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June 6, 2018

The Honorable Bill Nelson
United States Senate
716 Senate Hart Office Building
Washington, DC 20510

Dear Senator Nelson:

On behalf of the physician and medical student members of the American Medical Association (AMA), I am pleased to offer our support for S. 1291, the “Advancing Medical Resident Training in Community Hospitals Act of 2017,” which would close a loophole in graduate medical education (GME) cap-setting criteria affecting hospitals who host small numbers of residents for temporary training assignments, also known as “resident rotators.”

The Balanced Budget Act of 1997 imposed restrictions on Medicare funding for fellows and residents at existing and future residency training sites. Once established, new programs are subject to a cap-setting process to determine institutional limits on the per-resident funding amount, as well as the total number of positions funded. Though intended to affect new residency training programs, this process can be triggered when a hospital accepts small numbers of trainees for temporary rotations. This practice is especially commonplace in rural areas. As a result, these hospitals are restricted to extremely small or even fractional numbers of residents, foreclosing their ability to open full-fledged training programs in the future. S. 1291 addresses this issue by ensuring the cap-setting process is not inadvertently triggered in this manner, and provides relief for hospitals previously capped at low levels.

Teaching hospitals are a crucial bulwark in the nation’s health care delivery system, providing roughly 40 percent of all charity care in the United States – worth more than \$8.4 billion. Moreover, residents tend to settle and practice where they train, underscoring the importance of establishing training programs in rural areas with significant unmet medical needs. By closing this loophole in the GME cap-setting process, Congress will ensure rural and underserved areas are not inadvertently prevented from establishing new residency training sites, support the ability of medical residents to gain clinical experience in diverse venues over the course of their training, and strengthen America’s physician workforce in the face of looming provider shortages.

The AMA applauds your efforts in this important area and looks forward to helping you advance this bipartisan legislation.

Sincerely,

A handwritten signature in black ink that reads "James L. Madara". The signature is written in a cursive, flowing style.

James L. Madara, MD