

### Fiscal Estimate - 2023 Session

Original     
  Updated     
  Corrected     
  Supplemental

<b>LRB Number</b> <b>23-4860/1</b>	<b>Introduction Number</b> <b>SB-0643</b>
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**Description**  
 expanding graduate medical training grants and making an appropriation

**Fiscal Effect**

**State:**

- No State Fiscal Effect
- Indeterminate
  - Increase Existing Appropriations
  - Decrease Existing Appropriations
  - Create New Appropriations
- Increase Existing Revenues
- Decrease Existing Revenues
- Increase Costs - May be possible to absorb within agency's budget
  - Yes
  - No
- Decrease Costs

**Local:**

- No Local Government Costs
- Indeterminate
  - 1.  Increase Costs
  - 2.  Decrease Costs
  - 3.  Increase Revenue
  - 4.  Decrease Revenue
- Permissive  Mandatory
  - Permissive  Mandatory
  - Permissive  Mandatory
  - Permissive  Mandatory
- 5. Types of Local Government Units Affected
  - Towns       Village       Cities
  - Counties       Others      0
  - School Districts       WTCS Districts

**Fund Sources Affected**      **Affected Ch. 20 Appropriations**

GPR   
  FED   
  PRO   
  PRS   
  SEG   
  SEGS   
 20.435 (4) (bf) and (4) (o)

<b>Agency/Prepared By</b>	<b>Authorized Signature</b>	<b>Date</b>
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## Fiscal Estimate Narratives

DHS 11/13/2023

LRB Number	23-4860/1	Introduction Number	SB-0643	Estimate Type	Original
<b>Description</b> expanding graduate medical training grants and making an appropriation					

### Assumptions Used in Arriving at Fiscal Estimate

Under s. 146.63, the Department is required to distribute program development grants to assist rural hospitals and groups of rural hospitals in procuring infrastructure and increasing case volume to the extent necessary to develop accredited graduate medical training programs. Program development grants are 100% GPR funded. Under s. 146.64, the Department is required to distribute residency expansion grants to hospitals to fund the addition of positions to existing accredited graduate medical training (GMT) programs. For residency expansion grants, under state statute, the Department may not distribute more than \$225,000 (\$584,800 AF) to a particular hospital in a given state fiscal year and may not distribute more than \$75,000 (\$194,900 AF) from the same appropriation to fund a given position in a graduate medical training program in a given state fiscal year.

This bill amends s. 146.64, repealing current limitations on the types of specialties a hospital GME program may operate to qualify for a grant, but retaining the specialty requirement for grant eligibility. This section of statute is also amended to remove the maximum grant amount the Department may allocate to a hospital in a fiscal year. A new subsection is added, which removes the requirement for a hospital to reapply for a grant it had been awarded in previous years if it still meets eligibility requirements.

This bill also creates a new statute that requires the Department to distribute grants to support the operational expenses of GMT consortia. A GMT consortium is defined as an independent, nonprofit organization formed by two or more entities to operate as a sponsoring institution for accredited GMT programs at rural hospitals in the state. The Department should give preference to GMT consortia that have limited or no direct access to graduate medical training funding from the federal centers for Medicare and Medicaid services or have reached the maximum available amount of graduate medical training funding from the federal Centers for Medicare and Medicaid Services.

Under the provisions of this bill, if the department receives matching federal Medical Assistance funds for GMT consortium programs, the department shall distribute those funds for consortium grants. Under current policy, the Department is authorized to claim federal funds for hospital GMT residency expansion grants through the Medicaid Inpatient Hospital State Plan. However, since GMT consortia are not hospitals, the Department would not have State Plan authority to claim federal funds for GMT consortia grants. The GMT consortia grants would be 100% GPR funded.

In state fiscal year 2023, the Graduate Medical Education (GME) program awarded seven program development grants totaling \$938,800 GPR and 11 residency expansion grants totaling \$1,500,000 AF (\$0.6 million GPR).

Under this bill, the Department estimates costs for graduate medical training grants would increase. The total funding for GMT is capped by the GPR limit of \$3,673,800 in state fiscal year 2024, but with the statutory changes included in this bill, expenditures within the appropriation may increase. Additionally, the impact of this bill on the creation of new hospital residency expansion slots and new GMT consortia applications is unknown. Therefore, the estimated cost of this bill is indeterminate.

### Long-Range Fiscal Implications