

## MINUTES

### PHYSICIAN WORKFORCE AND ACCREDITATION TASK FORCE

January 23, 2009  
Room 784—Docking State Office Building

#### Members Present

Representative Brenda Landwehr, Chairperson  
Senator Vicki Schmidt, Vice-chairperson  
Senator Laura Kelly  
Representative Raj Goyle  
Dr. Andy Allison, Kansas Health Policy Authority  
Mr. Kevin Conlin, Via Christi Health System  
Dr. Glendon Cox, University of Kansas Medical Center-Kansas City  
Ms. Jill Docking, Kansas Board of Regents  
Dr. Garold Minns, University of Kansas School of Medicine-Wichita  
Dr. Robert Moser, Jr., Greeley County Health Care Services  
Mr. Hugh Tappan, Wesley Medical Center

#### Members Absent

Mr. Scott Taylor, Kansas Hospital Association  
Dr. Linda Warren, Warren Clinic

#### Staff Present

Melissa Calderwood, Kansas Legislative Research Department  
Corey Carnahan, Kansas Legislative Research Department  
Kelly Navinsky-Wenzl, Kansas Legislative Research Department  
Terri Weber, Kansas Legislative Research Department  
Norm Furse, Office of the Revisor of Statutes  
Connie Burns, Committee Assistant  
Janet Grace, Committee Assistant

#### Conferees

Barbara Atkinson, M.D., University of Kansas School of Medicine  
Frederic Chang, M.D., University of Kansas School of Medicine-Wichita  
Don Brada, M.D., Wichita Center for Graduate Medical Education  
Kim Meyer, Ph.D., University of Kansas School of Medicine

Scott Glasrud, University of Kansas Hospital  
Penny Vogelsang, Wichita Center for Graduate Medical Education

## **Others Attending**

See attached list.

## **Morning Session**

The meeting was called to order at 9:00 a.m. by Chairperson Brenda Landwehr. Chairperson Landwehr informed the Task Force that report recommendations would be discussed throughout the meeting. The Chairperson noted that the Appropriations Committee is interested in the recommendations provided by the Task Force. She also stated that the Task Force needs to find long-term solutions for the issues that have been presented in previous meetings. Additionally, the Chairperson reviewed the statutory charge of the Task Force (Attachment 1).

## **Recommendations from the University of Kansas Medical Center**

Senator Vicki Schmidt opened the discussion of the four recommendations provided by Dr. Barbara Atkinson, Dean, University of Kansas School of Medicine (KUMC) (Attachment 2). Recommendations by the University of Kansas (KU) included:

- Continue funding of \$2.5 million annually for graduate medical education in Wichita;
- Seek Wichita Center for Graduate Medical Education (WCGME) remedies at the federal level;
- Continue collaboration with the Kansas Bioscience Authority (KBA) to secure funding for medical research programs in Wichita; and
- Determine a health care workforce strategy that prioritizes the greatest needs for the state and aligns resources to address those needs.

In response to the first recommendation, the Task Force discussed continuing the funding of \$2.5 million for WCGME. The Task Force agreed that continuing the funding is important, but finding the money in the budget may be difficult, and discussion with legislative members in leadership may be necessary.

In response to the second recommendation, the Task Force encouraged KU to continue to work with the federal delegation for an increase in graduate medical education funding and to increase the number of residency positions that are supported nationally. The Task Force also would like the Kansas Health Policy Authority (KHPA) to find additional funding at the federal level. Dr. Andy Allison responded that there are Medicare and Medicaid dollars available for graduate medical education. Dr. Allison stated that there is a mechanism in place to make changes in the

employment status for the physicians at both KU campuses to allow for additional federal reimbursement. Dr. Allison referenced the press release from the KHPA regarding an estimated \$8.8 million in additional Medicaid funding that Kansas will receive in Federal Fiscal Year 2009 (Attachment 3).

The Task Force discussed the possibility of increasing federal funding by making changes in the employment status for physicians and residents at WCGME. Dependent upon the number of status changes, an estimate of between \$2.0 million and \$3.0 million in federal funding would become available. Dr. Don Brada noted that a majority of the physicians in Wichita are not currently employed by the state, and are either employed by Wesley, Via Christi, or self employed. The residents in Wichita are all employees of WCGME. Dr. Brada stated that the interest of physicians converting to becoming a state employee is not high. The Task Force believes that status changes could be a potential funding source; however, there are concerns that details need to be reviewed before decisions can be made. The Task Force would like to create a subcommittee with Dr. Rick Kellerman as the chairperson. The subcommittee would review various issues related to the feasibility of physicians in the Wichita residency program becoming state employees. The subcommittee would include a representative from each of the WCGME partners, Dr. Allison, and other interested parties. A status update would be provided at a future date.

The Task Force discussed the third recommendation from KU and how the budget reduction will affect the ability of the KBA to provide funding to WCGME. The Task Force noted that recruitment, research, and a quality program are at risk if funding is not guaranteed. The Task Force expressed concerns that the KBA is facing budget cuts and even though money has been set aside for WCGME, the money has yet to be allocated. The Task Force reviewed the North American Industry Classification System (NAICS) codes from the Department of Revenue which are received by the KBA (Attachment 4). The Task Force discussed the possibility of diverting some of the NAICS codes to be used as a dedicated source to partially fund graduate medical education. The Chairperson noted that a representative from the Department of Revenue would be in attendance later to address questions related to the NAICS codes. The Task Force also reviewed a synopsis of the grant by the KBA and WCGME (Attachment 5).

The fourth recommendation from KU discussed a review of the multiple studies and recommendations from the various committees and interested entities. The goal of the review would be to determine a single set of recommendations that could be prioritized and implemented to address the concerns of the physician workforce shortage and allocation of resources. The Task Force expressed support for this recommendation.

Concerning KU's fourth recommendation, the Task Force discussed the need for workforce planning. Dr. Allison stated that workforce planning entails more than just reimbursement for graduate medical education, but also includes reimbursement for physician services, the location of physicians, and what the physician workforce will look like in the next five to ten years. Dr. Allison explained that the current workforce data being collected is incomplete and that some data is inconsistent. Dr. Allison encouraged the Task Force to promote the collection, maintenance, and use of data to assist in workforce planning. Dr. Allison stated that it would be possible to work with the Kansas Department of Health and Environment to collect additional workforce data.

The Task Force expressed concern that there is not a mechanism in place to look at the future of the physician workforce. Dr. Atkinson stated that there is no national coordinated effort to address the workforce shortage or the mal-distribution of doctors. Dr. Atkinson explained that the Association of American Medical Colleges has asked every medical school to increase class size by 30 percent to decrease the workforce shortage; however, KU does not have the facilities or faculty to do so. An additional issue discussed was the need for an increase in residency positions.

Without the increase in residency positions, schools are essentially producing the same number of doctors because the schools are pushing out international medical graduates. Also, the federal government has been a major contributor for graduate medical education funding. The federal government capped graduate medical education funding as part of a cost containment effort and has not greatly adjusted the funding since 1996. KUMC has agreed to add 100 resident positions over the federal cap and is not receiving any graduate medical education funding for the positions. St. Luke's Hospital also has agreed to add approximately 100 positions to provide more residency positions.

### **Department of Revenue - NAICS Codes**

Richard Cram and Kathleen Smith from the Kansas Department of Revenue discussed the distribution of the NAICS codes. In response to questions from members of the Task Force, the representatives responded that the salaries for state universities are not included in the total; however, the salaries are approximately \$5.0 million, and the records of the state universities and the bioscience companies are maintained separately. The Department of Revenue will provide additional information on the salaries for state universities. The Task Force received clarification on the NAICS codes and the specific areas for different facilities, such as specialty hospitals.

The focus of funding also was addressed by the Task Force. The Task Force determined that the focus should be to fund graduate medical education as a whole, and not a single program. By focusing on funding graduate medical education as a whole, the Task Force will be able to benefit all medical education programs.

The Chairperson noted that the recommendations included in the report will serve as a short-term solution until a long-term solution can be addressed. A long-term solution requires more time to obtain and review data such as Medicare dollars, make recommendations, and then implement the recommended changes.

The Chairperson noted that staff has provided background information concerning the Kansas Bioscience Authority from the *2009 Kansas Legislator Briefing Book (Attachment 6)*.

Dr. Moser provided a brief overview of the work of the Kansas Primary Care Collaborative.

### **Afternoon Session**

#### **Department of Labor - NAICS Codes**

The Task Force discussed the funding aspects of graduate medical education and the ability to find funds from different sources and use them as a dedicated revenue stream. It was noted that the KBA is experiencing funding cuts. Representatives from the Department of Labor were available to assist the Task Force in reviewing the NAICS codes as a potential tool in providing funding (Attachment 7). The Department of Labor representative explained that the NAICS code system is an industry classification system that groups establishments into industries based on the activities in which they are primarily engaged. The representatives explained the various NAICS codes the Task Force was interested in.

## **WCGME Budget**

The Task Force discussed WCGME's budget issues including the previous budget, current budget issues, and the future budget. Lana Oleen provided funding components and rationale for the WCGME budget (Attachment 8). Ms. Oleen stated that for the FY 2009 budget, \$9.6 million was suggested by the Legislature, with \$7.1 million of the funding to come from the KBA. Of the \$9.6 million, only \$2.5 million actually was funded; \$1.0 million was applied to rural rotations and related issues, while \$1.5 million was applied to address accreditation issues.

Ms. Oleen stated that for the WCGME program to continue in its current capacity, a minimum of \$6.5 million is needed for FY 2010. If WCGME does not receive the \$6.5 million, the program may be cut. The \$6.5 million request is divided into three components: \$2.5 million is requested to be a sustainable funding source and to be used to recruit and retain faculty and to address accreditation requirements; \$1.0 million is to reimburse resident physicians training in rural rotations; and \$3.0 million is to offset the current shortfall of the WCGME hospitals. Ms. Oleen also noted that the KBA money of \$2.9 million is verbally committed but is not guaranteed.

Via Christi and Wesley, the two hospitals participating in WCGME, have funded the program at a loss of approximately \$2.0 million a year. Representatives of the hospitals have stated that they will continue to fund the program for 2009, but cannot do so indefinitely. The hospital representatives said they are committed to the current group of residents because they are employed, but the main issue for the hospitals is whether to continue the program and recruit students from the upcoming class.

## **Report Recommendations**

The Task Force recommended the following items be included in the final report to the 2009 Legislature:

- For FY 2009, the Legislature not reduce the \$2.5 million appropriation provided to WCGME;
- For FY 2010, the Legislature should include an appropriation proviso to increase funding for WCGME by \$6.5 million and to increase funding for the KU School of Medicine graduate medical education 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 graduate medical education program;
- For FY 2010 and subsequent fiscal years, the Legislature should consider alternative, sustainable funding sources for the state's graduate medical education program to help offset the losses in federal graduate medical education funding;
- That all relevant parties continue to work with the state's congressional delegation and with President Obama's administration to modify federal restrictions on graduate medical education funding and to increase the number of resident positions supported nationally;

- That all relevant parties continue 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 graduate medical education program;
- That all relevant parties continue 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;
- That all relevant parties continue efforts to develop a single set of recommendations to drive a statewide strategy to address workforce shortages; and
- That all relevant parties continue to review 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.

The Task Force also discussed the formation of two Task Force subcommittees to be chaired by Jill Docking and Dr. Bob Moser to further address issues.

The next Task Force meeting will be determined at a later date.

The meeting was adjourned at 2:45 p.m.

Prepared by Janet Grace  
Edited by Terri Weber and Kelly Navinsky-Wenzl

Approved by Task Force on:

January 5, 2010

(Date)