



NPA Statement on Institute of Medicine's Recommended Reform of Graduate Medical Education

The National Physicians Alliance (NPA) applauds the fact that the Institute of Medicine (IOM) has taken a serious look at reforming graduate medical education (GME) funding in the United States. At \$15 billion per year, GME funding represents a significant investment and opportunity to affect what physicians specialize in and how and where they practice. The increased transparency and accountability for GME funding that are proposed by the IOM will help align these public subsidies with public health priorities. This more evidenced-based approach to structuring GME positions is a move in the right direction.

We also applaud the recommendation to create a "Transformational Fund" which will pay for new programs and innovation. With an investment as large as \$15 billion per year, even a small percentage improvement in efficiency will yield large financial savings. Having GME payments go directly to GME-sponsoring institutions will help these institutions cover their costs of training physicians. While the introduction of performance-based payments may prove helpful, we would need to know more about the details of this proposed system in order to identify and mitigate unintended side effects. Any performance-based payment system should be based on solid evidence, linked to meaningful individual and population health outcomes, and comprised of the fewest indicators possible to ensure minimal administrative burden.

The timeframe of ten years for the changes to occur is feasible. While innovation in GME programs may lead to cost savings, the aging of America will increase demand for health care, and investments in GME will need to increase.

We would like the IOM to go further and look at the financing of other members of the health workforce, including nurses (including nurse practitioners and advanced practice nurses), physician assistants, other allied health professionals, public health workers, and community health workers. Mechanisms for funding GME of pediatricians will need to be maintained, as Medicare does not cover children and the GME of pediatricians. Other critical issues need to be addressed in the education of health workers, including lack of diversity among students, spiraling student debt loads, and underproduction compared with needs. Special attention should be paid to addressing the shortage of appropriate clinical training sites such as community-based teaching health centers.

NPA's Policy Statement "Support of Comprehensive Health Workforce Reform to Improve Access, Quality, and Cost-Effectiveness of Healthcare" can be found on our [website](#).