



Funding Residents in Florida

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The Problem (s)

- ★ **New ACGME requirements, including duty hours limits, increase the need for residents.**
- ★ **New technology and scientific discovery creates new training programs and subspecialties.**
- ★ **Available funding sources for residents have all been capped.**
- ★ **Florida has a very low number of physicians per capita already, with very limited ability to increase except by importing from other states or countries.**

Getting more residents requires...

- ★ **Approval from the ACGME**
- ★ **Identifying a funding source**
- ★ **Actually securing money to pay direct and indirect costs**

Approval of Residents

- ★ **Requires justification, documentation, educational value**
- ★ **More difficult than a decade ago**
- ★ **Requires regular (every 3-5 year) rejustification, site visit, approval based on documented educational value**
- ★ **Not based on service needs or community needs**

Funding Sources

- ★ **Most current resident positions are funded by the federal government through Medicare or the VA**
- ★ **Medicare funding is based on a “funny number” created in 1986, not based on actual cost (DGME, IME, DSH x %Medicare). It may or may not be sufficient and can't be expanded**
- ★ **The VA has an absolute cap on the number of residents nationally with no new positions in the past 5 years**
- ★ **Increasingly, GME is funded out of practice revenues**

Actual Costs

★ Direct Costs* of the Resident

- Salary (\$37,500-44,500 Southern US)
- Benefits (approximately 22% of salary)
- Malpractice (\$1500-15,000)

★ Indirect Costs* (economy of scale)

- Educational (faculty, resources)
- Administrative (facilities, staff, computers)

***This is different from Medicare direct/indirect costs**

Salaries in Southern US



50th %ile

- PGY-1 \$37,467
- PGY-2 \$38,528
- PGY-3 \$40,085
- PGY-4 \$41,348
- PGY-5 \$43,003
- PGY-6 \$44,697



75th %ile

- PGY-1 \$38,535
- PGY-2 \$39,805
- PGY-3 \$41,921
- PGY-4 \$43,363
- PGY-5 \$45,191
- PGY-6 \$46,350

Actual Florida GME costs

	Resident Costs	Faculty Costs	Admin./Overhead Costs	Total Direct Costs	Indirect Costs	Total Cost Per Resident
Range	\$28,622-\$47,826	\$4,532-\$66,771	\$639-\$42,951	\$39,554-\$141,107	\$65,373-\$124,132	\$107,632-\$256,998
Average	\$41,323	\$32,252	\$17,159	\$88,695	\$97,176	\$185,871
% of Total Cost	22%	17%	9%	48%	52%	100%

Former State Support for GME

- ★ **CHEP (Community Hospital Education Program)**
 - Direct state support of GME
 - Supported training in primary care
 - Discontinued in 2000
 - Funded 1500 trainees in 58 programs
 - “Folded” into Florida Medicaid with loss of GME designation
 - Funds now go to hospital general revenue
 - No ability to fund current or new residents
 - Currently helps hospitals, not GME

New Positions for Florida

- ★ 340 proposed new positions**
- ★ justified by clinical need, education need**
- ★ some new programs, most expansions of existing programs**
- ★ Phased in over next 10 years?**

GME funding at USF

- ★ Residents paid by university (OPS)**
- ★ Benefits provided by university**
- ★ Hospitals billed a daily rate**
- ★ Hospital funds derived from a mixture of sources**
- ★ Sources of funds currently appear to be capped/fixed.**
- ★ Virtually impossible to add an additional position**

USF students and residents 1993

- ★ only 29% of residents were Florida medical students
- ★ 51% of residents now practice in Florida
- ★ 45% of medical students stay to do residency in Florida
- ★ 55% of students eventually practice in Florida

Summary

- ★ **Average resident salary/benefits \$50K**
- ★ **Average total cost (direct/indirect)
\$186,000 (new)**
- ★ **Economy of scale to expand existing
residency**
- ★ **Students and Residents seem equally
likely to finally practice in Florida**