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Health System CEO Warns of Severe Physician Shortage

*Stanley Brezenoff Testifies Before Ways and Means Subcommittee on Health
on Behalf of AAMC, GNYHA;
Says U.S. will be Short 55,000 Docs by 2020,
Stresses Critical Importance of Teaching Hospitals*

Washington, DC, May 15, 2007—Stanley Brezenoff, president and chief executive officer of Continuum Health Partners, Inc., a four-hospital system in New York City, testified before the House Ways and Means Subcommittee on Health today that unless immediate measures are taken—including the elimination of proposed Medicare and Medicaid cuts that would severely compromise teaching hospitals' ability to train tomorrow's doctors—the U.S. is heading towards a severe physician shortage (see attached testimony).

Mr. Brezenoff, who testified on behalf of the Association of American Medical Colleges (AAMC) and the Greater New York Hospital Association (GNYHA), cited a projection that the nation will have a shortage of at least 55,000 physicians by the year 2020. The AAMC has called for a 30% increase in U.S. medical school enrollment by 2015, which would result in an additional 5,000 new physicians annually.

“Given the amount of time it takes to educate and train a physician—four years of medical school plus multiple years of residency training—2020 is *now*, and we must take action immediately,” said Mr. Brezenoff. “Unfortunately, at a time when the mission of

our teaching hospitals to train tomorrow's doctors has never been more important, they face severe funding cuts by the Bush Administration.”

The President's budget proposes to cut \$101.5 billion from Medicare and Medicaid programs over five years. Of those cuts, two solely impact teaching hospitals: 1) the elimination of Medicare Indirect Medical Education payments associated with treating Medicare managed care (or “Medicare Advantage”) beneficiaries, and 2) the complete elimination, through regulatory action, of Medicaid funding for graduate medical education. Over five years these cuts will cost teaching hospitals \$4.3 billion and \$1.8 billion, respectively.

“Many teaching hospitals are already struggling financially, so these cuts would be devastating,” said Mr. Brezenoff. “In terms of health care policy, it's the total opposite of what needs to be done. You do not address a looming physician shortage by compromising the ability of teaching hospitals to train young men and women. The Federal funding streams that support teaching hospitals *must* be protected.”

Mr. Brezenoff also testified that, in light of the physician shortage the U.S. faces, AAMC and GNYHA strongly urge Congress to lift the cap on the number of residents for which teaching hospitals may receive Medicare reimbursement.

“We need to begin training more physicians immediately if we are to meet the demands of the retiring baby boomer population,” said Mr. Brezenoff, “and Medicare support for physician training is critical.”

Prior to becoming president and chief executive officer of Continuum Health Partners, Inc., Mr. Brezenoff was president and CEO of Maimonides Medical Center. He has also been deputy mayor of New York City, president of the New York City Health and Hospitals Corporation, and executive director of the Port Authority of New York and New Jersey.

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The Association of American Medical Colleges is a not-for-profit association representing all 125 accredited U.S. and 17 accredited Canadian medical schools; nearly 400 major teaching hospitals and health systems, including 68 Department of Veterans Affairs medical centers; and 94 academic and scientific societies. Through these institutions and organizations, the AAMC represents 109,000 faculty members, 67,000 medical students, and 104,000 resident physicians. Additional information about the AAMC and U.S. medical schools and teaching hospitals is available at www.aamc.org/newsroom.

Greater New York Hospital Association is a trade association representing more than 280 not-for-profit hospitals and continuing care facilities, both voluntary and public, in the metropolitan area and throughout the State, as well as in New Jersey, Connecticut, and Rhode Island.

Continuum Health Partners is a five-hospital healthcare delivery partnership consisting of Beth Israel Medical Center, St. Luke's and Roosevelt Hospitals, Long Island College Hospital in Brooklyn and New York Eye and Ear Infirmary. It accounts for over 2,700 certified beds, an operating budget of close to \$3 billion, more than 120,000 patient discharges, over 1.3 million outpatient visits, and more than 15,500 employees (the sixth largest employer in the New York metropolitan area).