

CMS Receives Torrent of Comments on Proposed GME Reimbursement Rules

Insights

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[Proposed rules](#) currently under consideration by the Centers for Medicare & Medicaid Services (CMS) have the potential to significantly impact the future of teaching hospitals and the training programs that yield tomorrow's doctors through Graduate Medical Education (GME) reimbursement. These proposed changes relate to three new laws enacted by Congress as part of the Consolidated Appropriations Act of 2021 (CAA):

Sec. 126, which allocates a thousand new residency slots over the next five years to teaching hospitals;

Sec. 127, which dictates changes to the rural training track (RTT) rules that will increase flexibility for rural and urban hospitals to partner and will expand RTT programs in specialties other than family medicine; and

Sec. 131, which specifies circumstances in which hospitals may reset their very low per resident amount (PRA) and/or full-time equivalent (FTE) caps.

These laws, when implemented by CMS, will encourage teaching hospitals to develop new training opportunities, which, in turn, will help to grow the physician workforce.

CMS is contemplating the implementation of these three laws through its Inpatient Prospective Payment System (IPPS) rulemaking. However, citing the hundreds of [public comments](#) it received on this crucial subject, CMS did not finalize its CAA-related GME reimbursement proposals when it [issued](#) its Fiscal Year 2022 IPPS Final Rule on August 2nd. CMS instead indicated that it would address the proposed changes to GME reimbursement in a separate document, without stating when. Because important deadlines related to Sec. 126 and Sec. 131 are fast approaching, we expect CMS to finalize its proposals in the coming weeks.

CMS's implementation of these laws will have a meaningful impact on the development of new training programs and will serve an important role in combating future physician workforce shortages. The Association of American Medical Colleges used data on retirement intentions from its [2019 National Sample Survey of Physicians](#) (NSSP) to predict a physician shortage of 54,100-139,000 by 2033. "More than two of five currently active physicians will be 65 or older within the next decade," according to an AAMC report entitled "[The Complexities of Physician Supply and Demand: Projections From 2018 to 2033](#)," and a general population that is both growing and aging means increased demand concurrent with this projected drop in supply.

With a significant percentage of doctors expected to retire in the coming decade and demand for medical services projected to rise, it is important now to address issues within the Medicare and Medicaid systems which may present obstacles to the growth of teaching hospitals and other training sites. Through regulatory changes such as those currently under consideration by CMS, the government can collaborate with providers to foster a system well equipped to serve America's patients now and in the future.

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