

Texas Higher Education Coordinating Board Family Practice Residency Advisory Committee

Texas Higher Education Coordinating Board Room
1200 E. Anderson Lane
Austin, Texas

July 8, 2015
10:00 a.m.

Summary Notes

Members present: Roland Goertz, Chair (Texas Academy of Family Physicians), Clare Hawkins (Texas Academy of Family Physicians), Lewis Foxhall (Texas Medical Association), Fred Onger (Texas Organization of Family Practice Program Directors), Jon Sivoravong (Texas Organization of Family Practice Program Directors), Bennie Wylie (Governor Appointee), Linda Vega (Governor Appointee) (call in).

Members absent: Michael Ragain, Vice Chair (Texas Academy of Family Physicians), Bruce Becker (Texas Hospital Association), Michael Reis (Texas Hospital Association), Damon Schranz (Texas Osteopathic Medicine Association), Idolina Davis (Governor Appointee),

Staff present: Rex Peebles, Stacey Silverman, Suzanne Pickens, Ernest Jacquez, Doug Jansen, BJ Byrom

1. Welcome and Introduction – *Dr. Roland Goertz, Chair*

Dr. Roland Goertz, Chair, convened the meeting without quorum present and welcomed the members and guests. After his openings remarks, Dr. Goertz invited committee members, Coordinating Board staff, and visitors to introduce themselves. Ms. Vega then joined the meeting by phone and a quorum was established.

→ Informational Item: No Action Taken

2. Consideration of Summary Notes for March 6, 2015 meeting – *Dr. Goertz*

→ Action Item: The Advisory Committee unanimously approved the Summary Notes from the March 6, 2015 meeting.

3. Report on FPRP Legislative Appropriation – *Suzanne Pickens, Coordinating Board Staff*

Ms. Pickens reported on the Family Practice Residency Program (FPRP) appropriations. For the current 2014 – 2015 biennium, the Legislative appropriation is \$12.78 million; for the Fiscal Years (FY) 2016 – 2017 the appropriation is \$16.78 million, an increase of \$4 million. Over the last seven biennia FPRP appropriations have ranged from a low of \$5.6 million (FY2012 – FY2013) to a high of \$21.2 million in million in FY2010 – FY2011. The FY2016 – FY2017

appropriation of \$16.78 million is 79 percent of the highest appropriation during that fourteen-year period.

The FY2016 – FY2017 appropriation comes from two different sources. \$4 million is from the General Revenue Fund, and \$12.78 is from the General Revenue-Dedicated Trauma Facility and Emergency Medical Services (EMS) Account. Staff explained that the source of the appropriation affects how the Coordinating Board manages the money internally, but it will not affect the funding allocation. The EMS account is managed by the Department of State Health Services, and the Coordinating Board will work with DSHS to arrange funds transfer to the Coordinating Board to disburse. The total appropriation for the coming year FY 2016 is \$8.39 million.

→ Informational Item: No Action Taken

4. Consideration of Fiscal Year 2016 Funding Recommendation – *Dr. Goertz*

Dr. Goertz gave a brief overview of the process used to develop the three scenarios under consideration, noting that Coordinating Board staff and committee leadership have discussed the fairest way to allocate distribution, analyzing participation in supplemental programs.

Dr. Goertz opened the floor for discussion of the various scenarios presented. Dr. Silverman pointed out that the number of residents could change from the numbers projected in the scenarios, because residents are certified on September 1. Dr. Goertz added that another issue to consider is that, in future years, the number of new programs might dilute the per-resident amount. Once these new programs meet the requirement of three years of operation, they will likely request funding.

Dr. Hawkins moved to adopt Funding Option 3, with Dr. Foxhall seconding the motion. Dr. Hawkins explained that Option 3 supports the Faculty Development Center (FDC), which will be ever more necessary as new programs are coming online. Dr. Sivoravong echoed support for FDC funding.

→ Action Item: Motion to accept Funding Option 3 passed unanimously.

Ms. Pickens explained that Funding Option 3 will increase the amount of per-resident funding for rural rotations from \$2,000 to \$2,500 per rotation, a change that will require revision to the current guidelines. Ms. Pickens asked the committee to grant Coordinating Board staff the authority to make that change to the guidelines to increase the amount to \$2,500.

A motion was made and seconded to authorize staff to revise the rural rotation guidelines to reflect the increase in the amount of funding per rotation to \$2,500.

→ Action Item: The motion to authorize staff to revise the stipend in the guidelines passed unanimously.

Dr. Foxhall suggested that a subgroup of committee members meet to review the rural rotation guidelines for potential revisions. Drs. Goertz, Foxhall, and Onger agreed to review the guidelines.

5. Consideration and discussion of audit requirements in Senate Bill 215 (83rd Legislative Session), and State Auditor's Office opinion.

Dr. Goertz explained that there has been a change in Coordinating Board rules that govern audit requirements. The committee requested that the Coordinating Board clarify the implications for family medicine programs with respect to the audit reports required by statute.

Aporajita Ahmed, Coordinating Board Internal Audit, suggested that language be changed, from "audit" to "engagement," to more accurately reflect the requirement. An engagement could be a review, which allows limited testing and gives reasonable assurance, but is not as comprehensive as an audit. This review could be performed by someone independent to the program who could review the program and its financial statement and write a report. Dr. Goertz asked if institutions could still have their internal auditor provide reports for the program. Ms. Ahmed replied that this would be acceptable.

A short discussion followed, with Ms. Pickens clarifying that this requirement is in statute, which supersedes Coordinating Board rules or any guideline. However, the guidelines should communicate the requirement clearly and accurately: that it is a review by an entity independent of the program. As such, it may be conducted by the institution, as long as the entity performing the review is external to the program.

→ Action Item: A motion was made to change the wording of the guidelines as suggested using "engagement" or "audit report" instead of "audit statement." The motion passed unanimously.

6. Discussion relating to FPRP Rules 6.7 and 6.8 requiring that programs must have been in operation for at least three years to be eligible for operational grant funding

Ms. Pickens presented an overview of the Graduate Medical Education (GME) Expansion grant programs that were created in 2013 by the 83rd Legislature. This overview includes Planning Grants, Unfilled Position Grants, Grants for New and Expanded Programs, and also the Resident Physician Expansion Program. Largely as a result of the funding support from the GME Expansion grants, there are eight new family medicine residency programs that have begun, or are expected to begin, operation between 2014 and 2017. FPRP guidelines require that new programs be in operation three years before being eligible to apply for an Operational Grant. Some of the eight programs would not qualify for FPRP funding until FY 2020.

Discussion followed. Dr. Sivoravong asked if it is still the best course to maintain the three-year requirement, given the state's goal to create more first-year GME positions. Dr. Silverman noted that there were two issues the committee considered before the adoption of the three-year waiting period. The state biennial funding stream appropriates funds for two years every other year. In addition, three years of residency program operation allows one full cohort to complete that program, providing some indication of program stability. Dr. Sivoravong expressed concern that it seems that the guidelines exclude new programs from support because of the funding issues. It was noted that new GME programs currently have funding support from the GME Expansion Grant Program beginning with the first year of operation. Dr. Onger commented that the stability issue is one of the most important criteria the committee needs to consider. Programs requesting funding should be able to demonstrate that they can sustain program operation and would not be overly dependent on grant funds. Three years

seems a reasonable waiting period before a program can request funding from the Coordinating Board.

The committee opted to table discussion about the three-year requirement for new programs until a later date.

7. Consideration and discussion of instructions for Annual Financial Report

The committee discussed the Annual Financial Reports (AFR). Dr. Goertz noted that policy-making entities at both the state and federal levels request this kind of information. Coordinating Board staff are available to assist new users who are unfamiliar with the template. It was noted that completion of the report is often managed by a department outside the program, such as the audit department.

Cindy Passmore, Faculty Development Center, and Jennie Faulkner, Medical Education Director, Conroe Medical Education Foundation agreed to review the current AFR instructions and consider the usefulness of developing a presentation on AFR completion for the Family Medicine Leadership Conference.

8. Update on status of Graduate Medical Education Expansion grant programs

Ms. Pickens presented an overview of the Graduate Medical Education (GME) Expansion programs that were created in 2013 by the 83rd Legislature. Six new grant programs were established, with the intent to increase the number of first-year GME positions available in the state. The total appropriation was \$16.35 million, of which \$14.25 million funded four GME programs, and \$2.1 million funded the Primary Care Innovation program. The appropriation for GME Expansion in FY2016 – FY2017 is \$53 million.

Discussion followed. Dr. Foxhall inquired about specialties listed as primary care. Suzanne answered that primary care specialties are family medicine, internal medicine, pediatrics, and obstetrics/gynecology, as designated in statute. Dr. Silverman emphasized that it is crucially important that there are more first-year residency positions of all kinds due to the increase in medical school graduates in recent years, and she explained the steps that the Legislature, programs, and the Coordinating Board are taking to meet the challenge. Further discussion occurred focusing on program accountability and primary care residency positions. Dr. Silverman added that every effort will be made to keep stakeholders apprised whenever rules need to be changed, or if there is a need to go through a negotiated rulemaking process.

→ Informational Item: No Action Taken

9. Update on 84th Legislative Session

Ms. Pickens introduced Coordinating Board staff Rick Svatora, External Relations, and Lesa Moller, Student Aid Financial Programs.

Mr. Svatora presented an update on major legislation from last session that affected or could have affected higher education. After a brief discussion of the Hazelwood exemption and other issues related to higher education, discussion moved to House Bill (HB) 1, the state budget for the next biennium, FY2016 – FY2017. HB 1 appropriated \$19.9 billion for higher education, which is a 7.5 percent increase (\$1.4 billion). Appropriations to Health-Related Institutions increased by \$178 million, a 6.2 percent increase.

Ms. Moller provided an update on the Physician Loan Repayment Program (PLRP). Funding for the PLRP was increased to \$33.8 million in the 2014 – 2015 biennium, and will remain at that level for the 2016 – 2017 biennium. This program is efficient and cost-effective because disbursements are made upon completion of each year of service. Physicians must agree to provide four years of eligible service, but the program's letters of conditional approval state that any disbursements to be made after the state spending deadline for the current biennium will be contingent on continued state appropriations, and if, future funds were not appropriated, physicians would be released from their agreements.

The main purpose of the program has always been and continues to be to recruit and retain primary care physicians in Health Profession Shortage Areas (HPSA). Legislation that became effective for the 2014 – 2015 biennium created an alternative pathway to eligibility. Applications from physicians who do not practice in HPSAs but who meet specified service levels for Medicaid and Texas Women's Health program enrollees, are considered at the end of each fiscal year if funds remain available after all other applications have been considered.

Multiple layers of priorities have added considerable complexity in projecting expenditures and general administration of the program. To date there have been sufficient funds to approve applications from all eligible physicians and nursing faculty applicants. Current projections indicate that there might not be FY 2015 funds available at the end of the year for nursing faculty loan repayment. Projections are based on the assumption that all physicians that have applied for participation in the program will, in fact, complete service requirements.

Ms. Moller noted that the PLRP is approaching a level of full subscription, which the Coordinating Board considers a mark of success. During the upcoming year, the Coordinating Board expects to conduct an anonymous survey to collect feedback on the degree to which the prospect of loan repayment influenced physician practice decisions and retentions in HPSAs.

→ Informational Item: No Action Taken

10. Discussion of future agenda items and future meeting dates

Dr. Goertz summarized meeting discussion topics. Ms. Pickens suggested that the committee continue to meet in conjunction with the Texas Academy of Family Physicians (TAFP) Interim Session, which has been moved to April 2016. Scheduling the FPRAC meeting in conjunction with the TAFP Interim Session facilitates attendance for program directors and other interested parties. TAFP has provided a meeting room for the committee on April 15, 2016 from 3:00 – 5:00 PM at the Omni Southpark Hotel in Austin.

Agenda items for the spring 2016 meeting include consideration of funding recommendations for FY 2017, review of annual financial reports and programmatic reports, and an update on Physician Loan Repayment Program outcomes, if survey results are available.

11. Adjournment

Adjourned at 12:30p.