



# Graduate Medical Education Funding in California: 6 Key Facts

**Graduate medical education (GME)** is the residency and fellowship training after medical school. Despite the importance of GME, there is **no centralized plan** for creating a physician workforce to meet the needs of California, and there are **multiple, disconnected federal, state, and private sources** of GME funding. The largest payer for GME, the Centers for Medicare & Medicaid Services (CMS), has a payment mechanism that lacks transparency, is based on antiquated policies, and results in **wide variation in payments** to teaching hospitals.

**1** The number of physician trainees in California isn't keeping up with population growth and the health care needs of its people.

BETWEEN 1997 AND 2015

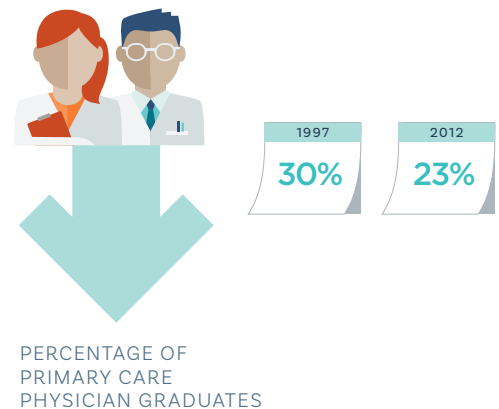
CALIFORNIA'S POPULATION INCREASED BY  
**20%**



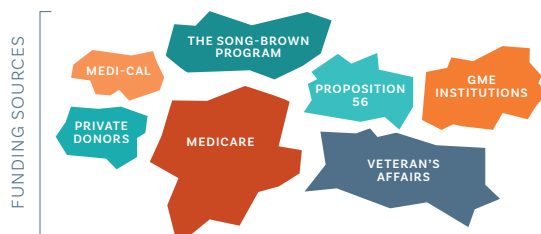
THE GME GRADUATION RATE INCREASED BY  
**10%**



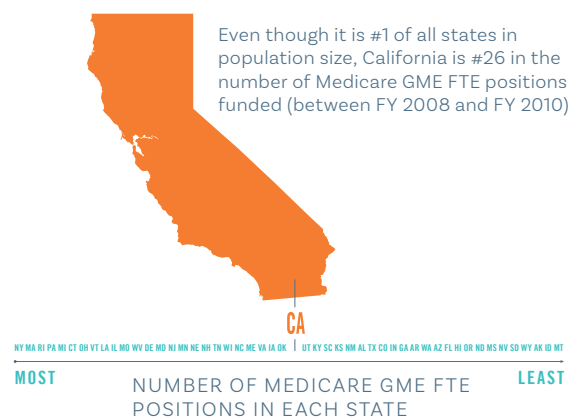
**2** Despite our state's urgent need for more primary care providers, the percentage of primary care physician graduates (of total graduates in California) has fallen over time, from 30% in 1997 to 23% in 2012



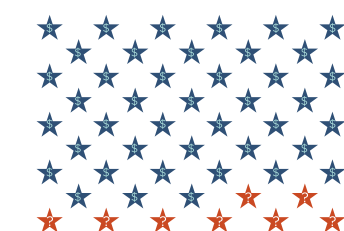
**3** GME funding in California is fragmented and lacks coordination. If the state wants to efficiently and effectively train our future health workforce, GME funding needs to be clearly coordinated with an eye to solving specific workforce needs.



**4** On a per capita basis, CMS has continually underfunded GME in California relative to other states.



**5** California is one of eight states in the US that do not have dedicated Medicaid funding for GME. Instead, California hospitals receive discretionary funding through Medi-Cal that they can choose to use—or not use—on GME.



CALIFORNIA IS ONE OF EIGHT STATES THAT DO NOT HAVE DEDICATED GME FUNDING



DISCRETIONARY FUNDING MAY OR MAY NOT GO TO GME

**6** The state can earmark funds for GME. For example, in 2017, it allocated \$100 million over three years through the Song-Brown program. These funds, however, are not enough to meet GME needs, and they are also dependent on the state's budgeting process.

