

OSR Focus on Legislative Affairs

A Resource for OSR Representatives



Volume 1 Issue 1

Tomorrow's Doctors, Tomorrow's Cures

Current Events

The Higher Education Reauthorization Act

Movement has started on this bill as Congressman John Boehner (R-Ohio) introduced H.R. 609 to reauthorize the HEA. This is the first of many steps that will no doubt take some time. This issue is of great importance to medical students and physicians because it deals with numerous financial aid and repayment issues. Among the AAMC's priority issues are:

- Increasing subsidized Stafford Loan limits (Currently \$8.5k/yr)
- Increasing yearly and aggregate unsubsidized Stafford Loan limits
- Moving Stafford loans from a fixed to a variable rate
- Reducing origination fees (currently 3%)
- Extending economic hardship for the duration of residency (currently 3 yrs)
- Including all school related debt in calculation of eligibility for deferment (currently only medical school debt counts)
- Improving loan repayment and interest deduction opportunities

The AAMC is actively lobbying to bring about changes that are realistic and beneficial to medical students. More information regarding the manifold issues encompassed by this bill can be found at: www.aamc.org/advocacy/library/educ/ed0003.htm

Explainer

Indirect Medical Education Payments – Helping Fund your Residency

Educating a resident increases the complexity of medical care. Interns and residents working at a teaching hospital put extra demands on other employees, from doctors to nurses to ancillary personnel. Also, the teaching process often lends itself to very intensive treatment regimens. Teaching hospitals, as a consequence of their many roles, have an increased cost of patient care. In recognition of the differences in operating costs between teaching and non-teaching hospitals,

the Medicare program includes a special payment adjustment in its prospective payment system. Enacted in 1983, the IME adjustment is payment in addition to standard Medicare reimbursement that is in place to offset costs associated with graduate medical education.

How it works: For every Medicare case paid under the inpatient PPS, a teaching hospital receives an additional payment, calculated as a percentage add-on to the basic price. The hospital's IME payment is determined by inserting its individual resident-to-bed ratio into a Medicare formula.

As a hospital's involvement in graduate medical education increases, its percentage add-on price also increases. In FY 2001, a hospital with 5 residents for every 100 beds (IRB=0.05) receives an add-on payment of 3.19 percent. A hospital with 40 residents for every 100 beds (IRB=0.40) receives a 23.36 percent add-on.

Over 1,100 teaching hospitals receive IME payments, estimated to total \$5.9 billion in 2001.

To learn more go to www.aamc.org/advocacy/library/gme/gme0002.htm

Physicians in Politics

Dr. Tom Price - Congressman

Dr. Thomas Price was recently elected to the House Seat representing Georgia's 6th Congressional District. Born and raised in Michigan, he received a B.A. in General Studies as well as his M.D. from the University of Michigan before heading off to Emory for a residency in orthopedic surgery. After completion of his residency, he stayed in the Atlanta area, setting up a private surgery clinic in Roswell, Georgia in the 1980's. By the mid-1990's the clinic had grown into the largest private orthopedic practice in the nation. During this time, he immersed himself in the community, serving as team physician for various area high-schools and serving on the boards of the Roswell Rotary Club, the Chamber of Commerce,

Physicians in Politics

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Orchestra Atlanta, and the Arthritis Foundation. Having practiced medicine for 20 years, he entered politics in 1996, winning the first of four consecutive state senate seats. He broke ground by being elected as the first Republican Senate Majority Leader in Georgia history. His credits include legislative efforts to increase patient choice in a more flexible healthcare system, to enact Medical Savings Accounts, and to reform the Medicaid System in Georgia. He has been selected to serve as assistant majority whip, where he will be responsible for helping find the votes necessary to pass legislation.

To learn more go to www.tomprice.com

What do You Think?

Your Feedback is Appreciated

This newsletter has been created in response to the request of OSR representatives for a resource that provides information about legislative activities in a concise and clear format. If there are any issues you would like to see addressed, or any questions that you may have, feel free to contact me, your National Delegate for Legislative Affairs – Zach Chonka at Zachary-chonka@ouhsc.edu or your regional legislative affairs delegates.

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For information about the OSR, visit the OSR Web site at: <http://www.aamc.org/members/osr>
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