

problems that we're going to face in the future if we don't get our arms around this problem.

A recent piece of legislation that I introduced is H.R. 2584, the so-called Physician Workforce and Graduate Medical Education Enhancement Act of 2007. Part of this legislation is to ensure this workforce in the future by helping young doctors with the availability of residency programs.

One thing about physicians is we tend to have a lot of inertia. We tend to go into practice where we did our residency. We tend to not go too far from home when it comes to setting up a medical practice.

So with that in mind, and in fact, that was one of the main thrusts of the article that was included in Texas Medicine, is to develop more residency programs in the communities where the medical need is greatest and develop those residency programs with the type of physician that's needed in those medical communities: primary care to be certain; obstetrics to be certain; general surgery; again, the types of physicians that we want to be on the front lines practicing in our medium-sized communities. We need to get young doctors in training in locations where they're actually needed.

This bill, the physician workforce bill, would develop a program that would permit hospitals that do not traditionally operate a residency training program the opportunity to start a residency training program and build a physician workforce of the future and build it from the ground up, start at home, start right where it's going to be needed.

On average, it costs \$100,000 a year to train a resident, and that cost for a smaller hospital obviously can be prohibitive. Because of the cost consideration, my bill would create a loan fund available to hospitals to create residency training programs where none has operated in the past. The program would require full accreditation and be generally focused in rural suburban inner community hospitals and focus on those specialties that are in the greatest need, and that will, of necessity, be some of the primary care specialties that I just mentioned.

Well, what about those people who may not yet be in medical school but may be contemplating a career in health care? Locating young doctors where they're needed is just part of solving the impending physician shortage crisis that I think will affect the entire health care system nationally. Another aspect that must be considered is training doctors for high-need specialties.

The second bill, H.R. 2583, the High Need Physician Specialty Workforce Incentive Act of 2007, will establish a mix of scholarship, loan repayment funds and tax incentives to entice more students to medical school and create incentives for those students and newly minted doctors to stay in those communities.

This program will have an established repayment program for students who agree to go into family practice, internal medicine, emergency medicine, general surgery or OB/GYN and practice in a designated underserved area. It will be a 5-year authorization at \$5 million per year. It will provide additional educational scholarships in exchange for a commitment, a commitment to serve in a public or private non-profit health facility determined where there's a critical shortage of primary care physicians.

Well, in addressing the physician workforce crisis, looking a little bit at residency programs, looking a little bit at medical students and, of course, medical liability but the placement of doctors in locations of greatest need and the financial concerns of encouraging doctors to remain in high-need specialties, the next bill, H.R. 2585, will address perhaps what is the largest group of doctors in this country, what I like to call the mature physician, and certainly the largest and still growing group of patients, our baby boomers, those who are just on Medicare and those soon to be on Medicare.

Now, before I get too far into this, I'm joined by my friend from Pennsylvania. Did you wish to weigh in on this subject this evening?

Mr. DENT. I would very much like to.

Mr. BURGESS. I'm happy to yield to my friend from Pennsylvania for a few minutes and give him time to talk.

Mr. DENT. Mr. Speaker, I first want to applaud you for your leadership on this issue. As an OB/GYN physician, you know this issue probably better than anyone in this institution.

But I just wanted to share with you a perspective from the Commonwealth of Pennsylvania, where we were a crisis State. And you're right on on some of these issues you just discussed, but the bad policy on medical liability reform was far too common in the Commonwealth of Pennsylvania for a very long time.

Our crisis actually originated back in the 1970s when no one would write medical liability insurance. So we created a State fund, and it was supposed to be a stopgap measure. We addressed that stopgap measure almost 30 years later in 2002, 2003.

But the point of the whole issue is you had to buy insurance from the State fund, we call it the MCAT fund, and it's been renamed the MCARE fund, and then you would buy additional insurance from the private sector.

The problem with the program was, though, you would buy your insurance basically today, if you're a young doctor you buy into the MCARE fund, and you're really paying for past claims, unlike a traditional insurance product where you pay your premium today to pay against a future claim, and so this has created an enormous retention problem for us because over the years there are so many unsettled cases in

this MCAT fund that what would happen is these claims all collected and we started settling these cases rather aggressively in the late 1990s and 2001 and 2002. And so today's physicians were being assessed with an emergency surcharge to pay for previous medical liability incidents. A major, major problem.

And also, in a city like Philadelphia, where the average jury verdict was more than double that of anywhere else in the Commonwealth of Pennsylvania, where jury verdicts were in excess of \$1 million on average, as reported by a jury verdict research, and the rest of the Commonwealth, the verdicts were less than half that.

But my point again is this: we created this State fund, an unfunded liability accumulates, today's doctors are paying for the liability situation of their predecessors, creates an enormous physician recruitment problem. Of course, there's always a retention problem, but the recruitment problem was enormously pronounced because of that policy change.

And so what ultimately happened, because the premiums became so high through this State fund, the people who ultimately had to solve this problem for the physicians were the taxpayers. And so cigarette taxes were used to pay for physicians' premiums, particularly in the high-risk areas, the OBs, the neurosurgeons and many other trauma surgeons and orthopods.

That's what happened in Pennsylvania, and I think many of the remedies you've discussed here, such as caps on noneconomic damages or collateral sources, structured payments, some of the things that you've done in Texas, I'm not as familiar with all those changes, but it certainly had an impact.

I just wanted to applaud you for this. You know, of course, that there's legislation pending in this Congress from some of the legislation last session, and I just want to thank you for yielding, but I just again want to applaud you for your leadership on this issue. I'm glad you're bringing this issue, once again, to the attention of the American people.

Mr. BURGESS. I thank the gentleman for his input. Certainly, the ability to recruit doctors to Texas from Pennsylvania has been greatly enhanced by the passage of the Texas medical liability bill, but you point up a very real problem that the physicians in Pennsylvania face. And, again, it points up the need for a national solution to wait and have the process work its way through every State legislature, State by State. It costs an enormous amount of money, costs an enormous amount of time, and just the effort, the efficiency of those doctors affected is going to be diminished.

So I really appreciate the gentleman taking the time to come down here and add his thoughts about what is happening in his home State of Pennsylvania.