



**Statement by the Association of American Medical Colleges before
the Senate Committee on Health, Education, Labor and Pensions hearing, titled
“Examining Health Care Workforce Shortages: Where Do We Go From Here?”
February 16, 2023**

Thank you for the opportunity to submit testimony on health workforce challenges facing our country and for prioritizing this issue as the first Senate Health, Education, Labor and Pensions (HELP) Committee hearing of the 118th Congress.

The AAMC (Association of American Medical Colleges) is a nonprofit association dedicated to improving the health of people everywhere through medical education, health care, medical research, and community collaborations. Its members are all 157 U.S. medical schools accredited by the Liaison Committee on Medical Education; 13 accredited Canadian medical schools; approximately 400 teaching hospitals and health systems, including Department of Veterans Affairs medical centers; and more than 70 academic societies. Through these institutions and organizations, the AAMC leads and serves America’s medical schools and teaching hospitals and the millions of individuals across academic medicine, including more than 193,000 full-time faculty members, 96,000 medical students, 153,000 resident physicians, and 60,000 graduate students and postdoctoral researchers in the biomedical sciences. Following a 2022 merger, the Alliance of Academic Health Centers and the Alliance of Academic Health Centers International broadened the AAMC’s U.S. membership and expanded its reach to international academic health centers.

The AAMC lists our key priorities as follows:

- expanding the health care workforce, in particular through additional Medicare-supported graduate medical education (GME) positions and increased investment in the Health Resources and Services Administration (HRSA) health workforce programs;
- medical research supported by the National Institutes of Health (NIH);
- health equity; and
- fiscal solvency for hospitals and health systems to ensure ongoing access to high-quality, cutting-edge care for people everywhere.

There are numerous issues under the Senate HELP Committee’s jurisdiction that impact academic medicine and our nation’s health in addition to workforce¹, but with respect to our recent discussion and the subject of this hearing, we are pleased to offer the following recommendations for bipartisan action on the health workforce in the 118th Congress.

¹ Specific issues under the Senate HELP Committee’s jurisdiction that impact academic medicine and the nation’s health that align with our priorities include federal support for research and the NIH; public health emergency preparedness; drug pricing and the 340B program; hospital nursing shortages and other key workforce challenges; student loan and repayment reform; and social determinants of health.

Expanding the Workforce and Graduate Medical Education

The AAMC continues to project that physician demand will grow faster than supply (primarily driven by a growing, aging U.S. population) leading to a projected total physician shortage of up to 124,000 physicians by 2034. Within this total, we project a shortage of primary care physicians of up to 48,000 and a shortage of non-primary care specialty physicians (e.g., psychiatry, infectious disease, and general surgery) of up to 77,100 by 2034. Make no mistake – these shortages in the physician supply will have real impact on patients, particularly those living in rural, frontier, island or non-contiguous settings, and other already underserved communities. The AAMC’s “Health Care Utilization Equity” scenario finds that if underserved populations were to experience the same health care use patterns as populations with fewer barriers to access, the U.S. would need up to an additional 180,400 physicians just to meet *current* demand.²

Addressing the nation’s physician workforce shortages in both primary care and among needed specialists requires a multipronged, innovative, public-private approach beyond just increasing the overall number of physicians, such as implementing team-based care and better use of technology. We are open to and in fact, ask for, innovative solutions to address health workforce shortages. Since academic year 2002-2003, total medical school enrollment has grown by more than 38% as medical schools have expanded class sizes and more than 32 new medical schools have opened. While this increase is encouraging, additional action is needed to address the physician shortage.

Growth in graduate medical education (GME or residency training) is also needed to address projected physician shortages. Dating back to 1997, Medicare caps the number of GME positions it supports at each teaching hospital.³ According to an analysis of FY 2020 Medicare Cost Report data, there are approximately 122,699 medical trainees in GME positions. Medicare reimburses only 90,522 of those medical trainees at or below the direct GME (DGME) cap established in 1997. According to the same cost report analysis, the average actual cost per medical trainee for a facility was \$183,889, while the average actual Medicare DGME payment per resident was only \$50,406.⁴ The majority of the difference in the cost to train and the Medicare DGME payment must be shouldered by the clinical revenue at a teaching hospital and given the financial solvency issues facing many of these facilities, funding to train residents is another challenge.

To help grow a sustainable physician workforce to meet patient needs, the AAMC strongly supports the expansion of Medicare support for GME and urges the inclusion of additional GME positions in any health care legislation.

One key element of addressing the physician shortage is increasing Medicare support for GME, which will help boost access to high-quality care, particularly for rural and other underserved populations. In the 117th Congress, Senators Robert Menendez (D-NJ), John Boozman (R-AR), and Majority Leader Charles Schumer (D-NY) introduced the [AAMC-endorsed bipartisan Resident Physician Shortage Reduction Act of 2021](#) (S. 834), which would gradually raise the

² [The Complexities of Physician Supply and Demand: Projections From 2019 to 2034](#), Prepared for the AAMC by IHS Markit Ltd., June 2021.

³ P.L. 105-33.

⁴ AAMC Analysis of FY2020 Medicare Cost Report data, July 2022 Hospital Cost Reporting Information System (HCRIS) release. If FY2020 data is not available, FY2019 data is used.

number of Medicare-supported GME positions by 2,000 per year for seven years, for a total of 14,000 new positions. These new GME positions would target teaching hospitals with varied needs, including hospitals in rural areas, hospitals serving patients from federally-designated HPSAs, hospitals in states with new medical schools or branch campuses, and hospitals already training residents in excess of their Medicare caps. The legislation has broad stakeholder support and has been [endorsed by over seventy members of the GME Advocacy Coalition, which represents a broad range of disciplines](#).

GME programs administered by HRSA, including Children's Hospitals GME and Teaching Health Centers, are important complements to Medicare GME that help to increase the number of residents training in children's hospitals and community health centers, respectively. To facilitate new rural residency programs, the HRSA Office of Rural Health Policy provides technical assistance and start-up funding to rural hospitals under the Rural Residency Planning and Development programs. Funding for these programs at HRSA specifically targeting GME at children's hospitals and teaching health centers, and rural areas will have impact on the physician workforce shortage in those settings.

Unique Financial Challenges of Teaching Hospitals and Health Systems

While running a health system, particularly an academic one, has always been challenging, recent years have significantly increased financial pressure. The AAMC has heard concerns from across its membership about shrinking and negative margins, a reality that is reflective of a broader trend in the U.S., with about half of U.S. hospitals ending 2022 with a negative margin. Though some challenges can be attributed to recovery from COVID-19 and general economic conditions, certain systemic issues persist, including workforce and staffing challenges, a shrinking financial base, low reimbursement rates, and ever-increasing mission-related costs. We know these challenges are realized across many health care facilities, but the problem at academic medical centers and teaching hospitals warrants special attention.

Teaching hospitals and health systems are social and economic anchors of their communities with their commitment to their missions of patient care, education, research, and community collaboration.⁵ These missions, which are critical now more than ever, are in jeopardy as AAMC-member institutions are forced to make difficult decisions that stand to dramatically impact their communities. At the AAMC, we are gathering information about the specific financial challenges our teaching hospitals are facing so that we can clearly articulate them, and their drivers, to Congress and relevant agencies. As we compile this information, we will share it with members of the Senate HELP Committee to inform future legislative and policy proposals. The ability to accurately articulate the unprecedented challenges facing teaching hospitals and health systems through feedback from those institutions most impacted is key for a pathway forward. Teaching hospitals could be forced to consider potentially painful choices to maintain hospital operations, placing at risk specialized services that cannot be found elsewhere, such as burn units and trauma centers, or whether to eliminate key workforce training programs as the nation continues to grapple with a worsening physician shortage as well as shortages of all types of health care providers. Our member institutions and their missions have been pushed to the

⁵ [Economic Impact of AAMC Medical Schools and Teaching Hospitals](#)

brink, and without action to ensure their financial stability and invest in key workforce programs, patients across the country may lose access to the care they need.

Enhancing the Rural Workforce, Primary Care, and Diversity

We recognize the value of diversity in healthcare and the health workforce, and we realize that diversity may be in many different forms. The HRSA Title VII health professions and Title VIII nursing programs play an important role in connecting students to health careers by enhancing recruitment, education, training, and mentorship opportunities. Inclusive education and training experiences expose students and providers to backgrounds and perspectives other than their own and heighten cultural awareness in health care, resulting in benefits for all patients and providers. Studies also show that underrepresented students are more likely to serve patients from those communities.⁶ Despite their success and widespread interest, currently only 21 schools have HRSA Health Careers Opportunity Program (HCOP) grants and only 18 have HRSA Center of Excellence (COE) grants — down from 80 HCOP programs and 34 COE programs in 2005 before the programs’ federal funding was cut substantially.

There is broad agreement that there is a shortage of health providers in rural, frontier, and island or non-contiguous communities. Important to addressing shortages across the spectrum of health providers in these areas is conducting education and training in these communities and drawing on members of these areas to enter health professions. Medical students who grow up in rural communities are much more likely to return to these areas to practice medicine, including primary care. Many medical schools aim to identify potential candidates from rural communities and encourage them to pursue a career in medicine.⁷ The HRSA Title VII Area Health Education Centers (AHECs) specifically focus on recruiting and training future physicians in rural areas, as well as providing interdisciplinary health care delivery sites. Additionally, the HRSA Title VII Primary Care Training and Enhancement (PCTE) and Medical Student Education programs support education and training programs for future primary care physicians. Though we have seen progress towards diversifying the future physician workforce across the spectrum of our AAMC-member institutions, there is more work to be done.

The AAMC encourages increasing federal investment in minority serving institutions (MSIs), including Historically Black Colleges and Universities (HBCUs), Predominantly Black Institutions (PBIs), Hispanic Serving Institutions, and Tribal Colleges and Universities. AAMC also supports the Expanding Medical Education Act (S. 3422), which would authorize HRSA grants to establish or expand medical schools, including regional branch campuses, and would prioritize HBCUs and MSIs or those that propose to establish or expand schools in medically underserved communities or areas with shortages of health professionals where no such schools exist.

⁶ Stewart, K., Brown, S. L., Wrensford, G., & Hurley, M. M. (2020). Creating a Comprehensive Approach to Exposing Underrepresented Pre-health Professions Students to Clinical Medicine and Health Research. *Journal of the National Medical Association*, 112(1), 36-43. doi:10.1016/j.jnma.2019.12.003.

Goodfellow A, Ulloa JG, Dowling PT, Talamantes E, Chheda S, Bone C, Moreno G. Predictors of Primary Care Physician Practice Location in Underserved Urban or Rural Areas in the United States: A Systematic Literature Review. *Acad Med*. 2016 Sep;91(9):1313-21. doi: 10.1097/ACM.0000000000001203. PMID: 27119328; PMCID: PMC5007145.

⁷ [Attracting the next generation of physicians to rural medicine](#), Peter Jaret, Special to AAMCNews, Feb. 2020.

Part of fortifying the physician workforce is taking care of existing, practicing physicians. We know that physicians and other health professionals dedicate their careers to keeping people healthy, but too often they do not receive the care they need to address their own well-being. The HRSA Title VII Preventing Burnout in the Health Workforce program authorized by the Dr. Lorna Breen Health Care Provider Protection Act (P.L. 117-105), which received no funding in the FY 23 omnibus, should receive funding to support existing physicians.

To help shape the physician workforce, the AAMC recommends significantly increasing funding for the HRSA workforce development programs under Title VII and Title VIII of the Public Health Service Act.

For FY 2024, the AAMC joins an alliance of national organizations, the Health Professions and Nursing Education Coalition (HPNEC), in recommending at least \$1.51 billion for Title VII and Title VIII combined.

Addressing Medical Education Debt and Promoting Public Service

Medical education costs can also be a significant deterrent and burden for individuals interested in medicine, and the AAMC is deeply concerned about the impact these costs may have on the physician pathway.⁸ Medical school leaders across the country are committed to serving the interests of medical students and reducing this burden. Some institutions have increased institutional aid, while a few have committed to eliminating debt or tuition altogether in the hopes of attracting diverse candidates and increasing interest in primary care.⁹ In the 117th Congress, the AAMC endorsed the Ways and Means “Pathway to Practice” and National Medical Corps Act (H.R. 9105) scholarship programs to help address the financial debt burden for students who are underrepresented in medicine. Importantly, the Pathway to Practice program would prioritize applicants who attended HBCUs or MSIs, as well as those who participated in certain HRSA pathway programs.

Public service loan repayment programs offered by HRSA, NIH, VA, the Department of Defense, and the Indian Health Service are effective, targeted incentives for recruiting physicians and other health professionals to serve specific vulnerable populations. Increasing federal investment in these programs is a proven way to increase the supply of health professionals serving HPSAs, nonprofit facilities, and other underserved communities. For example, the Public Service Loan Forgiveness (PSLF) program administered by the Department of Education encourages physicians to pursue careers that benefit communities in need. The AAMC supports preserving physician eligibility for PSLF to help vulnerable patients and nonprofit medical facilities that use the program as a provider recruitment incentive.

The NHSC in particular has played a significant role in recruiting primary care physicians to federally-designated HPSAs through scholarships and loan repayment options. Despite the NHSC’s success, it still falls far short of fulfilling the wide-ranging health care needs of all HPSAs due to growing demand for health professionals across the country. Congress provided a historic \$800 million supplemental NHSC funding under the American Rescue Plan, and we

⁸ Physician Education Debt and the Cost to Attend Medical School: 2020 Update.

⁹ [Will free medical school lead to more primary care physicians?](#) Ken Budd, Special to AAMCNews, Dec. 2019.

believe this will have a positive impact. Nevertheless, additional funding for the NHSC is needed.

Immigration must be mentioned as we consider health workforce shortages, as the US health workforce has been bolstered by individuals who have come from other countries to our nation. Over the last 15 years, the State Conrad 30 J-1 visa waiver program has brought more than 15,000 physicians to underserved areas — comparable to (if not more than) the NHSC, at no cost to the federal government. As the 118th Congress considers immigration reform, the AAMC reiterates that the bipartisan Conrad State 30 and Physician Access Reauthorization Act would allow Conrad 30 to expand beyond 30 waivers per state if certain nationwide thresholds are met. We applaud this bipartisan reauthorization proposal for recognizing immigrating physicians as a critical element of our nation's health care infrastructure, and we support the expansion of Conrad 30 to help overcome hurdles that have stymied growth of the physician workforce.

In a collaborative manner with public and private cooperation, academic medicine is committed to working to address the challenges of physician and other health professions workforce shortages, and without a doubt, we have collectively made significant investments in these areas. At the same time, the AAMC believes there must be an increase in the federal government investments for federal programs that have demonstrated results and impact. The cost of inaction today will lead to higher costs, reduced access, and ultimately an underserved, less healthy population tomorrow – this cannot be our fate. We at the AAMC are committed to working with the entire Senate HELP Committee to avoid a dismal situation and to achieve better outcomes for our nation. If you have any further questions please contact AAMC Chief Public Policy Officer Danielle Turnipseed, at dturnipseed@aamc.org, or Matthew Shick, Senior Director, AAMC Government Relations, at mshick@aamc.org.