

Report of the Physician Workforce and Accreditation Task Force to the 2009 Kansas Legislature

CHAIRPERSON: Representative Brenda Landwehr

VICE-CHAIRPERSON: Senator Vicki Schmidt

OTHER MEMBERS: Senator Laura Kelly and Representative Raj Goyle

NON-LEGISLATIVE MEMBERS: Dr. Andy Allison, Mr. Kevin Conlin, Dr. Glendon Cox, Ms. Jill Docking, Dr. Garold Minns, Dr. Robert Moser, Mr. Hugh Tappan, Mr. Scott Taylor, and Dr. Linda Warren

STUDY TOPICS

The Task Force is to study and adopt recommendations regarding physician work force accreditation issues, including:

- How best to maintain accreditation of graduate medical education programs sponsored by the University of Kansas School of Medicine in Kansas City and Wichita, with special attention to maintaining existing partnerships with Via Christi Regional Medical Center, Wesley Medical Center, and University of Kansas Medical Center-Wichita;
- Recommendations for the necessary and appropriate level of funding for graduate medical education sponsored by the University of Kansas;
- Alternative means of obtaining such funding; and
- A strategic plan to accomplish such matters.

Physician Workforce and Accreditation Task Force

REPORT

CONCLUSIONS AND RECOMMENDATIONS:

The Physician Workforce and Accreditation Task Force concluded that maintaining and expanding the current physician workforce capacity is vital to the health of the state's citizens. The state's Graduate Medical Education Program is a major component in meeting the demand for physicians, particularly in the specialty areas of family medicine, internal medicine, and pediatrics and particularly in underserved areas of the state. An adequately funded GME Program also is one of the best retention tools the state can employ. Additionally, meeting the increasing demand for physician services will have a beneficial impact on the economy of the communities the physicians serve.

The Task Force concluded that federal and state funding for the state's GME Program is being reduced at a time when the demand for physicians in the state is increasing. Without a dedicated funding stream, the GME Program will lose its ability to attract residents into the Program, to attract and retain qualified paid and volunteer faculty, will increase its risk of losing accreditation for the various residency programs, and will have greater difficulty in retaining physicians to serve in Kansas. Further, without a dedicated funding stream, planning and budgeting for any expansion in the GME Program becomes extremely difficult and significantly reduces the ability to successfully expand the Program and to increase the physician workforce in Kansas.

The Task Force further concluded that there is a need for better communication between the Kansas City and Wichita residency programs and that the state's GME Program must establish a "one voice" policy that fairly and equitably recognizes and supports the differences in the two programs. To better ensure sufficient funding for both programs, the two campuses must establish an accounting protocol that allows an accurate comparison of the programs and, at the same time, identifies funding deficiencies and unmet programmatic needs of each program.

Therefore, the Physician Workforce and Accreditation Task Force makes the following recommendations to the 2009 Legislature:

- That, for FY 2009, the Legislature not reduce the \$2.5 million appropriation provided to the Wichita Center for Graduate Medical Education program;
- That, for FY 2010, the Legislature include an appropriation proviso to increase funding for the Wichita Center of Graduate Medical Education program by \$6.5 million and to increase funding for the Kansas University School of Medicine GME program by \$1.4 million to help offset a portion of the losses the programs are experiencing and to better ensure the continued participation of the various hospitals in the state's GME Program; and

- That, for FY 2010, and subsequent fiscal years, the Legislature consider alternative, sustainable funding sources for the state's GME Program to help offset the losses in federal GME funding. Possible funding sources could include medically related NAICS codes such as specialty hospitals and freestanding ambulatory surgical and emergency centers.

The Physician Workforce and Accreditation Task Force also recommends that further attention and resources be provided by the Legislature in the following areas:

- Continued work with the state's Congressional delegation and with the Obama administration to modify federal restrictions on GME funding and to increase the number of resident positions supported nationally;
- Continued efforts to identify ways to increase existing funding sources such as Medicare and Medicaid and to identify alternative funding sources to support the state's GME program;
- Continued efforts to identify ways to improve the quality, accuracy and timeliness of physician workforce capacity data and to offer guidance to the various state agencies and organizations who participate in the collection of the data;
- Continued efforts to develop a single set of recommendations to drive a statewide strategy to address workforce shortages, including the continuation and possible modeling of such projects as the Kansas Primary Care Collaborative. As a better means of collecting current and accurate physician workforce is developed, including the identification of actual physician need by specialty, support should be focused on those programs currently fulfilling the mission of training physicians for Kansas; and
- Continued review of the current structure of Graduate Medical Education in Kansas to determine the most optimal structure to accommodate the growing importance of the Graduate Medical Education Program to the state.

Proposed Legislation:

None.

BACKGROUND

The Physician Workforce and Accreditation Task Force was created by language included in the Health Care Reform Act of 2008 (House Sub. for SB 81). As set out in the legislation, the Task Force is composed of thirteen members:

- *Appointments by the Dean of the School of Medicine of the University of Kansas Medical Center* - two members who are medical

faculty or administrators of the School of Medicine of the University of Kansas Medical Center, of which one member shall be from the Kansas City campus and one member shall be from the Wichita campus;

- *Appointments by the Governor* - two members who practice medicine in Kansas and are current or former participants in a Kansas graduate medical residency program;

- *State Board of Regents* - one member;
- *Wichita Center for Graduate Medical Education Governing Body* - one member who is a representative of the Via Christi Regional Medical Center and one member who is a representative of the Wesley Medical Center;
- *Kansas Health Policy Authority* - one member;
- *Kansas Hospital Association* - one member who is an administrator at a rural hospital; and
- *Legislature* - one legislative member appointed by the President of the Senate, one legislative member appointed by the Speaker of the House of Representatives, one legislative member appointed by the Senate Minority Leader, and one legislative member appointed by the House Minority Leader.

The Speaker of the House of Representatives designates one Task Force member to serve as Chairperson and the President of the Senate designates one Task Force member to serve as Vice-Chairperson. The Task Force meets on the call of the Chairperson or on the request of seven members, subject to approval by the Legislative Coordinating Council.

The Task Force is charged with studying and adopting recommendations for the following physician workforce and accreditation issues:

- How best to maintain accreditation of graduate medical education programs sponsored by the University of Kansas School of Medicine in Kansas City and Wichita, with special attention to maintaining the existing partnerships with Via Christi Regional Medical Center, Wesley Medical Center and the University of Kansas Medical Center - Wichita;

- Recommendations for the necessary and appropriate level of funding for graduate medical education sponsored by the University of Kansas;
- Alternative means of obtaining such funding; and
- A strategic plan to accomplish such matters.

The Task Force is to report its findings and recommendations to the Senate Committee on Ways and Means and the House Committee on Appropriations prior to the beginning of the 2009 Legislative Session.

COMMITTEE ACTIVITIES

The Physician Workforce and Accreditation Task Force met four times for a total of five days to study the topics outlined in the Task Force's statutory charge. The meetings were held at the KU School of Medicine-Wichita, the Chang Clinic (Wichita), the campus of Wichita State University, and at the Statehouse in Topeka. The deliberations of the Task Force are summarized below.

Graduate Medical Education in Kansas

Task Force members were provided testimony detailing the structure of graduate medical education (GME) programs in Kansas. Medical graduates seeking to complete their required residency program within Kansas are able to participate, if accepted, in one of two programs: a residency at the Kansas University School of Medicine (KU SOM) or a residency at the Kansas University School of Medicine-Wichita (KU SOM-Wichita). The University of Kansas is the academic sponsor of both GME programs and both are accredited by the Accreditation Council for Graduate Medical Education (ACGME).

Within these similarities, the Task Force heard testimony from university officials

explaining important differences between the two programs. The two programs use different models in their training of residents. The KU SOM was created in 1905. Kansas City's program operates under an academic medical center model with a predominantly full-time faculty that spends significant time both teaching and practicing medicine. There are 394 full-time and 54 part-time clinical faculty and 821 volunteer clinical faculty.

The GME program in Wichita, created by the Legislature in 1971, uses a community-based model with a smaller number of full and part-time faculty and a predominantly volunteer faculty. The Wichita program, when established as an education site, was specifically prohibited from developing research as a significant theme. The Wichita program has 58 full-time and 74 part-time clinical faculty and 1,003 volunteer faculty to assist in educating residents.

In Kansas City, the School of Medicine has partnered with The University of Kansas Hospital and the Kansas University Physicians, Inc. (KUPI). The Wichita program operates through a consortium, the Wichita Center for Graduate Medical Education (WCGME), which includes the KU School of Medicine-Wichita, Wesley Medical Center and Via Christi Regional Medical Center. The consortium was established to employ resident physicians; coordinate the graduate medical education programs across the member institutions, provide a means of standardizing payroll and financial processes across hospitals, and access more favorable state-sponsored liability insurance for residents.

WCGME partners with the KU School of Medicine-Wichita Medical Practice Association (MPA). In addition, WCGME partners with the Smoky Hill Family Medicine Residency Program in Salina. In 1977, the Legislature, recognizing the physician workforce shortage, encouraged an affiliation agreement between Kansas hospitals and the KU School of Medicine-Wichita to develop residency programs in an

area not currently providing training. As a result, the Smoky Hill Family Medicine Residency Program was established in Salina. Smoky Hill is the only fully accredited residency program located outside of Wichita or Kansas City.

Another key difference between the programs relates to how the employment of residents is categorized. Residents in Kansas City are employees of the State of Kansas. Residents in Wichita are employed by WCGME, and residents in Salina are paid by the Salina Health Education Foundation. In 2008, the Kansas City program included 456 residents/fellows in 43 programs at 30 different locations. The Wichita program had 275 residents/fellows in 14 programs training at 109 different locations.

A major focus of the Task Force meetings was an examination of the differences that exist in the way revenues and expenditures are accounted for between the Kansas City and Wichita residency programs. While each program provided its individual revenues and expenses, it was routinely noted by university officials that a true comparison of the two programs' finances would be difficult since each uses a different method for allocating its respective funds. The Kansas City program, for example, does not separate out the faculty time costs for GME. Instead, faculty are paid a base salary which includes both time spent teaching and clinical responsibilities.

Residency Program Accreditation

The Task Force heard testimony on the accreditation status of Kansas City and Wichita residency programs. Officials of the Kansas City program stated that, in 2004 - 2008 time period, the General Surgery, Neurological Surgery and Obstetrics and Gynecology residency programs were on probation for limited periods of time but all now have received continued accreditation. Common GME program citations in Kansas City included documentation of cases and work hours; sufficient number of cases of specified types; lack of scholarly activity; and the type

of faculty subspecialists and experiences. The Otolaryngology residency program received a commendation from ACGME.

Officials of the Wichita program stated that none of the WCGME programs have been on probation. Common GME program citations included documentation, faculty subspecialists, scholarly activity and research, and resident support services. The WCGME program has received commendations for six of its residency programs and has received one institution commendation. WCGME officials further stated that the change in ACGME accreditation standards which are mandating protected time for faculty research, teaching and administration, accompanied with reduced Medicare GME funding, have created a funding issue for the WCGME program.

Additionally, the Task Force heard testimony concerning possible research partnership opportunities with private industry in the Wichita area as a means of meeting the increased emphasis on medical research that is being communicated by ACGME. The Task Force toured the National Institute for Aviation Research (NIAR) facility, one example of a medical research partnership.

Funding for the Kansas City and Wichita Programs

The Task Force heard testimony from officials of the Kansas City and Wichita programs on the funding of their respective programs. In FY 2009, the Kansas City program projects that it will generate approximately \$142 million from various revenue and funding sources. Of the \$142 million, approximately \$10 million is projected to come from the State General Fund or other state support and approximately \$6.7 million is projected to come from Medicare GME. Approximately \$84 million in funding and revenue is shown in a single “All Other Funds” category that includes items such as faculty and resident professional fee collections, state and foundation faculty support, and ancillary

collections. The Kansas City program projects approximately \$142 million in total expenditures, with no projected net loss in FY 2009.

In FY 2009, the Wichita program, including Salina, projects that it will generate approximately \$60 million from various revenue and funding sources. Of the \$60 million, approximately \$6.6 million is projected to come from the State General Fund and other state support, \$23.6 million from Medicare GME and \$8.9 million from Medicaid GME. Approximately \$17.1 million is projected to come from the “All Other Funds” category. Included in the projected income is \$3,190,000 in funding from the Kansas Bioscience Authority (KBA). Of the total projected KBA funding, \$150,000 had been received in December 2008. The Wichita program projects approximately \$60 million in total expenditures, with a projected net loss of \$6.4 million.

Status of Additional FY 2009 WCGME Funding. WCGME received an additional \$2.5 million appropriation from the State of Kansas for FY 2009. Of the \$2.5 million, \$1.5 million was appropriated with the condition that WCGME request a \$7.1 million research-oriented grant from the KBA. The language included in House Sub. for SB 81 stated that the \$7.1 million grant was to be expended for the purposes of funding non-research needs such as offsite or rural rotations for which Medicare funding had been terminated or for purposes of attaining adequate standards for accreditation of the WCGME residency programs.

WCGME provided testimony showing the allocation of the \$2.5 million received from the State of Kansas. Approximately \$1.1 million is allocated to replace recently reduced Medicare GME reimbursement for resident off-site monthly rotations and resident educational leave and non-clinical educational experiences. Approximately \$960,000 is allocated for faculty salaries and benefits to provide for the increase in time that will be required to meet the ACGME mandated requirement for protected time for

faculty research, teaching and administration. WCGME also has allocated \$100,000 to provide electronic health record capability for the Family Medicine Clinic which is now a requirement for the Family Medicine residency program.

The Task Force heard testimony concerning the KBA grant application which included a synopsis of the grant process. It stated that in August 2008, after the initial WCGME proposal was submitted to the KBA, the Executive Vice Chancellor/Executive Dean of the KU School of Medicine was directed by the KBA to submit a different proposal. The new proposal called for \$2.9 million funding for the first year and would establish three research-related centers. In September 2008, the KBA Board of Directors provided \$250,000 to fund a study to develop a strategic plan addressing the research issues and need for sustained funding of the WCGME program. In October 2008, the KBA Board of Directors took action to fund the first year at \$2.9 million, with the possibility of second year funding of \$1.9 million and third year funding of \$0.9 million. Resubmissions of the grant application will have to be made for the second and third years and KBA formularies will have to be met to receive the remainder of the \$7.1 million grant. In January 2009, the strategic study was in process and the contract for the \$2.9 million grant was under discussion between the WCGME staff and KBA staff.

Funding Shortfalls of WCGME Hospitals.

Task Force members heard testimony detailing the ongoing funding shortfalls faced by Via Christi Health System and Wesley Medical Center due to their participation in GME. An official representing Wesley Medical Center stated that the hospital lost \$1.062 million in FY 2007 as a result of the shortfall. Additionally, an official representing Via Christi Health System stated that the hospital lost \$2.552 million in FY 2007 due to the lack of funding. The Task Force members were informed by representatives of each hospital that, unless additional funding is made available, Via Christi and Wesley are no

longer able to subsidize the shortfall in GME funding and will not be able to fund GME costs in excess of those reimbursed by Medicare and Medicaid.

WCGME Proposal for FY 2010 Funding.

A WCGME representative provided the Task Force with a breakout of the funding needs for the WCGME program in FY 2010 to meet the funding shortfall of the WCGME program. WCGME projected a total funding need of \$6.5 million. Of that amount, \$2.5 million is to be used to sustain the \$2.5 million received in FY 2008. The funds would be used to recruit and retain faculty, to meet accreditation standards requirements, (including scholarly research activities and protected and supervisory time for faculty), and for the recruitment and retention efforts for primary care physicians. Another \$1.0 million is to be used to offset the loss of Medicare GME reimbursement for resident physicians who are training in offsite and rural locations. The remaining \$3.0 million is to be used to offset the loss to the two consortia hospitals, Via Christi Health System and Wesley Medical Center, resulting from the loss of Medicare GME reimbursement. The WCGME representative further noted that it is unlikely that the grant funding received from KBA can be used to meet this funding need because the KBA funds are targeted specifically for research efforts and not education efforts.

Physician Workforce Capacity

The Task Force heard testimony concerning the adequacy of the physician workforce to meet the state's needs. As part of the larger discussion on physician workforce issues, members heard testimony on the 2007 Kansas Physician Workforce Report, a joint effort of the University of Kansas School of Medicine, the Kansas Academy of Family Physicians, and the Kansas Department of Health and Environment. Task Force members heard that the number of residency slots in Kansas is below the national average. Kansas has 731 residency slots, or

27/100,000 Kansans, as compared to the national average of 34.3/100,000. It also was noted that there is an alarming shortage of physicians in rural communities nationwide and that Kansas is currently below the national average for physicians per 100,000 population. Kansas has 203 physicians/100,000 as compared to the national average of 246 physicians/100,000 population. Kansas has a mal-distribution of physicians, with Southeast and Southwest Kansas the most underserved areas. Additionally, other states are expanding educational and practice opportunities as a result of anticipated physician shortages and, as a result, Kansas will likely lag behind due to increased out-migration of medical school graduates and residents.

The Task Force heard testimony concerning the Kansas Primary Care Collaborative (KPCC) which was formed by the KU Schools of Medicine in Wichita and Kansas City to study and promote the importance of primary care education and practice. Since the initial meetings of the Collaborative, KPCC members have formed subcommittees to accomplish the goal of increasing the number of primary care physicians practicing in Kansas. The KPCC is working toward submitting reports and recommendations to the Deans of each School of Medicine on how to best proceed on the primary care issue.

The Task Force heard testimony on the physician retention efforts underway in Kansas including the Kansas Recruitment Center, the Kansas Locum Tenens program, the Kansas Medical Resource program, and the Kansas Bridging Plan. Testimony concerning the physician retention rates of the Kansas City and Wichita programs showed that for the Kansas City program, of the 552 residents who finished in the last five years, 48 percent stayed in Kansas. Of the 67 primary care residents who did all their training in Kansas, 81 percent practice in Kansas. For the Wichita program, of the 334 graduates between 2004 - 2008, 52 percent are practicing in Kansas. Of the 211 graduating primary care residents which includes family medicine,

internal medicine, medicine and pediatrics, and pediatrics, 63 percent are practicing in Kansas.

Throughout the testimony on Kansas' physician workforce shortage, conferees noted that, at the present time, there is no single collection process or point for gathering data on the state's physician workforce. The data shortage applies to information on where physicians are practicing geographically, their types of practice, and other basic demographic data. In response to the lack of available information, multiple Task Force members stressed the importance of remedying the problem in order to better understand the workforce shortage.

Impact of Reduced Funding on the Kansas GME Program

Task Force members also heard testimony identifying the benefits to Kansas and to local communities from having residency programs and the impact of not having the programs. Multiple conferees stated that one of the most important benefits is that the programs train and attract new physicians for Kansas, including rural areas of the state. Testimony provided by the School of Medicine stated that with residents, both teaching hospitals and communities possess the ability to have 24-hour on call coverage, increased capacity for recruiting and retaining physicians, and to have physicians see and treat an increased number of patients. Additionally, residents provide care to thousands of uninsured and indigent patients.

It was noted that, in Wichita, residents have a positive economic impact. Within Wichita, there are 272 residents, 300 dependents, and numerous faculty members. The economic impact on the Wichita and surrounding area from the KU School of Medicine-Wichita program in 2005 was estimated to include approximately \$11.7 million in faculty salaries and benefits and approximately \$13 million in resident salaries and benefits. It also was reported that the

annual economic impact in Kansas of one family physician to a community is \$871,642.

Alternative Funding Sources

Task Force members heard testimony on alternative funding sources that would assist in providing reliable, sustainable funding for the state's GME Program. The optimal use of affiliation agreements was discussed as well as opportunities to partner with local industries in medical research endeavors and the availability of philanthropic resources. Testimony and discussion also included the possible use of some of the funding received from one of the 21 North American Industry Classification System (NAICS) codes that are used in the formula to fund the KBA; specifically, Code #622110 - General Medical and Surgical Hospitals. The Kansas Department of Labor reported that, for the first three quarters in CY 2008, the KBA received approximately \$27 million from revenue generated by the use of the NAICS code.

In addition to Code #622110, the Task Force heard testimony identifying other NAICS codes that potentially could be used for GME funding. Department of Revenue and Department of Labor officials informed the Task Force that there are codes outside of the KBA funding structure related to the medical profession. The two codes generating significant interest were #621493-Freestanding Ambulatory Surgical and Emergency Centers, and #622310-Specialty Hospitals.

Task Force members also discussed the need to identify any additional avenues to draw down more federal Medicare and Medicaid dollars. A recent example included the estimated \$8.8 million in additional Medicaid funding the Kansas Health Policy Authority was able to secure by a State Plan Amendment to the State Medicaid Plan. The funding will pay for care provided by University of Kansas faculty physicians and associated outpatient clinics in Kansas City and Wichita. The Health Policy Authority requested the change in February 2008

at the request of the KU SOM and the University of Kansas Hospital because of the high volume of Medicaid patients the physicians who teach at the School of Medicine serve and because the Medicaid reimbursement rates are below actual costs and the losses cannot be offset by higher paying patients.

Additionally, the Task Force members received testimony on several federal GME issues including the following:

- Resident FTEs reimbursed by Medicare are capped based on FY 1996 FTEs, before the physician shortage was recognized; the cap needs to be eliminated;
- Medicare currently pays GME to a teaching institution for the time spent at non-hospital settings, as long as the teaching institution pays "all or substantially all" of the costs; Congress can clarify "all or substantially all" refers to resident stipends and benefits and only the other amounts agreed to by the teaching institution and non-hospital setting;
- Medicare GME payments exclude the time residents spend in research and didactic activities, regardless of who bears the costs;
- Direct Graduate Medical Education "per resident" reimbursement is based on 1984 Medicare Cost Report information, with an annual inflation factor, which has created wide variations in national per resident amounts; and
- A proposed Medicaid rule, currently under a Congressional moratorium until April 1, 2009, would end Medicaid federal DGME payments.

The Task Force discussed the need to include physician workforce as an essential element of health reform and that federal policy must be amended to include Graduate Medical Education

as a meaningful element in health reform legislation. It further discussed the need to work with the state's Congressional delegation to clearly communicate the impact on the state of current and proposed Medicare and Medicaid policy changes.

CONCLUSIONS AND RECOMMENDATIONS

The Physician Workforce and Accreditation Task Force concluded that maintaining and expanding the current physician workforce capacity is vital to the health of the state's citizens. The state's Graduate Medical Education Program is a major component in meeting the demand for physicians, particularly in the specialty areas of family medicine, internal medicine, and pediatrics and particularly in underserved areas of the state. An adequately funded GME Program also is one of the best retention tools the state can employ. Additionally, meeting the increasing demand for physician services will have a beneficial impact on the economy of the communities the physicians serve.

The Task Force concluded that federal and state funding for the state's GME Program is being reduced at a time when the demand for physicians in the state is increasing. Without a dedicated funding stream, the GME Program will lose its ability to attract residents into the Program, to attract and retain qualified paid and volunteer faculty, will increase its risk of losing accreditation for the various residency programs, and will have greater difficulty in retaining physicians to serve in Kansas. Further, without a dedicated funding stream, planning and budgeting for any expansion in the GME Program becomes extremely difficult and significantly reduces the ability to successfully expand the Program and to increase the physician workforce in Kansas.

The Task Force further concluded that there is a need for better communication between the Kansas City and Wichita residency programs and that the state's GME Program must establish

a "one voice" policy that fairly and equitably recognizes and supports the differences in the two programs. To better ensure sufficient funding for both programs, the two campuses must establish an accounting protocol that allows an accurate comparison of the programs and, at the same time, identifies funding deficiencies and unmet programmatic needs of each program.

Therefore, the Physician Workforce and Accreditation Task Force makes the following recommendations to the 2009 Legislature:

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- That, for FY 2010, and subsequent fiscal years, the Legislature consider alternative, sustainable funding sources for the state's GME Program to help offset the losses in federal GME funding. Possible funding sources could include medically related NAICS codes such as specialty hospitals and freestanding ambulatory surgical and emergency centers.

The Physician Workforce and Accreditation Task Force also recommends that further attention and resources be provided by the Legislature in the following areas:

- Continued work with the state's Congressional delegation and with the

Obama administration to modify federal restrictions on GME funding and to increase the number of resident positions supported nationally;

- Continued efforts to identify ways to increase existing funding sources such as Medicare and Medicaid and to identify alternative funding sources to support the state's GME program;
- Continued efforts to identify ways to improve the quality, accuracy and timeliness of physician workforce capacity data and to offer guidance to the various state agencies and organizations who participate in the collection of the data;
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strategy to address workforce shortages, including the continuation and possible modeling of such projects as the Kansas Primary Care Collaborative. As a better means of collecting current and accurate physician workforce is developed, including the identification of actual physician need by specialty, support should be focused on those programs currently fulfilling the mission of training physicians for Kansas; and

- Continued review of the current structure of Graduate Medical Education in Kansas to determine the most optimal structure to accommodate the growing importance of the Graduate Medical Education Program to the state.

**Report of the Physician Workforce and
Accreditation Task Force
to the 2009 Kansas Legislature**

REPORT ADDENDUM

February 20, 2009

State of Kansas
House of Representatives

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TOPEKA

BRENDA K. LANDWEHR

Representative, Ninety-First District

COMMITTEE ASSIGNMENTS
CHAIR: HEALTH & HUMAN SERVICES
VICE CHAIR: KANSAS HEALTH POLICY OVERSIGHT
MEMBER: GOVERNMENT EFFICIENCY AND
FISCAL OVERSIGHT
JUDICIAL COUNCIL JUVENILE OFFENDER
CHILD IN NEED OF CARE ADVISORY

Kansas State Senators Vicki Schmidt and Laura Kelly, members of the Physician Workforce and Accreditation Task Force established by the 2008 Kansas Legislature, have asked that the attached letter be included as part of the Task Force's response to the 2009 Legislature. They have challenged the Task Force as a legitimate group to study and make public policy recommendations about the complicated issue of graduate medical education funding and the related need to align funding to assure that our state has an adequate physician workforce.

I believe the Task Force established by the 2008 Kansas Legislature, which was made up of representatives of the medical and medical education communities; representatives from impacted hospitals both urban and rural; as well as legislators, has clearly brought together a group of people with the expertise to study and make public policy recommendations about the issue.

Given its legislative charge, I believe that the complex issue of studying the efficacy and funding for these two models of graduate medical education appropriately rested with the task force that included membership of the medical community from across Kansas as well as representation from the Kansas Board of Regents and Kansas Health Policy Authority.

Senators Schmidt and Kelly have challenged the recommendation of the Physician Workforce and Accreditation Task Force to shift funding from the Kansas Bioscience Authority (KBA) to the KU School of Medicine as a funding source to address the graduate medical education funding needs and inequities in Kansas, stating no public testimony was received from the KBA or other public entities as to the impact of the recommendation. Senator Schmidt didn't object during the meeting and Senator Kelly wasn't present in the afternoon when the recommendations were reached.

The two Senators suggest that the charge of studying and evaluating the needs of graduate medical education in Kansas and making policy recommendations to the Kansas Legislature should be shifted to the Kansas Board of Regents. While the Board of Regents has ultimate authority over higher education in Kansas, graduate medical education is a subset that is paid for by a combination of federal funding directed through teaching hospitals and supplemental state funding. In Kansas, we have two different successful models for addressing graduate medical education. One, at the Kansas City campus of KU Medical School, relies on both the hospital funding and physicians employed as faculty by the KU Medical Center; the other at the Wichita

campus of the KU Medical Center, is directed by a consortium of the two private teaching hospitals and KU Medical center, relying on the services of over 1,000 volunteer physicians.

In closing, members of the Task Force have expressed that the Task Force facilitated the exchange of information and opened discussions with the individuals of the two programs as well as the Regents concerning this significant public policy concern. The Task Force was invited and members attended the meeting with the Congressional delegation in late January to discuss the state's concerns about the federal support of graduate medical education. The federal support was one of many ideas brought up in the Task Force meetings and the discussion with the Congressional delegation went very well. The Task Force met its charge to provide recommendations to the Legislature. There is still work to be done on a permanent funding stream for graduate medical education in Kansas as well as coming up with a solution to solve the shortage of Physicians in Kansas. The legislature will need to further the discussions and make the final decisions on funding graduate medical education for Kansas.

A handwritten signature in black ink, reading "Brenda K. Landwehr". The signature is written in a cursive, flowing style.

Representative Brenda Landwehr
Chair, Physicians Task Force

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SENATOR VICKI SCHMIDT
ASSISTANT MAJORITY LEADER

February 16, 2009

COMMITTEE ASSIGNMENTS

CHAIR: ETHICS AND ELECTIONS
VICE-CHAIR: PUBLIC HEALTH AND WELFARE
MEMBER: INTERSTATE COOPERATION
TRANSPORTATION
WAYS AND MEANS

JOINT COMMITTEES

CHAIR: ADMINISTRATIVE RULES
AND REGULATIONS
MEMBER: HEALTH POLICY OVERSIGHT
INFORMATION TECHNOLOGY

The Honorable Brenda Landwehr
Chairperson, Physician Workforce and Accreditation Task Force
Kansas State Legislature
Department of Kansas Legislative Research
Topeka, Kansas 66612

Dear Chairperson Landwehr,

We appreciate the opportunity to provide feedback and additional comments on the draft report of the Physician Workforce and Accreditation Task Force to the 2009 Kansas Legislature. We are offering these comments as dissenting or differing views from those embodied in the report in a variety of sections. Although we are from different political parties, we certainly see many of these issues from the same perspective and are expressing them accordingly. We are also expressing them as members of the Senate Ways and Means Committee where we have served for the previous four years, working diligently to find adequate resources for the many needs in our state.

While we have clearly learned a great deal as members of this Task Force, we do not believe that the structure of this task force best lends itself to tackling the many complicated challenges facing graduate medical education funding in our state and the best alignment of resources to increase our physician workforce. Clearly, these challenges are such that the Kansas Board of Regents in its role overseeing the KU School of Medicine in Wichita and Kansas City can and must steer this public policy.

Further, we wish to express grave concerns with the concept of shifting funding from the Kansas Bioscience Authority to the KU School of Medicine without considerable further study and analysis. This idea was only first mentioned at the very last afternoon of the last meeting of the task force in late January. We had no public testimony from the Kansas Bioscience Authority or any other entities as to the impacts such a major policy shift would have in our state. It is outlandish to suggest that this group was given adequate information to frame this option as a "recommendation" and we would take sharp exception to that notion.

Thank you for allowing us to submit this letter for inclusion in the report. We would also like to thank the outstanding staff of the Kansas Legislative Research Department for the countless hours of work they invested in this effort.

Sincerely,

Handwritten signature of Vicki Schmidt in black ink.

Senator Vicki Schmidt

Handwritten signature of Laura Kelly in black ink.

Senator Laura Kelly