

BILL ANALYSIS

S.C.R. 27
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Higher Education
Committee Report (Unamended)

BACKGROUND AND PURPOSE

Graduate medical education (GME) completed during a student's residency training is crucial to Texas' future physician workforce and to the state's ability to care for uninsured patients. Postgraduate training is funded significantly through the Medicare GME program, whereby the federal government reimburses teaching hospitals and certain other facilities for a portion of health education costs through direct medical education payments (DME), and indirect graduate medical education payments (IME).

In 1997, the federal government considerably reduced the amount of federal support for GME programs by limiting the number of full-time equivalent residents institutions can use in calculating DME and IME payments and by scheduling an estimated 29 percent further reduction in IME payments over a five-year period. These limits disproportionately impact Texas compared to similar states, because of the number of residency positions Texas had at the time the caps were implemented.

Additionally, DME and IME reimbursement rates vary from state to state and are based on outdated reported GME costs. These rates are also disadvantageous to Texas.

With an aging population and Texas already lagging behind the country in the number of doctors per capita and with a predicted shortage of doctors by the year 2020, Texas needs more DME and IME funding.

As proposed, S.C.R. 27 would encourage the Congress of the United States to eliminate current caps on funded Medicare resident training positions and related limits on costs per resident used to determine Medicare GME reimbursement payments and to reexamine the DME and IME reimbursement rates for graduate medical education in Texas.

RULEMAKING AUTHORITY

It is the committee's opinion that this bill does not expressly grant any additional rulemaking authority to a state officer, department, agency, or institution.

ANALYSIS

That the 79th Legislature of the State of Texas hereby respectfully encourage the Congress of the United States to eliminate current caps on funded Medicare resident training positions and related limits on costs per resident used to determine Medicare graduate medical education reimbursement payments and to reexamine the DME and IME reimbursement rates for graduate medical education in Texas; and, that the Texas secretary of state forward official copies of this resolution to the president of the United States, to the speaker of the house of representatives and the president of the senate of the United States Congress, and to all the members of the Texas delegation to the congress with the request that this resolution be officially entered in the Congressional Record as a memorial to the Congress of the United States of America.