



Legislative Fiscal Bureau

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TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: January 2017 Special Session Assembly Bill 7: Graduate Medical Training in
Addiction Specialties

January 2017 Special Session Assembly Bill 7 would provide one-time funding of \$63,000 GPR in both 2017-18 and 2018-19, for the Department of Health Services (DHS) to provide grants to hospitals to increase the number of physicians trained in an addiction specialty. In addition, the bill would permit DHS to provide grants to hospitals to develop an addiction specialist training program, using base funding for a current program.

The bill was introduced on February 17, 2017, and referred to the Assembly Committee on Health. On March 15, the Assembly Committee on Health recommended passage of the bill, without amendments, by a vote of 11 to 0. On March 21 the bill was referred to the Joint Committee on Finance. An identical bill, January 2017 Special Session Senate Bill 7, was referred to the Senate Committee on Health and Human Services.

BACKGROUND

2013 Wisconsin Act 20 created two grant programs to aid in the establishment and expansion of graduate medical education (GME) programs in medically underserved areas of the state.

MA Support for Current GME Programs. One program, funded from the appropriations that support medical assistance (MA) benefits, authorizes DHS to provide GPR grant payments and associated federal MA matching funds to MA-certified hospitals to increase positions to hospitals' current accredited GME programs. A hospital receiving these grants must serve as an approved training site for an accredited GME program in family medicine, general internal medicine, general surgery, pediatrics, or psychiatry. Under this grant program, a hospital may receive up to \$75,000 per resident per state fiscal year, for a total of up to \$225,000 per hospital. There is no limit on the number of hospitals that can apply. In 2015-16, grant payments from this program totaled \$443,867 (all funds). DHS provided grants to the following hospitals: Appleton

Medical Center (\$147,881), Gunderson Lutheran Medical Center (\$73,875), UW Hospital and Clinics--Psychiatry (\$150,000), and UW Hospital and Clinics--General Surgery (\$72,111).

GPR Support for New Programs. The second program, funded by a separate appropriation, authorizes DHS to allocate up to \$1,750,000 GPR annually for grants to establish new GME programs. DHS allocates this funding to hospitals and groups of hospitals as three-year grants to help hospitals and groups of hospitals in developing accredited GME programs by improving infrastructure and increasing case volume. Hospitals receiving these grants must use the funds to develop an accredited program in any of the following specialties: (a) family medicine; (b) pediatrics; (c) psychiatry; (d) general surgery; or (e) internal medicine. In addition, the statutes specify that these grants may only be made to rural hospitals or groups of rural hospitals. For the purposes of these grants, "rural hospital" is defined as a hospital that is not located in a first class city (Milwaukee). The rural hospital or group of rural hospitals are also required to provide matching funds in an amount determined by the Department in order to receive grant funding.

In 2016-17, the Department allocated \$1,642,755 GPR as part of this program to the following recipients:

<u>Grantee</u>	<u>Amount</u>
Gundersen Medical Foundation - Family Medicine	\$232,022
Monroe Clinic - Family Medicine	325,000
Medical College of Wisconsin - Green Bay VA - Psychiatry	153,543
Medical College of Wisconsin - Wausau - Psychiatry	181,023
UW Hospital and Clinics - General Surgery	236,500
Mayo-Eau Claire - Family Medicine	250,000
HealthPartners/Hudson - Family Medicine	<u>264,667</u>
Total Paid or Obligated	\$1,642,755

SUMMARY OF BILL

The bill would increase funding for MA benefits by \$63,000 GPR in 2017-18 and 2018-19 only, for grants to hospitals to increase the number of physicians trained in an addiction specialty. As a condition of receiving a grant, a hospital would be required to expand fellowship positions in addiction medicine or addiction psychiatry for physicians practicing family medicine, general internal medicine, general surgery, pediatrics, or psychiatry.

In addition, the bill would authorize DHS to award a grant to a hospital to develop a new GME program in an addiction specialty. To receive a grant under this bill, the hospital would be required to create a fellowship program in addiction medicine or addiction psychiatry for physicians practicing family medicine, general internal medicine, general surgery, pediatrics, or psychiatry. As the bill would not provide additional funding for this grant program, DHS would use base funding (\$1,750,000 GPR annually) for this purpose.

FISCAL EFFECT

This bill would increase funding for MA benefits by \$63,000 GPR in 2017-18 and 2018-19 only, to increase fellowship positions at hospitals with current addiction medicine or addiction psychiatry programs.

Currently, the only Wisconsin hospital with an existing GME program in addiction medicine that would be eligible for this new grant funding is the UW Hospital's Center for Addiction Disorders. If UW Hospital were to apply for and receive a grant under the bill, it would be eligible to receive the total amount available for this purpose. Based on the state's estimated federal medical assistance percentage of approximately 58.71% in 2017-18 and 58.91% in 2018-19, it is estimated that this funding would be matched by approximately \$89,600 in 2017-18 and \$90,300 in 2018-19, resulting in a total all funds increase of \$152,600 in 2017-18 and \$153,300 in 2018-19. This funding could be used to fund two two-year fellowship positions at approximately \$76,475 per position.

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