

Texas Higher Education Coordinating Board
Family Practice Residency Program

Academic Quality and Workforce Division
1200 E. Anderson Lane, Austin, Texas

April 5, 2017
3:00 PM

Summary Notes

Members present: Roland Goertz, Chair, Michael Ragain, Vice Chair (via phone), Ruth Chambers, Jim Donovan, Lewis Foxhall (via phone), Clare Hawkins, Fred Onger, Damon Schranz, Jon Sivoravong, Dana Sprute, Linda Vega, Bennie Wylie

Members absent: None

Guests present: Tom Banning, Cindy Passmore

Staff present: Suzanne Pickens, Reinold Cornelius, Ernest Jacquez, Jodie Lopez

1. Welcome and Introduction

Dr. Goertz, Chair of the Family Practice Residency Program Advisory Committee, convened the meeting at 3 pm. He asked members, staff, and audience to introduce themselves.

2. Consideration of Summary Notes for April 15, 2016 Meeting

The Committee accepted the summary notes from the April 15, 2016 meeting as written.

3. Consideration and Discussion of Annual Financial Reports submitted by Programs

Dr. Hawkins summarized the main points of the Annual Financial Reports. There was high variability of total revenue among the 28 programs, from \$3 million to \$20 million. Family Medicine Residency Program (FMRP) operational grant funding of \$8.2 million supported a total of 746 residents across all programs. Grants are based on the number of certified and approved residents in each program, which varied from nine to 66 residents. Per resident funding was approximately \$10,900; average total FMRP funding per program was \$294,000. Eight programs reported expenditures for rural and public health rotations, for \$102,000 total.

Patient revenue varied widely, from several hundred thousand to \$13 million, as a function of program size, structure, contracts, etc. Medical school revenue also was a function of program structure and varied between \$0 and \$86,000 per resident, with an average of \$18,000. Some state formula funding may be reported under this category for programs associated with a public medical school. Independent programs do not receive state formula funding. All but one program reported revenue from hospital partners, for an average hospital revenue per program of \$2.9 million.

For the majority of programs, local revenue was reported as zero; two notable exceptions were UTHSC Houston with \$118,900 per resident and Baylor College of Medicine with \$61,000. Seven of the 28 programs reported federal revenue (not including Medicare GME reimbursements). This category includes items such as AHEC funding and federal grant funds. Five of the 28 programs reported a negative amount under revenue minus cost. For these programs, their costs are underwritten by the parent institution, hospital system, or foundation.

On average, the total cost to train a resident was \$275,000. This cost rose slightly faster than inflation, over the years. Resident salary and benefits averaged \$80,000 per resident. Faculty costs, which varied by program size and structure, accounted for an average of \$2.1 million per program. Faculty cost generally reflects only the time the faculty are teaching program residents.

Dr. Hawkins summarized the average distribution of costs to a family practice residency program: Resident costs represented 27 percent of total expenditures, faculty costs 30 percent, and personnel cost and operating expenses were each 21 percent of total expenditures.

Dr. Goertz remarked that the collection tool for financial data is now better than it had been in the past. However, some amounts remain difficult to obtain with great accuracy, because of different accounting structures within the sponsoring institutions. Therefore, there are inherent variations in data between programs. Nevertheless, the average costs reported by Texas programs is very close to the average costs reported by WWAMI, which collects data on programs in Washington, Wyoming, Alaska, Montana, and Idaho.

4. Consideration and Discussion of Annual Written Reports Submitted by Programs Summarizing Activities of the Last Year

Dr. Goertz provided a summary of the annual written reports received from the 28 programs for fiscal year 2016. For the most part, programs maintained the same number of residents as in the previous year, but four programs increased and four programs decreased their numbers. Due to the closing of the Bay Area Corpus Christi program scheduled for 2018, 18 residency positions will be lost.

The annual report captures information on rural and public health rotations, including any interface with the Texas Department of Rural Affairs (TDRA) and rotations organized by the programs themselves. Dr. Goertz noted that 114 rural and public health rotations were completed; none of these were through TDRA; 19 were through other means. The rotations were completed at a variety of location types. Barriers to completion of rural rotation included items such as lack of funding to cover resident's salary while away from the primary program site and lack of housing for residents at the rotation site.

The annual report also captures information on program connections with a medical school, i.e., whether affiliated with, sponsored by, located in, or no relationship with a medical school. Fourteen programs were affiliated with a medical school, seven had no connection, two were sponsored by, and six were located within a medical school. Twenty-four of the 28 programs allowed third year medical student rotations, which totaled 932. About one-third of residency programs received some financial support from a medical school.

Programs described their efforts to address the statutory requirement to recruit underserved populations. Residents typically rate program websites as most important in attracting their attention. Several programs cited location in an underserved/shortage area and working with a federally qualified health center as helpful to recruiting efforts.

Some of the numerous and varied innovation projects reported involved simulation centers, electronic health records (EHR), patient centered medical home, and policy/leadership training tracks.

Funding remained the number one challenge for programs, with faculty recruitment the number two challenge.

→ Action Item: The Advisory Committee unanimously approved the Annual Financial Reports and Annual Written Reports

5. Update on the Faculty Development Center

Cynthia Passmore provided a report on the activities at the Faculty Development Center, which provides a variety of programs that support graduate-level training for family medicine program faculty. These include, e.g., leadership conferences, preceptor training, resources for curriculum development, and presentations. The Coordinating Board funding in fiscal years 2016 and 2017 provided the opportunity to add a second educational program manager. In addition to the annual programs, the Center also offers one free consultation per residency program on topics such as the NEXT accreditation system, critical teaching skills and scholarly activity curriculum, others selected by the residency program. In fiscal year 2016 the Center held 31 additional on-demand sessions with nearly 500 trainee encounters. The fellowship program offered by the Center culminates in a certificate in academic medicine, with graduate education credit. Previously the fellowship program offered only CME credit. The Center is also developing the curriculum for a master's degree.

Dr. Goertz commented that his meeting with last year's Academic Fellowship class was a very gratifying experience.

→ Informational Item: No Action Taken

6. Legislative Update

Tom Banning gave an update on the ongoing the 85th legislative session, which ends on May 29. The only statutory requirement for legislators each biennium is to pass a balanced budget. If this is not accomplished by the end of the regular session, the Governor will call a special session, and the budget bill must be passed by the end of August. The Senate has passed its initial budget; the House budget is under consideration.

The House budget under consideration would maintain medical and graduate medical education grants, including FPRP, as well as the Physician Education Loan Repayment Program (PELRP) and the Statewide Preceptorship Program, at the 2016 – 2017 levels. To achieve this, the

budget would use \$2.5 billion from the Rainy Day Fund, which will require 100 votes. The House budget would reduce funding for the Medicaid Program by four percent.

The Senate budget currently would cut FPRP funding by six percent, PELRP funding by 25 percent (even though these are dedicated funds), would provide full funding for Statewide Preceptorship Program, and eliminate the Primary Care Innovation Program. Special item funding for medical schools would also be eliminated. Budget reductions to all institutions of higher education average six to ten percent of total institution funding.

The House and Senate budgets will now go to a Conference Committee of five members from each chamber. The difference in total spending between the two budgets is about \$500 million, a relatively small amount compared with the total budget amount of \$217 billion. Nonetheless, reconciling the differing methods of financing the budget used by the two chambers presents a significant challenge.

The Committee discussed the future of the Medicaid program in Texas and other topics, such as developments in telemedicine, public health issues, and the possible expiration of the Medicaid Transformation 1115 Waiver Program.

→ Informational Item: No Action Taken

7. Coordinating Board Update

Suzanne Pickens gave an update for the Coordinating Board. Agenda materials included a report for the Physician Education Loan Repayment Program. Coordinating Board staff would join the upcoming June meeting to report in person.

Ms. Pickens discussed historical funding of the Family Practice Residency Program. There was a large drop in funding in 2012 and funding has increased since then, although not to pre-2012 levels. On an inflation-adjusted basis, funding is about half the original 1999 funding level.

Ms. Pickens provided an update on some of the bills that are tracked by staff, including HB 2996/SB 1455 relating to a new rural training track grant program, SB 1066 relating to the requirements for institutions to plan for additional residencies before opening new medical schools, and SB 1505 relating to an additional tobacco tax that would add to the permanent fund for GME and to the Nursing Education Loan Repayment Program.

Ms. Pickens discussed and provided information with regards to the awards and outcomes of the Planning and Partnership Program and the Graduate Medical Education (GME) Expansion Program. As a result of planning grant support in fiscal years 2014 and 2015, ten new residency programs reached accreditation and operation by 2017.

Ms. Pickens presented information on the GME Expansion awards made in 2016, noting that the award funding is not disbursed to grantees until the awarded positions are verified as filled. The final verification process for the awards is now in process. Information was presented on funding awarded by medical specialty, with particular detail on awards to family medicine programs. Dr. Goertz commented that while the GME expansion program was not under the purview of the Committee, the information was important because there could be a future

effect on FPRP, and he asked Ms. Pickens to provide Committee members the list of GME Expansion awards made to family medicine programs. The Committee briefly discussed the percentage of internal medicine programs that received funding.

→ Informational Item: No Action Taken

8. Consideration of the Selection of Chair and Vice Chair for Fiscal Year 2017

Dr. Schranz nominated Dr. Goertz for chair of the Committee and he nominated Dr. Ragain for vice chair. Both were elected unanimously. Dr. Goertz announced that fiscal year 2018 would be his final term on the committee.

9. Consideration and Discussion of Future Agenda Items and Future Meeting Dates

The Committee discussed the upcoming June meeting. An agenda item will be consideration of the funding recommendation to the Coordinating Board, based on the appropriation by the 85th Texas legislature. Since the Board's Committee on Academic and Workforce Success will meet on June 28, the Committee should finalize the recommendation no later than June 14.

Dr. Goertz asked members to email their meeting preferences for meeting dates between June 1st and June 14th. The meeting will be in the Coordinating Board's board room.

10. Adjournment

Dr. Goertz adjourned the meeting at approximately 4:30 pm.