

Congress of the United States
Washington, DC 20515

April 7, 2020

The Honorable Nancy Pelosi
Speaker
U.S. House of Representatives
Washington, DC 20515

The Honorable Richard Neal
Chairman, Ways and Means Committee
U.S. House of Representatives
Washington, DC 20515

Dear Speaker Pelosi and Chairman Neal,

We write to you regarding the Graduate Medical Education (GME) program and to provide a potential solution to health care workforce issues faced by our nation's hospitals during the COVID-19 pandemic. As you formulate the next COVID-19 legislative package, we urge you to consider updates to the arbitrary caps placed on the GME program.

As you know, GME payments consist of DGME (Direct Graduate Medical Education), which pays a portion of direct teaching and resident costs, and IME (Indirect Medical Education), which is an add-on to Medicare inpatient payments to help support teaching residents. Under current rules, if a non-teaching hospital provides clinical rotations for medical residents from another facility's residency program for short periods of time, it risks establishing a very low permanent cap on the number of medical resident "slots" Medicare will fund at the non-teaching hospital in the future.

The Balanced Budget Act of 1997 established limits on the number of allopathic and osteopathic residents that hospitals can count for purposes of calculating DGME payments. The DGME and IME caps were established based on the number of un-weighted resident FTEs (full-time equivalents) training in the hospital during the Medicare cost reporting period ending December 31, 1996. Thus, for most hospitals, the caps were set at the number of resident FTEs reported in that period's cost report.

This arbitrary cap has made it difficult for a handful of hospitals across the country to train new physicians and grow their health care workforce. Currently, if a hospital wishes to begin a resident training program, having had a small number of rotating residents more than two decades ago may preclude them from a GME program today.

Because of the ongoing COVID-19 pandemic, our hospitals need every available resource to ensure workforce needs are met. We urge you to include a fix to the GME program that allows any hospital that had a stagnant number of GME slots or a reduction in slots that remained the same between October 1997 and the date of enactment the legislation to establish new GME caps. This would help alleviate the staffing burden that has plagued so many hospitals across the country, and especially in Northern New Jersey, which has been hit particularly hard by the COVID-19 pandemic.

We appreciate your attention to this matter and look forward to working with you on the next COVID-19 response package.

Sincerely,

A handwritten signature in blue ink, appearing to read "J. Gottheimer".

Josh Gottheimer
MEMBER OF CONGRESS

A handwritten signature in blue ink, appearing to read "Bill Pascrell Jr".

Bill Pascrell, Jr.
MEMBER OF CONGRESS