

# Graduate Medical Education: Training Tomorrow's Physician Workforce



Graduate medical education (GME) is the supervised hands-on training after medical school that all physicians must complete to be licensed and practice independently. The length of this training varies but generally lasts at least three to five years for initial specialty training; subspecialty training may last up to 11 years after graduation from medical school. Training is generally coordinated and funded by teaching hospitals and medical schools, though the clinical experiences occur in a variety of settings, including inpatient, outpatient, and community.



## The Roles of Teaching Hospitals in GME

- Their education, patient care, research, and community collaborations missions enable teaching hospitals to offer patients the most advanced expertise, services, and technology.
- Physicians lead teams that provide a diverse range of around-the-clock specialty care and standby services — such as in trauma centers, burn units, and neonatal intensive care units — and are prepared to care for the nation's most critically ill or injured patients.
- 93% of all residency programs train residents in nonhospital settings, such as academic ambulatory clinics, community health centers, private physicians' offices, VA ambulatory services, and ambulatory surgical centers.<sup>2</sup>

*“We know that adequate access to doctors results in longer lives and better health care outcomes. Smaller, more rural states face an acute need for medical providers, and the shortage will only increase in the coming years.”*

— Sen. John Boozman (R-Ark.)

## Federal Support for Residency Training

- Hospitals that train residents incur **real and significant costs** beyond those customarily associated with providing patient care.
- **Medicare Direct Graduate Medical Education (DGME)** payments offset a portion of these direct costs associated with training physicians (for example, resident stipends and benefits, supervising physician stipends and benefits, and GME office overhead costs).
- Medicare **supports only a fraction** of the overall costs associated with training a resident. This support is tied to each hospital's Medicare volume (the “Medicare share”), and this varies between teaching hospitals.
- Teaching hospitals incur **\$22.6 billion** annually in direct training costs. Because of support limitations and other historical factors, Medicare covers **only \$4.6 billion (20%)** of that total.<sup>3</sup>
- Since 2020, Congress has taken bipartisan steps to modestly increase Medicare support for training. However, Medicare's support for GME had been effectively frozen since 1997 despite an aging, growing population. Even with federal support, teaching hospitals still must offset a significant portion of each resident's training costs.

## The Physician Shortage

### The United States Is Facing a Shortage of up to 86,000 Physicians by 2036<sup>4</sup>

- Between 20,200 and 40,400 primary care physicians.
- Between 10,100 and 19,900 physicians in surgical specialties.

### What Is Driving the Physician Shortage?

Demographics — specifically, population growth and aging — continue to be the primary driver of increasing demand for physician services.

- By 2036, the U.S. population is projected to grow by 8.4%. The population aged 65 and older is projected to grow by 34.1% and the size of the population aged 75 and older is projected to grow by 54.7%. Since older Americans tend to see more physicians — specifically specialists — we project that this will lead to an increase in the demand for specialty physicians.
- Medical advances have increased the number of people living with multiple chronic illnesses.
- More than a third of currently active physicians are likely to retire in the next decade. Their retirement decisions will dramatically affect the magnitude of national workforce shortages.
- Though demand is increasing, supply is not increasing at the same pace because of the artificial cap Congress imposed on Medicare GME support.

*“Increasing the number of Medicare-supported residency positions means giving hospitals and health centers the tools they need to increase access to care, lower wait times for patients, and create a pipeline of qualified medical professionals to serve Americans’ health needs.”*

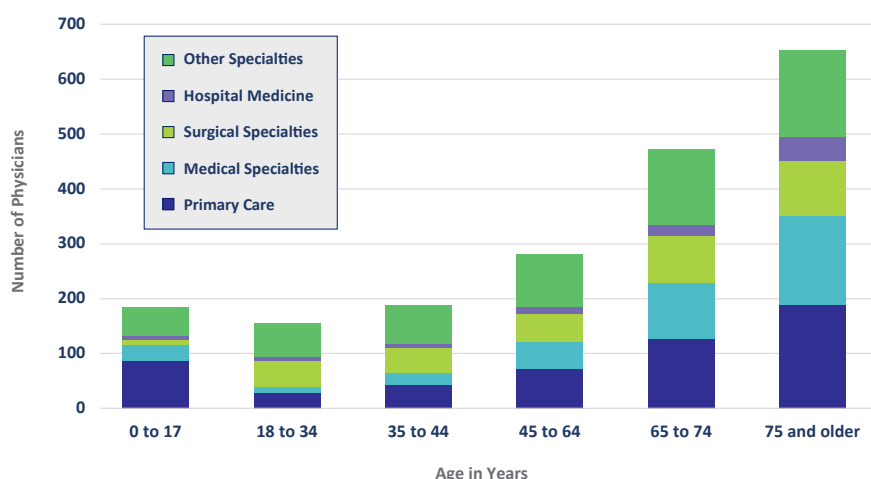
— Rep. Terri Sewell (D-Ala.)

### Lifting the Cap on Medicare GME Funding Will Help Alleviate the Doctor Shortage

Bipartisan legislation introduced in both the House and the Senate (H.R. 2389 and S. 1302) would help address the doctor shortage by increasing the number of Medicare-supported residency positions by 14,000 over seven years. This increase would make progress toward providing the necessary primary care and specialty physicians necessary to meet the country's workforce needs.

Learn more:  
[aamc.org/news-insights/gme](https://aamc.org/news-insights/gme)

### Physician Utilization per 100,000 People, by Age



Source: GlobalData analysis of Medical Expenditure Panel Survey, National Inpatient Sample, Census Bureau population estimates, and AMA Physician data for the AAMC, 2023.

#### NOTES

1. Association of American Medical Colleges. *Investment in Teaching Hospitals Benefits All Americans*. Washington, DC: AAMC; September 2018. [https://aamc-black.global.ssl.fastly.net/production/media/filer\\_public/49/bc/49bc37dc-717e-409f-a9db-8651a2bae905/teaching\\_hospitals\\_-\\_harvard\\_mortality\\_studies\\_fact\\_sheet\\_-\\_20180918.pdf](https://aamc-black.global.ssl.fastly.net/production/media/filer_public/49/bc/49bc37dc-717e-409f-a9db-8651a2bae905/teaching_hospitals_-_harvard_mortality_studies_fact_sheet_-_20180918.pdf)
2. Accreditation Council for Graduate Medical Education. *Data Resource Book: Academic Year 2020-2021*. Chicago, IL: ACGME; 2021. [https://www.acgme.org/globalassets/pfassets/publicationsbooks/2020-2021\\_acgme\\_databook\\_document.pdf](https://www.acgme.org/globalassets/pfassets/publicationsbooks/2020-2021_acgme_databook_document.pdf)
3. AAMC analysis of FY 2020 Medicare Cost Report data, July 2022 Hospital Cost Reporting Information System (HCRIS) release. For hospitals lacking FY 2020 data, FY 2019 data is used.
4. GlobalData Plc. *The Complexities of Physician Supply and Demand: Projections From 2021 to 2036*. Washington, DC: AAMC; 2023.