



**MEDICAL EDUCATION FUNDING:**

**A Status Report from the  
State University System of Florida  
Presidents' Workgroup  
To the Florida Board of Governors**

**September, 2009**

## **Background**

In August of 2008, State University System (SUS) of Florida Chancellor Mark Rosenberg asked University of Florida President Bernard Machen to chair a Medical Education Funding Workgroup to represent the presidents of the SUS institutions that offer programs leading to the M.D. degree. Besides the University of Florida these include existing medical schools at Florida State University and the University of South Florida, recently opened medical schools at the University of Central Florida and Florida International University, and a Florida Atlantic University-University of Miami affiliated program.

The Workgroup was charged with exploring whether it was possible to establish a more transparent and systemic approach to medical education funding and accountability than the one currently employed. In March 2009 the Workgroup reported out to the Board of Governors (BOG), and the BOG directed the Workgroup to develop recommendations for a defensible annual M.D. cost-to-educate per student funding model. The Workgroup was also directed to continue its work on improving outcomes reporting for the M.D. program and fiscal reporting for the M.D. and other programs insofar as reporting their expenditures assisted in providing clarity and accountability for the state's investment in medically-related programs.

In the meanwhile the 2009 Florida Legislature crafted proviso language very much in consonance with the work already underway. The proviso language reads as follows:

From the funds in Specific Appropriations 144 through 149, the Board of Governors shall develop a funding methodology for a consistent base level of state support on a per-student basis for each 4-year Doctor of Medicine degree program offered by a state university. The Board of Governors shall work with OPPAGA and representatives from each 4-year Doctor of Medicine degree program to develop the methodology. As part of the development of the funding methodology, the Board of Governors shall:

- (1) Review national data on the costs associated with 4-year Doctor of Medicine degree programs offered by public universities.
- (2) Determine a base-level cost per student that excludes supplemental costs or startup costs.

(3) Determine supplemental costs and startup costs that are in addition to the base-level cost per student and that support the unique mission of a degree program or support the implementation of new 4-year Doctor of Medicine degree programs.

(4) Determine a uniform reporting procedure for the consistent annual reporting of expenditures and outcome data for 4-year Doctor of Medicine degree programs.

The Board of Governors shall submit a report on the funding methodology to the Governor, the President of the Senate, and the Speaker of the House of Representatives no later than February 1, 2010.

While this report is intended to respond to the charges of both the legislative proviso and the Chancellor's office, the Workgroup notes an important distinction between the two charges: the BOG has directed the Workgroup to explore whether setting up such a system is possible, while the proviso has directed the BOG to set up such a system, its possibility being a foregone conclusion. Perhaps the latter charge relies on an earlier legislative stipulation at the time of "system devolution," that the SUS would continue to collect the same data as it did prior to devolution. And while the same data is indeed being collected, it is also true that a decade of devolution has brought what might be termed "definition drift" with regard to whether this same data can be interpreted across all institutions.

Responding to proviso, this report focuses on the M.D. program. The response to the Chancellor's charge, while also focusing on the M.D. program, is broadened to include a more complete reporting of the expenditure of state dollars on health-related programs beyond the M.D. to provide reconciliation between revenues and expenditures.

### **Underlying Assumptions**

This report's recommendations are founded on three critical assumptions:

1. If Florida expects its medical schools to conduct world-class biomedical research on the one hand while providing quality healthcare to low income and indigent citizens on the other, then it must do its part in maintaining and preserving the crucial functions, goods, and services that characterize high

quality medical education. Thus, the Workgroup understands its charge as recommending an appropriate level of financial commitment by the state for educating an M.D. student on an annual basis. Having said that, the Workgroup may be in a position of doing no more than providing a recommendation on an appropriate cost to educate an M.D. student, irrespective of funding source.

2. Florida's current method of funding medical education bears the markings of disconnected individual requests over time. A cost-to-educate an M.D. student level of base funding, either derived or estimated, may, especially over time, serve to provide more coherence. That funding, however, will need to be adjusted upward for new schools (UCF and FIU) and for schools with legislatively mandated unique missions (FSU).
3. With five full-fledged medical schools plus a public-private partnership program, the State University System can and must improve in reporting state revenues and expenditures of state dollars. Whatever the merits of the SUS Expenditure Analysis, it has not proven to provide reliable or user-friendly information with regard to medical education programs. The final report will identify a new form of revenue and expenditure reporting of state dollars associated with medical education that would have to be created in order to satisfy proviso.

### **Per-M.D. Student Funding: The Recommendation**

*Proviso: Review national data on the costs associated with 4-year Doctor of Medicine degree programs offered by public universities. Determine a base-level cost per student that excludes supplemental costs or startup costs.*

### Two Approaches

#### *Historical Approach*

At the most general level there are two approaches. The first is to work with accurate historical expenditures and funding levels to determine a "consistent base level of state support" per proviso language. The immediate problem inherent with this approach is (1) the extent to which public and private dollars are comingled in health science centers and colleges of medicine (2) for purposes other than M.D. education such that they are currently difficult to track and varied across the SUS as to

definitions and their tracking methodologies. These, and the fact that colleges may have heretofore not focused on isolating M.D. costs makes this approach challenging.

As importantly, the differences among the SUS institutions offering the M.D. makes this task all the more formidable. The six SUS M.D. programs can be characterized as two clusters of two (UF and USF on the one hand, FIU and UCF on the other) that are more or less alike; one new school (FSU) with multi-site, distributed clinical experiences and a specific mission geared toward increasing the numbers of general and rural practitioners; and one public-private partnership (FAU-UM) with a unique funding model in which UM tuition is charged and accrues to UM, with FAU funded by state dollars.

#### *Comparative Approach*

The second approach is, through a comparative process of the best information available, to arrive at a defensible best estimate of an appropriate annual cost to educate an M.D. and to apply that number to state revenues and expenditures in order to begin to create a methodology for identifying and accounting for state dollars above or below those generated by the model. This is the approach proposed by the SUS Workgroup. Once again though, it is important to recognize that the comparison being made is to costs rather than to funding, i.e. the Workgroup has identified and utilized information relative to how much an education costs, but that information does not stipulate sources of payment or, accordingly, what might constitute the state's appropriate share.

#### **Exclusions to Per-student Funding; Reporting of Expenditures**

*Proviso: Determine a base-level cost per student that excludes supplemental costs or startup costs; determine supplemental costs and startup costs that are in addition to the base-level cost per student and that support the unique mission of a degree program or support the implementation of new 4-year Doctor of Medicine degree programs. Determine a uniform reporting procedure for the consistent annual reporting of expenditures ...for 4-year Doctor of Medicine degree programs.*

#### Base-level, Startup, and unique Mission Cost

The Workgroup recognizes that any base funding developed is insufficient for UCF and FIU as new schools with startup costs that cannot

be covered by enrollment, and for FSU which is legislatively mandated to have a unique mission that increases costs.

#### Uniform Reporting Procedures and Reporting of Expenditures

It is difficult (and virtually impossible with the SUS Expenditure Analysis as currently configured) to track state dollars allocated in a lump sum to a health science center and then internally allocated to fund the M.D. as well as other programs both inside and outside the college of medicine.

Without accounting for the expenditure of these dollars, a very incomplete picture of state investment and spending is presented. Notwithstanding that the focus is on M.D. costs and M.D. funding, without clearly accounting for the state dollars spent elsewhere, the argument for a cost-to-degree methodology for the M.D. at any level becomes less persuasive.

The table below is **merely an example** of what reporting on state revenues, expenditures, and outcomes might look like in a new model. The goal is to produce a high-level, easy to understand report. Especially for the health science centers at UF and USF these state dollars are far in excess of those used to support the M.D. program; however, it is by a process of accounting for the non-M.D. expenditures that the M.D. costs can be identified for purposes of comparing them to formula-generated dollars.

Even with a relatively straightforward document such as the example table below, to achieve transparency and accountability a great deal of information, unseen by the end-user, will need to be systemically defined, validated, and processed. It will be a challenge for the universities with multi-medical programs to identify only those dollars going toward an M.D. program as compared to SUS colleges which offer only the M.D. And while it believes that the ideas represented by this status report are a step in the right direction, the Workgroup acknowledges the further steps that would be required. It is only through consistency that the SUS will be able to confidently defend its present and future systemic needs.

BOARD OF GOVERNORS  
**MEDICAL EDUCATION FINANCIAL REPORT**  
**\*\*\*DRAFT\*\*\***

University: \_\_\_\_\_  
 Fiscal Year: \_\_\_\_\_

**APPROPRIATED REVENUES**

*as reported in the Final Amendment Package*

1	General Revenue Funds	\$	-
2	Tuition Revenues	\$	-
3	Student Fees		
4	Lottery Revenues <i>from Educational Enhancement TF</i>	\$	-
5	Other Trust Fund Revenues (UF only) <i>Includes: Incidental TF and Operations &amp; Maintenance TF</i>	\$	-
6	<b>Total Appropriated Revenues</b>	<b>\$</b>	<b>-</b>

*Note: Tuition Revenues are reported as Budget Authority. The actual amount of tuition collected may vary.*

**ACTUAL EXPENDITURES**

*aligned with the Operating Budget [Report 500A]*

7	<b>College of Medicine (sum of rows 8-11)</b>	\$	-
8	Medical Professional (MD) - Total	\$	-
	a. Medical Professional (MD) - Standard		\$0
	b. Mission-Specific Supplemental		\$0
	c. Start-up Costs (UCF and FIU only)		\$0
9	State Mandated Supplemental	\$	-
	a.		\$0
	b.		\$0
	c.		\$0
	d.		\$0
	e. (add more rows if necessary)		\$0
10	Graduate Programs	\$	-
11	Undergraduate Programs	\$	-
12	<b>College of Nursing</b>	\$	-
13	<b>College of Dentistry</b>	\$	-
14	<b>College of Veterinary Medicine</b>	\$	-
15	<b>College of Public Health</b>	\$	-
16	<b>Other Health-Science Center Expenditures</b>	\$	-
17	<b>Total Expenditures</b>	<b>\$</b>	<b>-</b>
18	<b>Unexpended Revenues</b>	<b>\$</b>	<b>-</b>
19	MD Funded enrollment		0

BOARD OF GOVERNORS  
MD Program OUTCOMES REPORT

\*\*\*DRAFT\*\*\*

YEAR : \_\_\_\_\_

**Table 1. Student Enrollment in the 4yr MD program**

CATEGORY	ENROLLMENT	GRADUATED
<b>ETHNICITY</b>		
Nonresident Alien		
Race and Ethnicity unknown		
Hispanics of any race		
For non-Hispanics only:		
American Indian or Alaska Native		
Asian		
Black or African American		
Native Hawaiian or Other Pacific Islander		
White		
Two or more races		
<b>TOTAL</b>		
<b>GENDER</b>		
FEMALE		
MALE		
<b>RESIDENCY</b>		
RESIDENT		
NON-RESIDENT		

**Table 2. Tuition and Fees**

RESIDENT	\$	-
NON-RESIDENT	\$	-

**Table 3. Passage Rates on Step 1 and Step 2 of the US Medical Licensing Examinations**

	Number Tested	Percent Passed
Step 1		0%
Step 2		0%

**Table 4. Graduate Residency placement (by specialty and geographic location)**

Discipline	Florida	Out-of-State
Anesthesiology		
Dermatology		
Emergency Medicine		
Family Medicine		
General Surgery		
Internal Medicine		
Neurological Surgery		
Neurology		
Nuclear Medicine		
Obstetrics-Gynecology		
Ophthalmology		
Orthopedic Surgery		
Otolaryngology		
Pathology		
Pediatrics		
Physical Medicine & Rehab		
Plastic Surgery		
Preventative Medicine		
Psychiatry		
Radiation Oncology		
Radiology - Diagnostic		
Urology		
Thoracic Surgery		
Vascular Surgery		