

# COUNCIL OF ACADEMIC FAMILY MEDICINE

Association of Departments of Family Medicine  
Association of Family Medicine Residency Directors  
North American Primary Care Research Group  
Society of Teachers of Family Medicine



## Teaching Health Center Graduate Medical Education (THCGME): A Call for Permanence

### Recommendation:

- Provide ongoing stable and sustainable funding for the THCGME program through the Medicare Graduate Medical Education (GME) Program, while maintaining the eligibility and authorizing structure of the current program.

The THCGME program is a proven success, growing from supporting 63 resident positions in the first year, to more than 700 in the 2017-2018 academic year. The program, currently administered by the Health Resources and Services Administration (HRSA), provides funding to increase the number of primary care medical and dental residents training in community-based settings across the country. Teaching Health Centers (THCs) are community-based primary care training programs committed to preparing physicians to meet the community's health needs. By moving training into the community, THCs are on the leading edge of innovative educational programming dedicated to ensuring a sufficient supply and distribution of primary care physicians. Programs receiving this support are training residents in the specialties that are most in shortage nationally: family medicine, general internal medicine, pediatrics, geriatrics, obstetrics / gynecology, psychiatry, and dentistry. The size of THCGME remains modest (representing in FY17 less than 0.5 percent of the annual federal outlay committed to training physicians.) Yet the return on investment is impressive. Data show that when compared to traditional postgraduate trainees, residents who train at THCs are more likely to practice primary care (82 percent vs. 23 percent) and remain in underserved communities (55 percent vs. 26 percent).

### Funding Inadequacy and Instability:

THCGME funding is unstable in its current form. Established in 2010, by the *Affordable Care Act (ACA)*, funding for the first five years of the program equated to a per resident amount of \$150,000. Reauthorization under the *Medicare Access and CHIP Reauthorization Act (MACRA)* for FY16 and 17 included funding that resulted in much lower Per Resident Amount (PRAs) (varying from \$95,000 to \$116,000 with some borrowed funds from the Prevention and Public Health Fund).

We are grateful that Congress has reauthorized the program with higher funding levels as part of the Bipartisan Balanced Budget Act of 2018 (BBA.) But this has been a difficult year for the centers due to the delay in passage of the reauthorization. For the first half of the current fiscal year the THCGME program was operating at a funding level of \$15 million for each of the first two quarters, with programs receiving funding at a new, extremely low PRA of approximately \$77,000. This is in comparison to a HRSA study that shows the median cost of THC programs to be \$157,000.

The inadequate funding has led to decreased recruitment of residents in prior years and this year has resulted in the abrupt closing of one program – in mid-academic year – and the dislocation of approximately 25 residents. In addition, program viability and the ability to retain and recruit physicians is in jeopardy right now, for the upcoming academic year (beginning July 1, 2018) as programs in January had to put the numbers they would recruit for in the upcoming Match.

To address these concerns over instability and lack of sustainability Congress should authorize a permanent funding stream under Medicare GME for the innovative THCGME program with an annual per-resident payment to cover direct and indirect expenses associated with sponsoring an approved graduate medical residency program.

### **Funding History:**

- **ACA** - authorized the program at \$230M/five years. This equated to an annual PRA of \$150,000 through FY 2015.
- **MACRA** - reauthorized the program at \$60 million per year for FY2016 and FY2017. This resulted in a much-reduced PRA, which was raised somewhat over the course of the two years by programs reducing the number of residents recruited and the ability of HRSA to borrowed funds from the Prevention and Public Health Trust Fund. This resulted in an increase in PRA up to approximately \$116,000.
- **Extension** - The program operated under an extension of funding for the first two quarters of FY2018
- **Reauthorization** – A two year reauthorization was included as part of the Balanced Budget Act of 2018. It increases program funding from \$60 million to \$126.5 M, per year. This level is enough to increase the PRA to approximately \$150,000 (after HRSA takes its administrative fees off the top) consistent with the George Washington University study's recommendation of \$157,000.

### **Key Reasons to Support this Program:**

- The THCGME program directly addresses three major concerns regarding physician production: the serious shortage of primary care physicians in general, their geographic maldistribution, and the growing need for physicians who serve underserved populations.
- The program's accountability requirements serve as a model for other GME programs.
- Located in 27 states, these 57 centers train residents in much-needed primary care fields that have the largest shortages nationally, including family medicine, internal medicine, pediatrics, obstetrics and gynecology, psychiatry, geriatrics, and dentistry.
- Data show that when compared to traditional postgraduate trainees, residents who train at teaching health centers are more likely to practice primary care (82 percent vs. 23 percent) and remain in underserved communities (55 percent vs. 26 percent).
- The program's outcomes are important in light of the country's growing aging population, the need to meet population health needs, and the importance of addressing health disparities, including those in rural and underserved communities.