



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #495

### Family Medicine Residence Program (Medical College of Wisconsin)

[LFB 2019-21 Budget Summary: Page 283, #2]

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#### CURRENT LAW

In 2018-19, base level funding for Medical College of Wisconsin's (MCW) family medicine residency training program is \$4,611,400 annually. This funding is used to support the development and operation of programs for the recruitment and training of medical students and residents in family and community medicine. MCW's Department of Family and Community Medicine currently administers three family medicine residency programs (two in Milwaukee and one in Menomonee Falls), employs the faculty but not the educational staff for a fourth (in Appleton) and has affiliations with two more programs (in Waukesha and Eau Claire). A seventh program in Green Bay will be established with enrollment of first year residents in July of 2020.

#### GOVERNOR

Provide \$1,000,000 GPR annually to expand MCW's family residency training program.

#### DISCUSSION POINTS

1. A report released by the Wisconsin Council on Medical Education and Workforce in 2018 projected that demand for primary care physicians in 2035 will outpace projected supply. Factors contributing to this are an aging population and retirements among current physicians. To address physician shortages in rural areas, an approach is to expand residency programs in rural and underserved areas by recruiting students likely to stay after completing their residency. MCW has been adding family medicine residency programs in additional areas of the state as part of this effort.

2. Funding for MCW's family residency training program was last increased in the 2013-15 biennium, when base funding was increased from \$2,848,500 to \$4,611,400. At that time, the

increase was provided to expand the three existing family medicine residency programs in southeast Wisconsin to train 12 new physicians each biennium and to develop a new family medicine residency program in northeast Wisconsin.

3. MCW files a biennial report on its medical school and family medicine residency program. In its report dated October 15, 2018, MCW indicates that the number of family medicine residents in training it supports have increased from 62 in 2014-15 to 76 in 2018-19, with a projected 87 in 2019-20. MCW indicates that its average expense per family medicine resident is approximately \$160,000. Of this amount, the state appropriation provides approximately \$60,000 per resident. The remainder of the costs are funded by federal graduate medical education moneys, which are initially received by the hospitals, additional hospital financial support, income the faculty and residents generate from clinical patient care, and other federal grants. In addition, supplemental hospital support covers the deficit after these funding sources are expended. MCW indicates that for programs it administers or employs the faculty, this hospital support may range from \$1.3 to \$1.8 million.

4. MCW has provided information on the allocation of its current state funding for this program. Of the \$2.8 million in annual funding received prior to the 2013-15 budget increase, in 2017 approximately \$1.5 million was used for direct residency support, \$1.0 million for indirect residency support and program administration, \$0.2 million for residency information systems support, and \$0.1 million for medical student education. The additional \$1.7 million annual increase provided in the 2013-15 budget was used for program expansion, including \$0.8 million for resident stipends and benefits and \$0.6 million for expanded faculty in southeast Wisconsin as well as \$0.3 million for faculty and benefits for programs in northeast Wisconsin in 2017.

5. Based on information from MCW, the additional funding recommended by the Governor would be used to stabilize and expand both the Mosaic Family Health Fox Valley Medicine residency program in Appleton, as well as Prevea Health and Hospital Sisters Health System-Sacred Heart Hospital Eau Claire Family Medicine residency program in Eau Claire. MCW has affiliations with both programs. MCW indicates that the funding would assist in the development of further rural rotations in the Mosaic program in Appleton, and enhance and stabilize the rural training track associated with the Eau Claire program.

6. MCW indicates that the proposed \$1 million GPR in annual funding would be used to support additional faculty positions. Two new faculty would be hired for Eau Claire and one new and one replacement faculty in Appleton. The \$1 million of funding would be divided equally between the programs. Additional faculty are needed to meet accreditation standards and enhance resident rotations and provide supervision for residents in training.

7. MCW's supplemental budget request states that this additional funding would first be used to financially stabilize these programs. Once this is accomplished, the additional faculty FTE could support an expanded number of residents in each program. Currently, the Eau Claire program alternates between accepting five residents in one year, followed by four in the next, due to limitations in the rural training track. With this additional funding, Eau Claire could potentially matriculate five residents each year. Mosaic in Appleton could potentially expand its base of residents by one per year.

## ALTERNATIVES

1. Approve the Governor's recommendation to provide \$1,000,000 annually to expand MCW's family medicine residency training program.

ALT 1	Change to	
	Base	Bill
GPR	\$2,000,000	\$0

2. Take no action.

ALT 2	Change to	
	Base	Bill
GPR	\$0	- \$2,000,000

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