

# Improve Healthcare In Rural and Underserved Areas By Supporting Funding for the THCGME Program



## BACKGROUND

The Teaching Health Center Graduate Medical Education (THCGME) program is a successful training program that fills critical primary care gaps where they are most needed, especially in rural and underserved communities—areas where many osteopathic physicians often serve. There are 72 Teaching Health Center programs in nearly 30 states with 969 medical residents handling more than an estimated one million patient visits annually in rural and urban communities.

The THC program is a highly sought-after program for medical school graduates, as many THCs have over 100 applicants for every residency slot.

## PROBLEM

The THCGME program will expire on September 30, 2023, unless Congress enacts legislation to reauthorize funding for the program. The AOA is seeking a minimum of three years (FY24-26) extension.

The reauthorization needs to both accommodate the growth in the number of programs that has occurred (now at 72) and the expected additional programs the Health Resources and Services Administration (HRSA) will designate this Spring and next year based on the Notice of Funding Opportunities that closed last October. In addition, we have asked Congress to increase the per-resident allocation (PRA) from the current \$160,000 to \$210,000, as justified by a recent HRSA-commissioned study.

Our funding request accounts for HRSA's projections as to the number of medical residents it expects will be trained in FY24-26. HRSA's recent FY24 Budget Request included a robust projected increase in the number of residents from 969 to 1105 next year, scaling up to 2,094 by FY26.

Level funding for the THCGME program, with the expected growth in residency slots, will be unsustainable and will force programs to either not fill their available residency slots or close.

As the program grows to nearly 2,100 residents, each year our nation will add seven hundred new physicians in rural and urban underserved areas, making an important long-term impact on the physician shortage – a shortage that adversely impacts the health of so many Americans.

## SOLUTION

**Please cosponsor any free-standing bill providing a multi-year reauthorization of at least three years and the necessary increase in per-resident allocation when introduced.** This program is critical to ensuring high-quality healthcare is accessible in rural and underserved communities.

# Support the Resident Education Deferred Interest (REDI) Act



## BACKGROUND

The level of student debt that medical school students face upon graduation can pose a barrier for pursuing a career in medicine, discourage practice in high-need specialties, or disincentivize graduates from practicing in high-need settings. The median debt for U.S. medical school graduates is \$200,000.[1] When graduates begin residency, their debt begins accruing interest, even though their income may prevent them from starting to repay their loans. A resident's income over the course of residency - 3 to 8 years depending on specialty - is limited as they are still "in training." [2] During this time, the debt that students must repay grows due to accrual of interest.

## PROBLEM

Residents should not be penalized for their inability to make payments on their loans during residency. The accrual of interest on debt, in addition to the need to pay off principal, may influence decisions around where to practice following completion of residency. Osteopathic physicians in particular have historically filled a critical need in our healthcare system, often practicing in rural and underserved communities. Policy should support physicians in continuing to fill these needs and practice in settings where providers are most needed.

## SOLUTION

The Resident Education Deferred Interest (REDI) Act (H.R.1202/ S.704) would allow medical residents to defer their student loan payments until after the completion of their residency programs, without having to worry about accruing interest on those loans while they are completing their training.

**Please cosponsor H.R.1202/ S.704 to address medical student debt and strengthen our physician workforce in communities that need it.**

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1. "Physician Education Debt and the Cost to Attend Medical School." AAMC. 2020.  
2. "AAMC Survey of Resident/Fellow Stipends and Benefits." AAMC. 2022.

# Support Patient Access to Care by Establishing Stable Physician Payment Updates



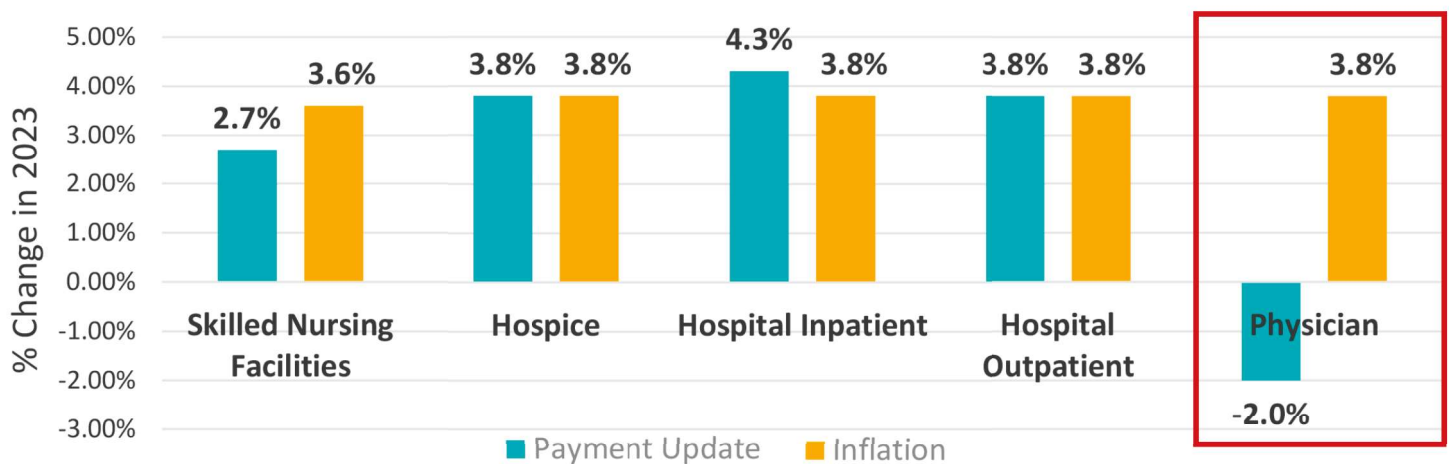
## BACKGROUND

While the cost of practicing medicine has risen dramatically in recent years, Medicare physician payment has not kept pace, and even declined. The Medicare Economic Index (MEI) measures the average annual price change for inputs of physician services. According to the Medicare Payment Advisory Commission's March 2023 report, while the MEI increased by nearly 24% between 2010 and 2022, physician payment only increased 6%. Rising costs associated with staff wages, equipment, infrastructure, and other overhead, compounded by challenges associated with recovering from the pandemic, are hampering physicians' ability to deliver care to patients who need it.

## PROBLEM

Osteopathic physicians across the nation, including many in rural and underserved areas, are struggling to keep their practices open due to increased expenses and insufficient, unstable payment rates. The Medicare Economic Index (MEI) measures the average annual price change for inputs of physician services. According to the Medicare Payment Advisory Commission's March 2023 report, while the MEI increased by nearly 24% between 2010 and 2022, physician payment only increased 6%. Rising costs associated with staff wages, equipment, infrastructure, and other overhead, compounded by challenges associated with recovering from the pandemic, are hampering physicians' ability to deliver care to patients who need it.

2023 Update to Medicare Payment by Provider Type, Relative to Inflation



## SOLUTION

**Congress must act to protect physician practices by co-sponsoring H.R. 2474** to help establish stable, annual payment updates to the Medicare physician fee schedule based on the Medicare Economic Index (MEI).