

August 31, 2021

The Honorable Ron Wyden
Chairman
Committee on Finance
United States Senate
221 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Richie Neal
Chairman
Committee on Ways and Means
United States House of Representatives
1102 Longworth House Office Building
Washington, DC 20515

The Honorable Mike Crapo
Ranking Member
Committee on Finance
United States Senate
239 Dirksen Senate Office Building
Washington, DC 20510

The Honorable Kevin Brady
Ranking Member
Committee on Ways and Means
United States House of Representatives
1011 Longworth House Office Building
Washington, DC 20515

Dear Chairmen Wyden and Neal, and Ranking Members Crapo and Brady,

The undersigned organizations support the inclusion of specific, targeted rural graduate medical education (GME) language in the budget reconciliation package under consideration. We were pleased that Congress included GME in the budget reconciliation instructions and urge you to include specific language to address rural graduate medical education reforms. Targeted rural GME solutions are complementary to any general GME efforts, and together these provisions can help address workforce shortages and maldistribution across the nation.

Medicare accounts for two-thirds of public funding for residency training and program requirements influencing physician workforce distribution. Many rural areas lack access to primary care physicians and other specialties compared to urban and suburban areas. While 20% of the U.S. population lives in rural communities, only an estimated 10% of physicians practice in those communities. Physician distribution is influenced by training location and most practice within one hundred miles of their residency program. Unfortunately, rural hospitals typically cannot afford to create residency programs because they operate on narrow margins and require a predictable source of adequate funding. Moreover, caps on the number of Medicare funded GME residents created by the Balanced Budget Act of 1997 have limited the growth of GME in rural areas, even with some of the exceptions provided for rural.

For the above reasons, we strongly support S. 1893, the *Rural Physician Workforce Production Act of 2021*, introduced by Senators Tester (D-MT) and Barrasso (R-WY), that increases the physician workforce in rural areas. We recommend that you include some or all of S. 1893 in the reconciliation package as the best mechanism to resolve the geographic maldistribution of primary care physicians in the United States.

This bipartisan, budget-neutral bill tackles the geographic maldistribution of physicians across the U.S. stemming from the current structure of Medicare-funded GME. The bill's provisions are the best way to target rural teaching hospitals through changes such as: lifting the caps and removing Medicare limits on rural resident training growth; extending equitable federal funding to rural hospitals for residency

training, such as Sole Community Hospitals and Critical Access Hospitals; increasing support for Medicare reimbursement of urban hospitals that send residents to train in rural healthcare facilities; and establishing an elective per resident payment initiative to ensure rural hospitals have the resources to bring on additional residents. These issues are not included in other graduate medical education bills under consideration. Therefore, S. 1893 should be considered as complementary to other GME legislation and necessary to effect needed support for rural training.

The current COVID-19 pandemic has exacerbated the situation, demonstrating the increased need in rural areas for an adequate physician workforce and health care infrastructure. A key solution to this problem is increasing physician training in rural areas. We look forward to working with you on this important issue.

Sincerely,

American Academy of Family Physicians
American Association of Colleges of Osteopathic Medicine
American College of Osteopathic Family Physicians
American Osteopathic Association
Council of Academic Family Medicine
National Organization of State Offices of Rural Health
National Rural Health Association
RTT Collaborative
The GME-Initiative