



**JAMES L. MADARA, MD**  
EXECUTIVE VICE PRESIDENT, CEO

ama-assn.org  
t (312) 464-5000

October 9, 2019

The Honorable Seema Verma  
Administrator  
Centers for Medicare & Medicaid Services  
U.S. Department of Health and Human Services  
200 Independence Avenue, SW  
Washington, DC 20201

Re: Exceptions to Medicare Graduate Medical Education (GME) Cap-Setting Deadlines

Dear Administrator Verma:

On behalf of our physician and medical student members, the American Medical Association (AMA) is writing to urge the Centers for Medicare & Medicaid Services (CMS) to adopt the concept of “Cap-Flexibility,” which would allow new and current Graduate Medical Education (GME) teaching institutions to extend their cap-building window for up to an additional five years beyond the current window (for a total of up to ten years), giving priority to new residency programs in underserved areas and/or economically depressed areas.

Despite successful efforts of existing and new U.S. medical schools to increase enrollment, residency training positions at teaching hospitals have not grown at the same pace, limited by the cap on Medicare support for GME imposed by the Balanced Budget Act of 1997. Hence, while demand for health care services continues to grow, there will not be commensurate growth in the supply of physicians, leading to shortages. Currently, new teaching hospitals have five years to establish their residency programs before the institution’s Medicare GME funding-cap is set. Given the physician workforce shortage, five years may not be enough time to recruit top talent and scale these programs, particularly for hospitals in underserved and economically-depressed areas. We believe that CMS can leverage its existing authority to adopt cap-flexibility so that the U.S. is able to supply a sufficient number of primary care and specialist physicians to meet the needs of those located in medically underserved and/or economically depressed areas.

If you have any questions please contact Margaret Garikes, Vice President of Federal Affairs, at [margaret.garikes@ama-assn.org](mailto:margaret.garikes@ama-assn.org) or 202-789-7409.

Sincerely,

A handwritten signature in black ink that reads "James L. Madara". The signature is fluid and cursive, with the first name "James" being particularly prominent.

James L. Madara, MD