

Doctors Hospital at Renaissance Health System proudly supports the concept of *Cap Flexibility*. We believe that the Center for Medicare & Medicaid Services (CMS) can and should leverage its existing authority to supplement the current broad-based Graduate Medical Education (GME) cap-building policy with a strategic approach to provide incentives and additional assistance for GME programs to development in areas of need across the country. Cap Flexibility provides a tailored approach to target federal GME dollars in order to incentivize the establishment and expansion of GME programs in under-resourced and underserved regions.

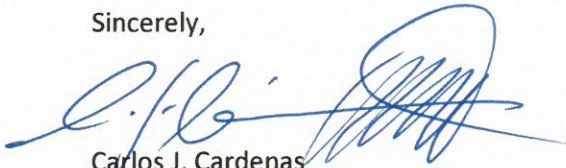
The additional time provided to fledging teaching hospitals in areas of need will have wide ranging benefits, including, but not limited to:

- providing lifesaving opportunities for new teaching hospitals to secure the resources necessary to scale-up training capabilities;
- helping alleviate regional physician shortages;
- boosting the return on investment for hosting teaching hospitals, medical schools, local communities, Medicare, and state investment;
- increasing the likelihood that physicians will practice in the underserved area; and
- helping address the mal-distribution of GME programs and physicians across the nation.

Meeting the health care needs of a growing population as large, diverse, and geographically distributed as that of the United States, requires a dynamic and flexible system that is able to supply a sufficient number of primary care and specialist physicians and geographically locate them where they are needed. The establishment of a GME residency program requires immense investment of human capital, infrastructure, institutional capacity, as well as community and financial support. Accomplishing the requisite groundwork for residency programs is all the more challenging for new teaching hospitals, especially those in rural or other areas of need where available resources are scarcer and the referral area and community need larger. Programs located in regions facing physician shortages as well as rural and underserved areas could greatly benefit with additional time to secure the necessary resources and to foster the development of residency programs that can meet the increasing demand for physicians.

We believe **Cap Flexibility** represents an innovative and dynamic policy tool currently available to CMS. We encourage CMS to use all available tools at its disposal to address national physician workforce issues.

Sincerely,



Carlos J. Cardenas
Chief Administrative Officer
Chairman of the Board