

Commonwealth of Massachusetts

Executive Office of Health and Human Services



Special Commission on Graduate Medical Education

July 30, 2013



EOHHS

Agenda

- Approval of Minutes
- Discussion of Final Report



Progress to date

- Convened in February
- Developed work plan
- Addressed the following topics:
 - Overview of GME and funding sources
 - Relationship of GME to state's physician workforce and emerging models for delivery of care
 - Approaches taken by other states
 - Financial analysis
 - National policy context
 - State primary care workforce programs
- Discussed goals for GME
- Developed recommendations
- Completed report



EOHHS

Findings and Recommendations

- Review findings
- Discuss recommendations



Findings Topic 1: Value of GME

The Commission affirms the important role that graduate medical education plays in the Commonwealth. The benefits of graduate medical education include, but are not limited to:

- Providing clinical care to many patients in the Commonwealth, in both the inpatient and outpatient settings;
- Training the next generation of physicians to meet the medical needs of residents of the Commonwealth;
- Providing valuable teaching services, such as in the education of medical students;
- Promoting innovation in medical care and research;
- Attracting and retaining talented faculty within the Commonwealth;
- Providing highly specialized services that are not available in non-academic settings;
- Providing care to underserved population;
- Attracting grant funding;
- Contributing to the local economy.



Value of GME: Supporting data and rationale

- Massachusetts' particularly prominent role in GME
 - Massachusetts' Academic Medical Centers and Medical Schools are world renowned.
 - MA has 2% of total US population, but MA trains 5% of all residents and has 4% of all training programs in US.
- Retention rates for trainees
 - Approximately 45% of graduates from Massachusetts' GME programs remain in the state. In 2012, there were approximately 35,000 licensed physicians in the Commonwealth.
- NIH funding
 - GME contributes to the significant federal grant funding resources that Massachusetts institutions are able to attract.
 - In FY2012, Massachusetts organizations received over \$2.5 billion in NIH grants, supporting nearly 34,000 jobs.
- Commission discussion about role of GME in faculty recruitment, provision of care, medical education, etc..



EOHHS

Findings Topic 2: Impact of payment and delivery system reform

The Commission recognizes that payment and delivery system reform may change the healthcare landscape in the Commonwealth, such as by increasing demand for primary care clinicians and requiring provision of coordinated, team-based care. These changes will affect the demands on the GME system moving forward, including the supply of and demand for different types of specialties of providers as well as the type of training that will be needed.



EOHHS

Impact of payment and delivery system reform: Supporting data and rationale

- Demand for primary care providers projected to increase by 8% by 2020
- Estimates of projected supply of primary care providers (MD, NP, PA) depend on whether training based or practice based estimates are used
- PCMH and NMHC are expected to shift the MD:NP:PA ratios needed for primary care
- Changes in delivery system will also impact panel size, but the net impact is not yet clear
- Overall estimates (surplus or shortage) are very sensitive to assumptions about take-up of new delivery models and panel size



Findings Topic 3: Financing structure

While it is difficult to determine whether the current level of GME funding is adequate using available data and analyses, the Commission acknowledges that the current formulas for the distribution of funds are not optimally structured to ensure that programs are appropriately compensated for their incurred costs. In reaching this finding, the Commission reviewed other states' approaches to funding GME, as well as estimates of the adequacy of GME funding from all sources, which demonstrate a range of estimated costs associated with GME funding and rely on a number of assumptions.



Financing structure: Supporting data and rationale

- Reviewed national and state funding mechanisms
- Medicare funds are distributed through formulas not tied to actual costs or to performance measures
- Other states use a range of mechanisms for supporting GME, including Medicaid, cigarette taxes, general fund appropriations, insurer assessments, and other special funds.
- Review of state-based funding and the national policy context suggest on-going budgetary pressures for GME at both the national and state levels



Financing structure: Supporting data and rationale

	Total	Per Trainee
Estimated replacement cost	\$860 M	\$159K
Estimated cost of establishing a program	\$590 M	\$114K (\$99-153K)
Total Medicare funding to Massachusetts to GME	\$546 M	\$101K

- Estimated cost of substituting NPs or PAs for residents' clinical care responsibilities is \$159,000 per trainee. Estimated program costs are \$114,000 per trainee, with a range of \$99,000 to \$153,000. Massachusetts receives approximately \$101,000 per trainee in Medicare funding.
- Estimates of costs do not capture certain cost categories; these estimates also do not take into consideration clinical revenue to the hospital/clinic for clinical services attributable to residents. Estimate of NP/PA replacement cost does not consider whether such replacement is actually feasible given availability of NPs/PAs.



Recommendation Topic 1: Funding

In recognition of the important role played by GME in the Commonwealth and in recognition that the current system does not optimally structure GME payments, the Commission supports additional funding for GME that is tied to performance benchmarks that take into consideration factors such as:

- Retention rates of physicians within the Commonwealth,
- Training of physicians in specialties where there are physician shortages (such as primary care , psychiatry, and general surgery),
- Training of physicians in community health centers (following the model of the Teaching Health Center Graduate Medical Education Program) or other programs sites and geographic areas that will help address physician shortages in those practice settings or areas, particularly those with vulnerable populations, provided that these program sites meet the quality requirements of accredited training programs
- Quality measures for Graduate Medical Education; and
- provision of training that supports the goals of payment and delivery system reform and transparency in expenditure of funds.

These performance considerations should apply to existing and additional funding sources. The financing system should encourage a graduate medical education system that is nimble in responding to the needs of the Commonwealth.



Recommendation Topic 2: Governance

To enhance the focus on GME in the Commonwealth, the Commission recommends that a specific entity be given clear responsibilities related to Graduate Medical Education. This could be a new entity, or an existing entity, such as the Health Care Workforce Center.

Responsibilities of this entity should include: data collection (as discussed in the next recommendation), communication about the importance of GME; coordination of efforts with the Health Planning Council, the Department of Public Health, EOHHS/MassHealth, the Health Care Workforce Trust Fund Advisory Board, and the Health Policy Commission; and oversight over the distribution of additional funding, as described above.



Recommendation Topic 3: Data Collection

The Commission identified a number of areas where additional data related to GME in the Commonwealth could be useful. Data collection should be undertaken by the governance body for GME (as described above) and should be coordinated with existing data collection efforts.

Data to be collected should include:

- Tracking the number and geographic and specialty distribution of programs in the Commonwealth;
- Tracking program distribution by the demographic mix of the populations served;
- Monitoring the funding received by programs in the Commonwealth for GME as well as related workforce programs; and
- Monitoring the retention of trainees, by specialty, geographic region, practice setting, and population demographics.



EOHHS

Next steps
