

**State University System
Education and General
2017-2018 Legislative Budget Request
Form I**

University(s):	6 SUS institutions with medical schools: Florida State University, University of Florida, University of Central Florida, University of South Florida, Florida Atlantic University, and Florida International University
Issue Title:	Graduate Medical Education (GME) Expansion Program
Priority Number	
Recurring Funds Requested:	
Non-Recurring Funds Requested:	\$80,000,000
Total Funds Requested:	\$80,000,000
Please check the issue type below:	
Shared Services/System-Wide Issue for Fiscal Year 2017-2018	<input checked="" type="checkbox"/>
New Issue for Fiscal Year 2017-2018	<input checked="" type="checkbox"/>

- I. Description** – 1. Describe the service or program to be provided and how this issue aligns with the goals and objectives of the strategic priorities and the 2016 Work Plan established by your institution (include whether this is a new or expanded service/program). If expanded, what has been accomplished with the current service/program? 2. Describe any projected impact on academic programs, student enrollments, and student services.

The Graduate Medical Education Expansion Program was developed as a response to the findings from a year-long environmental scan of health topics undertaken by the Health Initiatives Committee of the Board of Governors. A scan of Florida’s healthcare workforce, healthcare delivery and health-related research as they relate to the State University System informed the Committee’s development of a Health Strategic Plan. The priorities and strategies established in the Strategic Plan, which serve as the foundational work of this initiative, was guided by a collaboration between the Board of Governors and an advisory group to the Health Initiatives Committee consisting of representatives of the Florida Council of Medical School Deans, the Florida Department of Health, the Florida Medical Association, the Florida Center for Nursing, the Florida

Hospital Association, and the SUS Vice Presidents for Research. The Health Strategic Plan was unanimously approved by the Board of Governors in March 2016.

The first goal of the Health Strategic Plan is to meet the health workforce needs of Florida. The gap analysis of Florida's future workforce needs, conducted as part of the environmental scan, found that Florida will definitely face a shortage of physicians. The barrier to meeting the demand for physicians in Florida is based upon a lack of available residencies, which is a required and critical part of every physician's training. Closing the gaps in the physician workforce requires a strategic expansion of graduate medical education (GME) in Florida.

By the year 2020, it is projected that Florida will have approximately 500 more medical school graduates per year than the number of first year graduate medical education positions currently available. Unless the number of Florida GME positions is increased concomitantly, many Florida medical school graduates who want to complete GME training in Florida will be forced to leave the state -- and statistics show that most of them will never return to Florida to practice. Further, the supply of physicians in Florida has not kept pace with the growth in the state's population. Florida is far below the average number of residents in training per 100,000 population, with only 19.9 GME positions per 100,000 population compared to 36.9 nationally. Florida needs approximately 3,350 more allopathic residency positions just to meet the national average ratio of medical residents per 100,000 state population according to the Association of American Medical Colleges (AAMC).

A supply and demand analysis conducted in 2014 by IHS Global on behalf of the Safety Net Hospital Alliance of Florida found that shortfalls exist in specific medical specialties, including the primary care specialties, and for specific regions the gaps will not be filled completely and that gaps will remain in 2025. The report cites a shortfall of 4,620 physicians in 2013 that only decreases to a gap of 3,690 in 2025 if current workforce participation patterns and the number of new entrants to the workforce remain unchanged. Florida medical schools cannot meet the current or future needs and demands of the state.

To address this shortfall of physicians, the SUS Board of Governors has set a goal of increasing the number of first-year residency positions in Florida by 500-800 positions. When new or expanded GME programs are operating at full capacity and supported by sustainable funds, it is expected that support for this first-year position goal will be leveraged to add a total of roughly 3,000 residency positions to graduate medical education in Florida. These 3,000 positions represent multiple years within residency programs, which range from 3-7 years in length depending on the physician specialty area.

# of First-year Residents	Cost for Start-Up / Expansion	# Residents at Full Capacity
800	\$80 million	3,200
500	\$50 million	2,000

The State University System is seeking \$80 million in state support for an initiative that will competitively award funds to Florida’s medical schools to cover start-up and expansion costs that cannot be covered by federal and state graduate medical education programs. The medical schools are expected to demonstrate how one-time funds will lead to the development or expansion of residency programs, which will ultimately qualify for sustainable funds from other sources and also expand the overall GME capacity in Florida. The program is intended to meet the state’s needs for more physicians by supporting Florida’s medical schools leadership role in GME development.

With SUS medical schools serving as the sponsoring institutions for more than half of the current resident positions in Florida, they are leaders in developing innovative GME programs and incur significant costs developing, maintaining, and coordinating GME programs in affiliation with their hospital partners or communities. However, Medicare GME funding and Medicaid GME funding is primarily available to hospitals, and not directly available to the medical schools. Federal and state funds to support new residency positions are also only available to hospitals and some federally qualified health centers, and cannot be accessed by medical schools. Despite the recent, significant investments being made in GME, no funds are available to offset the substantial resources that medical schools incur in establishing and expanding GME programs.

Florida’s medical schools will prepare project proposals to support the creation or expansion of graduate medical education residency programs in areas of well-documented, greatest need. All medical schools in Florida are eligible, as long as they partner with a medical school associated with a university that is a member of the State University System of Florida. The SUS medical schools may also develop projects by themselves. Eligible projects must address documented statewide, regional, or local needs. New or expanded residency programs will prepare physicians to practice in needed specialties, underserved areas, or in high-need settings in a manner that addresses current and projected needs for Florida’s physician workforce. Projects that demonstrate the greatest potential for addressing multiple needs will be given priority.

The receipt of non-recurring funds will allow the State University System medical schools to leverage on-going partnerships and encourage the development of new partnerships between Florida’s medical schools and GME providers so that they may ultimately secure sustainable funding for any newly developed program(s) or position(s). Examples of support include new allocations of Medicare funding for GME by establishing new programs in Medicare-naïve training sites, funding from the U.S. Department of Veterans Affairs, private funding, and funding opportunities of the Florida Statewide Medicaid Residency Program.

The majority of projects supported by these non-recurring funds will include some of the following types of activities, all of which are directly related to the creation of new residency programs or the expansion of existing programs:

- developing or expanding partnerships with providers of graduate medical education and/or developing consortia of providers,
- hiring and/or training additional faculty or staff to establish or expand the program,
- developing a curriculum for new programs or enhancing curricula in ways that allow for program expansion,
- addressing tasks related to accreditation application and coordination, and
- promoting the program to recruit residents.

The Graduate Medical Education Expansion Program should provide support for program start-up costs and the initial direct medical expenses, including first-year salary support for new residents, to ensure the viability of new programs until they receive accreditation and secure additional funding from other sources. Funded projects will have three years to spend the one-time funds and will report on project outcomes for six years. Projects that receive support from this program will be evaluated on the number of new residency positions created, how the new positions fill an unmet need in the state, and the likelihood that the program can be sustained. Where innovative training and quality-improvement projects can also be tied to a proposed increase in the number of residency positions, these projects will receive preference.

II. Return on Investment - *Describe the outcome(s) anticipated, dashboard indicator(s) to be improved, or return on investment. Be specific. For example, if this issue focuses on improving retention rates, indicate the current retention rate and the expected increase in the retention rate. Similarly, if it focuses on expanding access to academic programs or student services, indicate the current and expected outcomes.*

The following categories of benefits are expected from implementation of the competitive program:

1) Efficient Retention and Recruitment for the Physician Pipeline

- Florida currently makes significant investments in undergraduate medical education and the training of medical students. An increased investment in graduate medical education would allow more of these medical school graduates to remain in Florida and continue their training to become Florida physicians. Other large states have set a ratio goal of maintaining 1:1 residency slots for every medical school graduate. Florida currently has more medical school graduates than available first-year allopathic residency positions, with a ratio of 0.9 allopathic residency positions per medical school graduate. By investing in a robust and high-quality physician education pipeline, Florida can address physician shortages through increased retention and recruitment opportunities and eliminate the current bottleneck of GME training.

- An increased number of high-quality residency positions would make Florida more attractive for retaining the best medical school graduates in Florida and competing for top graduates nationally.

2) Better Healthcare Aims

- By addressing physician shortages through an expanded GME pipeline, Florida’s health care services can keep up with additional demands due to population growth and Florida’s unique demographics.
- The program is designed to address documented, unmet needs in shortage specialties and regions. This strategic investment will increase the likelihood that physicians will fill current gaps in care across Florida.
- Florida’s public and private medical schools are leaders in developing innovative curricula and incorporating changing models of healthcare delivery into physician training. There is a beneficial role for medical schools to work with their GME partners to develop quality curricula and increase the chances of successful accreditation of innovative programs. Better-prepared doctors will provide higher quality care in a healthcare landscape that continues to change.

3) Economic Development and Workforce Aims

- Florida can expect additional economic development through long-term gains in healthcare innovation and the training of high-wage professionals who stay in Florida to practice. An economic impact study conducted for the American Medical Association showed that in 2012, Florida’s 43,000 physicians generated an estimated \$76.4 billion in direct and indirect sales revenues and approximately \$2.3 billion in state and local tax revenue. They also supported, directly or indirectly, more than a half a million jobs that provided \$40 billion in wages and benefits for Floridians. Florida physicians lead those in Texas, New York, Virginia, and Georgia on all of the above metrics with the exception of state and local taxes.
- The design of the program focuses on physician shortages in areas of documented need and reports on outcomes, thereby coordinating wider GME needs in Florida rather than solely responding to individual hospital or provider needs. This approach also increases accountability for the state investment and provides a basis for statewide physician workforce efforts.

III. Facilities *(If this issue requires an expansion or construction of a facility, please complete the following table.):*

	Facility Project Title	Fiscal Year	Amount Requested	Priority Number
1.	N/A			
2.				