

Position Statement
on
Graduate Medical Education (GME)
Approved by the Board of Directors: August 3, 2013
Amended by the Board of Directors: August 12, 2023

The Association of American Medical Colleges (AAMC) predicts a physician shortage of between 37,800 and 124,000 physicians by 2034 including 77,100 non-primary care physicians including dermatologists.¹ Additionally, the adequacy of access to dermatologists in non-metro areas is already inadequate. The Health Resource Service Administration estimates that the supply of dermatologists in non-metro areas is only able to meet 38% of demand in 2023.²

Alarmed by the ongoing physician shortage in this country and recognizing that the education and training of a physician can take more than a decade, the American Academy of Dermatology Association (AADA) must be proactive in addressing this critical issue.

AADA Positions:

To address the U.S. physician workforce shortages, the AADA supports a balanced approach, recognizing the importance of dermatology and all physician specialties in providing comprehensive care for an aging and increasingly diverse U.S. population. Addressing this issue should include:

- Enactment of legislation to increase the caps on Medicare-supported GME positions.
- Allocating 50% of new GME positions to specialty care training
- Action to reduce the financial burdens associated with GME such as:
 - Increasing resident salaries
 - Allowing physicians to defer student loan payments until after the completion of their residency
 - Encouraging Congress to ensure physician eligibility in federal student loan forgiveness programs

Additional Information:

Currently, there are significant barriers to accessing and increasing graduate medical education (GME) and undermining the ability to increase the physician workforce and addressing the looming physician shortage. These barriers include the federally mandated cap on Medicare-supported GME slots and the substantial investment of time and finances that is required to pursue a medical career. No single policy will be sufficient to solve this issue, but Congress can take steps to begin to mitigate this looming crisis.

At the end of 2020, Congress began to address the 25-year freeze on Medicare support for GME with the creation of 1,000 (200 per year for five years) new Medicare-supported GME positions in the Consolidated Appropriations Act of 2021.³ This bill is a first step to greater long-term investment in our nation's health care workforce.²

¹ <https://www.aamc.org/media/54681/download>

² <https://data.hrsa.gov/topics/health-workforce/workforce-projections>

³ <https://www.aamc.org/news-insights/press-releases/aamc-report-reinforces-mounting-physician-shortage>

Graduate Medical Education (GME)

Page 2 of 2

In recent years, a bipartisan group of lawmakers introduced the Resident Physician Shortage Act, which is designed to help expand the physician workforce by adding Medicare-supported GME residency positions.² The Academy has supported this legislation when it was introduced in the past.

Increasing funding and eliminating the caps on Medicare-supported graduate medical education positions is an essential step to address this projected physician shortage.

In 2022, the National Resident Matching Program recorded 42,549 active applicants for residency programs; however, this number far exceeded the 36,277 first-year positions available.⁴ This leaves thousands of highly qualified physicians who are unable to enter the workforce. The gap between available first-year positions and the number of applicants continues to increase. In 2002 the gap between the number of residency positions and the number of applicants was 2,857, a decade later the gap increased to 6,272.⁴ Without a course-correction, this trend will continue.⁴

Medical residents are an essential resource throughout all facets of our medical system. They provide direct patient care in hospitals and clinics while learning under the supervision of a teaching physician and devote substantial time to teaching other medical students. In order to attract the best candidates, residents must be paid in a way that adequately reflects the critical role they play in our healthcare system. This is why, in addition to supporting funding for more residency positions, more support is required to address the significant financial burdens associated with GME.

More than half of medical students, 69.6%, use loans to pay for school, which creates a substantial financial burden as physicians begin their careers.⁵ In 2021, the median medical student loan debt was \$200,000 and the average interest rate on student loans is 5.8%. This equates to an accumulation of \$11,600 per year in student loan interest while the average salary for a first-year resident physician is \$60,000.⁶ A study conducted between 2014 – 2015 and 2021 – 2022 found that resident salaries have only marginally increased over that time period and remain below the average cost of living in the U.S.- an issue which can be exacerbated by region. This is also compounded with historic inflation.⁷ In previous years, the AADA has supported the Resident Education Deferred Interest Act, which would allow medical or dental students to defer student loan payments until the completion of their programs.⁸

⁴ <https://www.nrmp.org/wp-content/uploads/2022/11/2022-Main-Match-Results-and-Data-Final-Revised.pdf>

⁵ <https://educationdata.org/average-medical-school-debt#:~:text=69.6%25%20of%20medical%20school%20students,the%202021%2D2022%20academic%20year>

⁶ <https://www.ama-assn.org/medical-students/specialty-profiles/6-things-medical-students-should-know-about-physician>

⁷ https://www.medscape.com/slideshow/2021-lifestyle-dermatologist-6013506?reg=1&icd=login_success_email_match_norm

⁸ <https://www.aamc.org/media/55736/download>

This Position Statement is provided for educational and informational purposes only. It is intended to offer physicians guiding principles and policies regarding the practice of dermatology. This Position Statement is not intended to establish a legal or medical standard of care. Physicians should use their personal and professional judgment in interpreting these guidelines and applying them to the particular circumstances of their individual practice arrangements.