

Commonwealth of Massachusetts

Executive Office of Health and Human Services



Special Commission on Graduate Medical Education

March 29, 2013



EOHHS

Meeting Agenda

- Approval of minutes
- Overview of physician workforce and emerging models of care
- Examples of approaches taken by other states to fund graduate medical education
- Workplan
- Next steps



EOHHS

Meeting Agenda

- **Approval of minutes**
- Overview of physician workforce and emerging models of care
- Examples of approaches taken by other states to fund graduate medical education
- Workplan
- Next steps



EOHHS

Meeting Agenda

- Approval of minutes
- **Overview of physician workforce and emerging models of care**
- Examples of approaches taken by other states to fund graduate medical education
- Workplan
- Next steps



EOHHS

Meeting Agenda

- Approval of minutes
- Overview of physician workforce and emerging models of care
- **Examples of approaches taken by other states to fund graduate medical education**
- Workplan
- Next steps



Goals and approach

Goals:

- Understand approaches taken by other states to GME funding
- Understand how states align GME funding with policy goals

Approach

- Reviewed AAMC 50-state survey
- Interviewed AAMC staff and report author
- Identified 5 target states for interviews with goal of illustrating a wide range of funding mechanisms; 4 states responded to interview requests (MN, NY, OK, TX)
- Conducted interviews with staff in target states

Acknowledgements

- We appreciate the time and assistance provided to us by all interviewees



State characteristics

State	Population	Residents	Residents/ 100,000	# Sponsoring Institutions
MA	6.6 million	5,414	82.2	25
MN	5.3 million	2,183	40.8	10
NY	19.5 million	15,989	82.1	58
OK	3.8 million	810	21.4	7
TX	25.7 million	7,395	28.8	38



State characteristics

State	Medicaid GME Payments (2012)	Medicare GME Payments (2011) (Total IME and DGME Combined)
MA	n/a	\$597.8 million
MN	\$40.1 million	\$165.4 million
NY	\$1,815.0 million	\$2,028.5 million
OK	\$73.4 million	\$53.8 million
TX	\$32.0 million	\$296.9 million



Minnesota

EOHHS

- Minnesota pools payments through the Medical Education and Research Costs (MERC) funding mechanism, established in 1996
- Total MERC funds expected to be \$44 Min FY14-15
- Combines revenue from Prepaid Medicaid Assistance Program, cigarette tax (\$3.8 M plus FFP), and transfers from U. of Minnesota
- Distribution based on relative public payer volume, with supplement for facilities that meet a public payer volume threshold
- All funds are matched by federal funding
- Funds support training for medicine, dentistry, nursing, pharmacy
- Eligible sponsoring institutions include schools and hospitals
- Separate from Medicaid FFS payments (~\$16.2 M in 2012)



New York

EOHHS

- New York State Council on Graduate Medical Education was created by Executive Order in 1987 to provide advice to the Governor and Commissioner of Health on the formulation and implementation of state policies relating to medical education and training
- Total Medicaid GME payments: \$1,815 million, including in both FFS and managed care; some funding obtained through “covered lives assessment,” and state appropriation



New York, continued

- In addition, New York also has a number of relatively smaller programs aimed at supplementing specific aspects of GME. Some examples are:
- **Ambulatory Care Training** - The intent of this program is to increase resident training opportunities in freestanding diagnostic and treatment centers so that resident training reflects current practice trends and adequately addresses patient health care needs. (\$4.3 million in SFY 2011-12)
- **Graduate Medical Education Reform Incentive Pool/Innovation pool** - Aimed at encouraging new and novel approaches to enrich teaching and address statewide residency and physician workforce goals. Currently un-funded.
- **Upweighting/ Designated Priority Program** - Applied a tiered adjustment to Medicaid GME rates so that certain primary care programs received enhanced payments. Ended in 2009.



Oklahoma

- Multiple types of GME payments:
 - Medicaid managed care payments to schools: \$74 million FY2013
 - Goals include supporting GME and also supporting access for SoonerCare clients
 - Physician Manpower Training Commission: \$5.5 million FY2013
 - Medicaid DME(\$16.2 SFY2012) and IME (\$30.4 SFY2013)
 - Indirect payments go to 2 teachings hospitals with >150 resident FTEs
- Physician Manpower Training Commission established in 1975. Administers a range of loan forgiveness and other incentive programs, with the goal of increasing the number of practicing physicians, physician assistants and nurses in Oklahoma, particularly, in rural and underserved areas of the state
- GME does not include non-physician providers, but there is interest in developing a program for PAs



Texas

- Payments through Medicaid under Medicaid fee for service (\$32.0M)
- General fund appropriation to Texas Higher Education Coordinating Board (starting in 2006-2007)
 - Approximately \$4,400 per resident; total program \$56 million over 2012-2013
 - Family medicine residencies can receive an additional \$3,800 per resident. There are 26 programs. Total \$5.6 million
 - Appropriations have been declining; for 2014-2015 the Higher Education Coordinating Board is requesting significant new funding to expand both programs, citing concern about physician retention



Summary

- Most (42) states provide Medicaid GME funding
- Some states have additional funding streams
 - General fund appropriations
 - Insurer assessment
 - Cigarette tax revenue
 - Special funds
- Some states have coordinating bodies/councils
- Some variation in whether payments go to non-hospital sites
- Overall funding levels subject to budgetary pressures



Massachusetts

- In past, Masshealth has paid DME as part of Medicaid FFS rates
- In RY07 there was a percentage increase built into the rates for DME related to primary care and a percentage reduction for specialty care
- In RY09 MassHealth eliminated the payment for specialty DME except to Children's hospital
- In RY10 DME was eliminated altogether for all hospitals
- Total value of DME (historically) approximately \$40 million per year



EOHHS

Meeting Agenda

- Approval of minutes
- Overview of physician workforce and emerging models of care
- Examples of approaches taken by other states to fund graduate medical education
- **Workplan**
- Next steps



Proposed Work Plan

February 25

- Overview of the Special Commission on Graduate Medical Education
- Overview of Graduate Medical Education, including statistics and information about funding sources

March 29

- Relationship of graduate medical education to the state's physician workforce and emerging models of delivery of care
- Approaches taken by other states regarding GME funding



Proposed Work Plan

April:

- Approaches to understanding the adequacy of revenues for GME and measuring the impact of GME funding
- Discussion of goals for GME in the Commonwealth

May:

- Additional topics of interest to the Commission
- Development of draft recommendations

June-July:

- Drafting and finalizing report



EOHHS

Meeting Agenda

- Approval of minutes
- Overview of physician workforce and emerging models of care
- Examples of approaches taken by other states to fund graduate medical education
- Workplan
- **Next steps**