**OBSERVATIONS** 

# Restructuring of the Nation's Graduate Medical **Education System**

There are calls for a large overhaul of the nation's graduate medical education (GME) system, to be achieved through a change in the financing of resident education. The recommendations for this change come from the Institute of Medicine (IOM) and include a proposal for how, and to what entities, funds for physician training should be allocated. This change will affect residency programs across the country, and many stakeholder associations have warned about the potential outcomes. The Association of American Medical Colleges (AAMC) stated this would "destabilize a system that has produced high-quality doctors and other health professionals for more than 50 years." Other groups such as the American Academy of Family Physicians see the IOM recommendations as a welcome change, because they would increase funding for primary care programs.

The IOM calls for flat funding for GME that would only increase based on inflation, and also notes that public funding of physician education should be based on beneficial outcomes achieved. The American Medical Association, the American College of Physicians, the AAMC, and other organizations have stated that funding should be increased because of the shortage of primary care physicians. The IOM perspective is that health care is evolving, and primary care is changing due to a growing number of nurse practitioners and physician assistants in the field, as well as the use of telemedicine. This could eliminate the shortage projected by other studies.<sup>1</sup> The growth in the number of medical schools and the expansion of enrollment in existing medical schools also may help meet the nation's demand for physicians.

An underlying issue with restructuring financing is where the funds would be coming from. The majority of public financing for GME comes from the Medicare program.<sup>2</sup> Part of this restructuring is to allocate funding in a way that decouples it from its strong link to inpatient care, and from its link to the care venues for Medicare beneficiaries, as this financing model makes it more difficult to fund education in community settings. The AAMC has noted that implementation of the IOM

recommendation would result in an estimated 35% reduction of funding for teaching hospitals, and that this would disproportionately affect populations that need health care resources the most.3 The IOM recommendations call for residency programs to be more accountable for their outcomes. This will place more scrutiny on performance, and may create disarray because it would change what residency programs have been accustomed to.

The desire for better outcomes, with a concurrent reduction in resources, may inhibit growth, but on the other hand, it could result in innovations. The IOM advocates for the triple aim of health care delivery, better population health, and lower costs.<sup>2</sup> This results in pressure to eliminate inefficient spending, which may be difficult in teaching hospitals because some of this spending is part of the learning process. Residency is where physicians learn the usefulness of each test and diagnostic imaging modality. In the proposed approach, this type of spending likely will come under scrutiny.

The IOM advocates for change to ensure high-quality care, to place more emphasis on patient-centered approaches. Creating a transparent GME system is a step toward modernizing the current system of GME. The grading of how well the system is performing ultimately will be in the hands of patients. This may create a new generation of physicians who are being held to a higher standard of accountability.

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- 2 Institute of Medicine (IOM). Graduate medical education that meets the nation's health needs. IOM report released July 29, 2014. http://www.iom. edu/Reports/2014/Graduate-Medical-Education-That-Meets-the-Nations-Health-Needs.aspx. Accessed January 7, 2015.
- 3 Association of American Medical Colleges. 2014. IOM's vision of GME will not meet real-world patient needs. https://www.aamc.org/newsroom/ newsreleases/381882/07292014.html. Accessed January 7, 2015.