data show that medical schools and primary care residency programs funded by Title VII Section 747 disproportionately serve as the medical education pipeline for physicians who go on to work in Community Health Centers and participate in the National Health Service Corps to treat underserved populations.

➤ Primary Care Extension PHSA 399V-1 – \$120 million

The new Primary Care Extension Program to be administered by the Agency for Healthcare Research and Quality will provide support and assistance to primary care providers about evidence-based therapies and techniques. This program will link primary care physicians to facilitate the adoption of best practices. Funding this program will help improve the health of the nation in areas such as chronic disease management, coordination of care, and other common issues that primary care physicians face daily. We recommend that the FY 2012 budget include the authorized level of \$120 million to establish a robust Primary Care Extension Program.

➤ Teaching Health Centers Development Grants PHSA Title VII Sec. 749A – \$50 million

The innovative Teaching Health Centers authorized by Title VII Section 749A of the Public Health Service Act to increase primary care physician training capacity will train primary care residents in non-hospital settings where most primary care is delivered. We were pleased that the *Affordable Care Act* authorized a mandatory appropriations trust fund of \$230 million to be administered by HRSA over five years to fund the operations of Teaching Health Centers. However, if this program is to be effective, there must be funds for the planning grants to establish newly accredited or expanded primary care residency programs. We recommend the inclusion of \$50 million in the President's FY 2012 budget for the new Title VII Section 749A development grants of \$50 million.

➤ Rural Physicians Training Grants PHSA Title VII Sec. 749B – \$5.1 million

Physician shortages are harder for Americans in rural areas who face more barriers to care than those in urban and suburban areas. Despite efforts to meet scarcities in rural areas, the shortage of primary care physicians continues. The newly-authorized Title VII Section 749B Rural Physician Training Grants are intended to help medical schools to recruit students most likely to practice medicine in underserved rural communities, provide rural-focused training and experience, and increase the number of recent medical school graduates who practice in underserved rural communities. We recommend that the FY 2012 budget for HRSA include the Senate Appropriations Committee-passed level of \$5.1 million for Rural Physician Training Grants.

➤ National Health Service Corps PHSA Sec. 338H – \$535 million

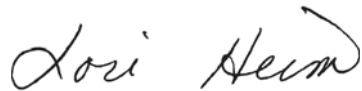
Student debt was found to be a significant barrier to the production of primary care physicians by a report published in March 2009, by the Robert Graham Center. There is evidence to suggest that it is a barrier to students from low and middle income families who are more likely

to go into primary care. We support the work of the National Health Services Corps (NHSC) toward the goal of full funding for the training of the health workforce and zero disparities in health care. We recommend that the President's FY 2012 budget propose fully funding the National Health Service Corps under HRSA at \$535 million.

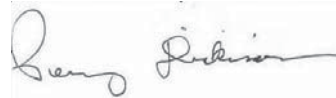
The *Affordable Care Act* also addressed the need for improved health care workforce data and authorized the National Health Care Workforce Commission, the National Center for Health Care Workforce Analysis and the related State and Regional Centers to collect and analyze the data on the need for health care workers. The new law authorizes such sums as necessary to establish the Commission, and the Senate FY 2011 HHS Appropriations bill (S 3686) proposed \$3 million for the new Commission. The ACA authorized the National Center at \$7.5 million annually and the State and Regional Centers at \$4.5 million annually as well as such sums as necessary for planning grants and implementation grants.

We hope that the Administration will support our recommendations for the FY 2012 budget now being developed. Each of these programs will contribute to meeting the promise of health reform.

Sincerely,



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President



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