

Graduate Medical Education – 2023 Legislative Brief

Duke supports maintaining the current state appropriations to graduate medical education and is opposed to any changes to the funding of the existing program that would lead to any decrease or elimination of payments that support Duke's mission to train medical residents. Duke supports measures to address the state's current provider shortage through maintaining current medical education programs and expanding access to additional GME funds in more areas of the state.

Context & Insights

Access to primary care is associated with fewer health care disparities and better health outcomes across socioeconomic circumstances. One in five North Carolinians lives in a rural community, and while rural and urban residents have similar health care needs, many rural communities experience shortages of key health professionals.

Addressing the long-recognized physician shortage in rural North Carolina will take a multi-pronged approach that will require cooperation between state and local government agencies, the federal government, and the teaching hospitals responsible for training our doctors of tomorrow. The addition of new nurse practitioner and physician assistant programs in the state are promising developments to address shortages. The NC Department of Health and Human Services (NCDHHS) has also developed a plan for a substantial expansion of rural residencies in needed specialties like behavioral health and included an emphasis on creating the workforce for Medicaid in the 1115 Medicaid reform waiver.

North Carolina's teaching hospitals continue to rise to the challenge and respond to the physician shortage by creating new — and expanding existing— medical education programs in cooperation with North Carolina's educational institutions. However, training tomorrow's doctors is a significant expense for public and private teaching hospitals. These programs will be jeopardized if Medicare and Medicaid discontinue programs that recognize the additional costs incurred by these hospitals to ensure future access to physicians.

Key Issues

North Carolina has a considerable physician shortage that has reached crisis proportions in our rural areas.

- All 100 counties have been designated as health professional shortage areas due to their lack of primary care, dental health, and behavioral health services.
- Many North Carolina counties — particularly those in rural areas — fall well below the state average of roughly nine primary care providers per 10,000 population.
- As of 2021, over a quarter of our counties have no licensed psychologists working in the community, while nearly 85 counties have a shortage of access to licensed mental health professionals.
- North Carolina is ranked as the 6th for predicted physician shortages by 2030.

By easing the financial burden of training tomorrow's doctors, our teaching institutions can increase residency openings and potentially increase the number of doctors who stay and practice in North Carolina.

- Direct graduate medical education costs total approximately \$603 million for North Carolina's hospitals. Even with reimbursements from Medicare, Medicaid, and Area Health Education Centers (AHEC), our teaching hospitals still must fund \$150 million in order to support over 3,300 medical residencies in our state.
- The Association of American Medical Colleges projects that physician demand throughout the United States will grow faster than supply, leading to a projected total physician shortfall of between 42,600 and 121,300 physicians

by 2030. These estimates reflect updates to demand inputs and larger estimates for the starting year shortfall based on upwardly revised health professional shortage areas (HPSA) designations for primary care and mental health.

- As part of the “Principles for Rural-Focused GME Expansion” proposal, NC hospitals recommend that NCDHHS utilize CMS-supported Medicare cost-finding principles to more transparently determine the Medicaid portion of the cost of the teaching programs and make direct payments to hospitals supporting such teaching programs.

North Carolina must incentivize medical school graduates to remain in our state so that they (and their families) can contribute to our local economies.

- Physicians who train in North Carolina are more likely to stay in North Carolina. Forty-two percent of doctors who received their graduate medical education in North Carolina, and 67 percent of doctors who did both undergraduate and graduate medical education, continued to work in our state.

North Carolina’s hospitals and health systems support the NC DHHS long-term strategy of funding loan repayment programs as an incentive to keep physicians in rural and under-served communities.

- NC hospitals support additional recruitment incentive programs that have been successful in other states, including Rural Primary Care Residencies.