

GME DATA BRIEF (MAY 2021)

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URBAN AND RURAL TEACHING HOSPITALS IN THE US

Graduate medical education (GME) is the system by which graduated medical students become fully trained doctors. This system is responsible for producing the nation's physician workforce.

This *GME Data Brief* examines the number of urban and rural teaching hospitals in the United States. The Medicare program categorizes teaching hospitals as "urban" or "rural" using Office of Management and Budget delineations—a teaching hospital located in an area with a population of 50,000 or more is generally designated as urban, and teaching hospitals located in areas with populations below 50,000 are designated as rural.

According to the Association of American Medical Colleges' most recent report on physician workforce projections, the United States will experience a physician shortage of between 54,100 and 139,000 by 2033.¹ This shortfall will disproportionately impact populations that experience more barriers to care, like those in rural areas. While stakeholders have long stressed the need to bolster health care access in these areas, the ongoing effects of the COVID-19 pandemic and concerns over future public health disasters have underscored the urgency.

The Balanced Budget Act of 1997 (BBA) capped teaching hospitals' count of Medicare-reimbursable residents. To address the special needs of rural areas, within the BBA and in subsequent legislation, Congress established certain provisions that benefit teaching hospitals located in rural areas, including allowing Medicare reimbursement for newly established residency programs and increasing the caps for these hospitals by 30%. Medicare's rural training track provision allows urban and rural hospitals to develop partnerships to promote rural training. Studies have shown that physicians who train in rural settings are more likely to practice in rural settings compared with those who do not.²

This *GME Data Brief* explores the BBA's effect on urban and rural teaching hospitals on a national scale and how individual geographic regions compare. The data will show that innovative workforce initiatives are needed to increase rural health care training.

The following data is from the 2018 Medicare cost report.

1 The Association of American Medical Colleges. *The Complexities of Physician Supply and Demand: Projections from 2018-2033*. June 26, 2020.

2 The Association of American Medical Colleges. *Rural Training Track Programs: A Guide to the Medicare Requirements*. April 2017.



GNYHA is a dynamic, constantly evolving center for health care advocacy and expertise, but our core mission—helping hospitals deliver the finest patient care in the most cost-effective way—never changes.

URBAN AND RURAL TEACHING HOSPITALS BEFORE THE BBA

Of the teaching hospitals operating across the US prior to the BBA’s passage in 1997, an overwhelming majority were located in urban areas of the country. Only 34 of the 863 teaching hospitals operating prior to 1997 were located in rural areas.

URBAN AND RURAL TEACHING HOSPITALS TODAY

While the overall proportion of teaching hospitals designated urban or rural has changed only marginally, the overall number of teaching hospitals geographically located in rural areas more than doubled from 34 to 80 since the BBA’s passage.

REGIONAL DISTRIBUTION OF URBAN AND RURAL TEACHING HOSPITALS

The Northeast and the Midwest most closely mirror the current national proportion of urban to rural teaching hospitals. Notably, the Mountain region has only one teaching hospital geographically located in a rural area.

GNYHA is deeply committed to supporting its member teaching hospitals in their mission to train tomorrow’s doctors. We devote significant resources to protecting GME reimbursement, including advancing policies and legislation that ensure an adequate future physician workforce and supporting GNYHA member efforts on special projects that enhance the operations and quality of the physician training enterprise.

Future GME Data Brief editions will provide additional information on physician training within different geographic areas and other topics of interest to the GME and broader policy community.

