

By: West, et al.

S.C.R. No. 27

1                                   SENATE CONCURRENT RESOLUTION

2           WHEREAS, Two major phases comprise the American system of  
3 medical education -- medical school, consisting of classroom and  
4 clinical training, and the several years of graduate medical  
5 education completed during a student's residency, typically in an  
6 accredited medical education program at a teaching hospital or  
7 academic health center; and

8           WHEREAS, Significant funding for this postgraduate training  
9 is provided through Medicare's graduate medical education program,  
10 whereby the federal government reimburses teaching hospitals and  
11 certain other facilities for a portion of the costs associated with  
12 operating health education programs; and

13           WHEREAS, Medicare's funding includes two categories of  
14 reimbursement payments, direct graduate medical education payments  
15 and indirect graduate medical education payments; direct graduate  
16 medical education payments cover the costs of resident stipends,  
17 salaries for supervising faculty positions, and administrative  
18 expenses associated with the residency program; indirect graduate  
19 medical education payments cover the increased operating expenses  
20 resulting from training residents, such as greater technological  
21 needs, longer patient stays, and the ordering of a greater number of  
22 tests; and

23           WHEREAS, The amount of Medicare's reimbursement to a teaching  
24 hospital is partially determined by the number of full-time

1 equivalent residents enrolled in the facility's graduate medical  
2 education program; however, in 1997, the federal Balanced Budget  
3 Act considerably reduced the amount of federal support for graduate  
4 medical education programs by limiting the number of full-time  
5 equivalent residents that hospitals can use in calculating direct  
6 graduate medical education payments and indirect graduate medical  
7 education payments and by scheduling an estimated 29 percent  
8 further reduction in indirect graduate medical education payments  
9 over a five-year period; and

10 WHEREAS, The rates of Centers for Medicare and Medicaid  
11 Services payments for direct and indirect graduate medical  
12 education in Texas are already significantly lower than those in  
13 many comparable states, largely based on historical differences,  
14 and the potential consequences of these caps and the resulting  
15 reductions in federal graduate medical education reimbursement are  
16 severe; teaching hospitals and the training they provide to  
17 physicians and other health professionals are a critical component  
18 of the American health care system -- these facilities are the  
19 vanguard of medical research and technology and provide a broader  
20 range of care to an increasingly diverse and sicker patient  
21 population than general hospitals; and

22 WHEREAS, In addition, teaching hospitals are a traditional  
23 fixture of the health care "safety net," serving uninsured and  
24 underinsured patients; the importance of this service to Texans is  
25 evident in light of United States Census Bureau reports indicating  
26 that nearly 25 percent of the state's population is not covered by  
27 health insurance; and

1           WHEREAS, More specifically, the resident caps threaten the  
2 future availability of health care professionals and with the  
3 population of the nation aging, the demand for doctors and other  
4 health care professionals is increasing; in fact, a 2003 study  
5 commissioned by the United States Department of Health and Human  
6 Services Bureau of Health Professions at the National Center for  
7 Health Workforce Analysis forecasts a greater need for physicians  
8 and nurses by 2020 if current health care consumption and physician  
9 productivity remain constant; and

10           WHEREAS, Furthermore, the study found that the health care  
11 workforce is also aging and will retire just as their services are  
12 most needed and that the proportion of the population age 18 to 30  
13 is declining, impeding efforts to recruit an adequate number of new  
14 health care workers; and

15           WHEREAS, Congress has acknowledged the deleterious effects  
16 of the federal Balanced Budget Act caps and made bipartisan efforts  
17 to diminish its effect on graduate medical education programs: the  
18 Medicare, Medicaid, and State Children's Health Insurance Program  
19 (SCHIP) Balanced Budget Refinement Act of 1999 froze indirect  
20 graduate medical education payments for one year and the Medicare  
21 Prescription Drug, Improvement and Modernization Act of 2003  
22 increased indirect graduate medical education payments slightly  
23 for federal fiscal years 2004 and 2005; and

24           WHEREAS, Nevertheless, these measures offered only brief and  
25 minor reprieves to the dramatic reductions in indirect graduate  
26 medical education reimbursement payments and did not directly  
27 address the issue of federal caps in resident training positions

1 though, clearly, the caps and the decreased commitment to indirect  
2 graduate medical education funding continue to endanger the entire  
3 system of medical education in the United States; now, therefore,  
4 be it

5         RESOLVED, That the 79th Legislature of the State of Texas  
6 hereby respectfully encourage the Congress of the United States to  
7 eliminate current caps on funded Medicare resident training  
8 positions and related limits on costs per resident used to  
9 determine Medicare graduate medical education reimbursement  
10 payments and to reexamine the direct and indirect graduate medical  
11 education reimbursement rates for graduate medical education in  
12 Texas; and, be it further

13         RESOLVED, That the Texas secretary of state forward official  
14 copies of this resolution to the president of the United States, to  
15 the speaker of the house of representatives and the president of the  
16 senate of the United States Congress, and to all the members of the  
17 Texas delegation to the congress with the request that this  
18 resolution be officially entered in the Congressional Record as a  
19 memorial to the Congress of the United States of America.