The Unmeasured Value of Residents **September 14, 2025**

Dear Residents,

I began attending on wards this weekend and even though I have done this several times before, I continue to be stunned with how much work the residents put in and how critical they are to patient care in our healthcare systems. In healthcare today, so much of our work is reduced to acronyms. One of the most powerful is the RVU (Relative Value Unit) the yardstick used to measure physician productivity and, ultimately, to determine reimbursement. It is a corporate metric that moves the goalposts toward revenue, often at the expense of education and sometimes even at the expense of the patient encounter itself.

The concept of the Relative Value Unit (RVU) emerged in the 1980s, when Medicare sought a fairer alternative to paying physicians based on "usual and customary charges." A Harvard research team led by William Hsiao developed the Resource-Based Relative Value Scale (RBRVS), which assigned values to services based on physician work, practice expense, and malpractice cost. In 1992, Medicare formally adopted the system, and RVUs became the national currency for physician reimbursement.

Since then, RVUs have been used not only to standardize payment but also to measure physician productivity, structure faculty compensation, and benchmark workloads across specialties. While they provide a common language for comparing services, the system has drawn criticism for favoring procedural over cognitive care, and for ignoring essential but non-billable work such as teaching, mentorship, and care coordination. Even with recent adjustments like higher values for outpatient visits in 2021, RVUs continue to shape the culture of medicine, often shifting focus from patient care and education to corporate productivity metrics.

But there is another way to think about RVUs. My tongue-in-cheek suggestion is that they stand for Resident Value Units. Because the truth is, your value to the healthcare system is immense and rarely captured on a balance sheet. A recent analysis suggests that each new resident generates nearly $482,000 in economic activity per year, while the average cost of training is only about $115,000. That's a fourfold return on investment. At the institutional level, the net financial impact of adding a resident can range from a loss of $100,000 to a gain of more than $250,000, depending on specialty and reimbursement streams. It can also vary depending on the level of training (interns vs residents vs fellows), the specialty (medicine surgery, radiology, etc.), the proportion of Medicare discharges, the size of teams, and whether attendings are slowed down or speeded up. All the same, when zoomed out, U.S. teaching hospitals and medical schools together contribute $728 billion to the economy, supporting over 7 million jobs.

Yet these numbers only scratch the surface. What isn't counted are the hours you spend at the bedside listening, the moments you pause to explain a diagnosis to a patient or lead a family meeting, the way you teach each other throughout the day, or the culture of learning you sustain every day. You are my best source of learning with the questions you raise, the diagnoses you consider and all the things I have to look up simply because you suggested the possibility. These are the true Resident Value Units that matter most - the ones that cannot be billed but that ensure medicine remains humane, collaborative, and steeped in the spirit of life-long learning.

So, while the health system may tally Relative Value Units, know that I am counting on your Resident Value Units. They are what keep our program vibrant, our patients cared for, and our profession moving toward its higher calling. For that, I remain deeply grateful.

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