

1-1 By: West, et al. S.C.R. No. 27
1-2 (In the Senate - Filed April 6, 2005; April 7, 2005, read
1-3 first time and referred to Subcommittee on Higher Education;
1-4 April 19, 2005, reported favorably to Committee on Education;
1-5 April 22, 2005, reported favorably from Committee on Education by
1-6 the following vote: Yeas 6, Nays 0; April 22, 2005, sent to
1-7 printer.)

1-8 SENATE CONCURRENT RESOLUTION

1-9 WHEREAS, Two major phases comprise the American system of
1-10 medical education -- medical school, consisting of classroom and
1-11 clinical training, and the several years of graduate medical
1-12 education completed during a student's residency, typically in an
1-13 accredited medical education program at a teaching hospital or
1-14 academic health center; and

1-15 WHEREAS, Significant funding for this postgraduate training
1-16 is provided through Medicare's graduate medical education program,
1-17 whereby the federal government reimburses teaching hospitals and
1-18 certain other facilities for a portion of the costs associated with
1-19 operating health education programs; and

1-20 WHEREAS, Medicare's funding includes two categories of
1-21 reimbursement payments, direct graduate medical education payments
1-22 and indirect graduate medical education payments; direct graduate
1-23 medical education payments cover the costs of resident stipends,
1-24 salaries for supervising faculty positions, and administrative
1-25 expenses associated with the residency program; indirect graduate
1-26 medical education payments cover the increased operating expenses
1-27 resulting from training residents, such as greater technological
1-28 needs, longer patient stays, and the ordering of a greater number of
1-29 tests; and

1-30 WHEREAS, The amount of Medicare's reimbursement to a teaching
1-31 hospital is partially determined by the number of full-time
1-32 equivalent residents enrolled in the facility's graduate medical
1-33 education program; however, in 1997, the federal Balanced Budget
1-34 Act considerably reduced the amount of federal support for graduate
1-35 medical education programs by limiting the number of full-time
1-36 equivalent residents that hospitals can use in calculating direct
1-37 graduate medical education payments and indirect graduate medical
1-38 education payments and by scheduling an estimated 29 percent
1-39 further reduction in indirect graduate medical education payments
1-40 over a five-year period; and

1-41 WHEREAS, The rates of Centers for Medicare and Medicaid
1-42 Services payments for direct and indirect graduate medical
1-43 education in Texas are already significantly lower than those in
1-44 many comparable states, largely based on historical differences,
1-45 and the potential consequences of these caps and the resulting
1-46 reductions in federal graduate medical education reimbursement are
1-47 severe; teaching hospitals and the training they provide to
1-48 physicians and other health professionals are a critical component
1-49 of the American health care system -- these facilities are the
1-50 vanguard of medical research and technology and provide a broader
1-51 range of care to an increasingly diverse and sicker patient
1-52 population than general hospitals; and

1-53 WHEREAS, In addition, teaching hospitals are a traditional
1-54 fixture of the health care "safety net," serving uninsured and
1-55 underinsured patients; the importance of this service to Texans is
1-56 evident in light of United States Census Bureau reports indicating
1-57 that nearly 25 percent of the state's population is not covered by
1-58 health insurance; and

1-59 WHEREAS, More specifically, the resident caps threaten the
1-60 future availability of health care professionals and with the
1-61 population of the nation aging, the demand for doctors and other
1-62 health care professionals is increasing; in fact, a 2003 study
1-63 commissioned by the United States Department of Health and Human
1-64 Services Bureau of Health Professions at the National Center for

2-1 Health Workforce Analysis forecasts a greater need for physicians
2-2 and nurses by 2020 if current health care consumption and physician
2-3 productivity remain constant; and

2-4 WHEREAS, Furthermore, the study found that the health care
2-5 workforce is also aging and will retire just as their services are
2-6 most needed and that the proportion of the population age 18 to 30
2-7 is declining, impeding efforts to recruit an adequate number of new
2-8 health care workers; and

2-9 WHEREAS, Congress has acknowledged the deleterious effects
2-10 of the federal Balanced Budget Act caps and made bipartisan efforts
2-11 to diminish its effect on graduate medical education programs: the
2-12 Medicare, Medicaid, and State Children's Health Insurance Program
2-13 (SCHIP) Balanced Budget Refinement Act of 1999 froze indirect
2-14 graduate medical education payments for one year and the Medicare
2-15 Prescription Drug, Improvement and Modernization Act of 2003
2-16 increased indirect graduate medical education payments slightly
2-17 for federal fiscal years 2004 and 2005; and

2-18 WHEREAS, Nevertheless, these measures offered only brief and
2-19 minor reprieves to the dramatic reductions in indirect graduate
2-20 medical education reimbursement payments and did not directly
2-21 address the issue of federal caps in resident training positions
2-22 though, clearly, the caps and the decreased commitment to indirect
2-23 graduate medical education funding continue to endanger the entire
2-24 system of medical education in the United States; now, therefore,
2-25 be it

2-26 RESOLVED, That the 79th Legislature of the State of Texas
2-27 hereby respectfully encourage the Congress of the United States to
2-28 eliminate current caps on funded Medicare resident training
2-29 positions and related limits on costs per resident used to
2-30 determine Medicare graduate medical education reimbursement
2-31 payments and to reexamine the direct and indirect graduate medical
2-32 education reimbursement rates for graduate medical education in
2-33 Texas; and, be it further

2-34 RESOLVED, That the Texas secretary of state forward official
2-35 copies of this resolution to the president of the United States, to
2-36 the speaker of the house of representatives and the president of the
2-37 senate of the United States Congress, and to all the members of the
2-38 Texas delegation to the congress with the request that this
2-39 resolution be officially entered in the Congressional Record as a
2-40 memorial to the Congress of the United States of America.

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