



Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #545

Psychiatry and Behavioral Health Residency Program (Medical College of Wisconsin)

[LFB 2023-25 Budget Summary: Page 412, #3]

CURRENT LAW

The Medical College of Wisconsin (MCW) is a private, nonprofit educational institution, governed by a Board of Trustees. Under current law, \$5,611,400 GPR is provided annually for MCW's family medicine residency training program. MCW's Department of Psychiatry supports three psychiatry residency programs; one in Milwaukee and two rural residencies in central and northeast Wisconsin.

DISCUSSION POINTS

1. Assembly Bill 43/Senate Bill 70 would provide \$3,500,000 GPR annually in a new, annual appropriation, for a psychiatry and behavioral health residency program to support the recruitment and training of psychiatry and behavioral health residents.

2. According to calendar year 2018 data collected by the Wisconsin Primary Health Care Association, 55 of Wisconsin's 72 counties met the federal definition of a "significant shortage" of psychiatrists, defined as one psychiatrist per 20,000 individuals. The data was collected using a survey of clinics and county human service agencies that provide outpatient mental health care. The data indicated an additional 250 psychiatrists would be needed to remove the shortage. More recent data from the UW-Madison Population Health Institute's County Health Rankings indicate the mental health provider shortage persists. In 2022, the county health rankings data show that in Wisconsin, the ratio of population to mental health providers was 440 people to one provider, while nationwide, the ratio was 350 to one. Further, providers are not equally distributed statewide. The data show that 22 counties in Wisconsin had fewer than 20 mental health providers for the entire county, with the ratio of population to mental health providers ranging from 13,033 to one in Buffalo County to 224

to one in Dane County. There are also significant shortages within particular psychiatry specialties. For example, according to MCW, in 2018, the University of Michigan School of Public Health Behavioral Health Workforce Research Center estimated that a majority of Wisconsin counties did not have a single child and adolescent psychiatrist and over 60 Wisconsin counties did not have a single geriatric psychiatrist. Further, psychiatrists are among the oldest practicing physicians nationwide. 2021 data from the American Association of Medical Colleges (AAMC) shows 61.6% of active psychiatrists are age 55 or older, compared to 46.7% for all specialties.

3. As one of only two medical schools in Wisconsin, MCW argues they serve an important role in training a significant portion of Wisconsin's mental health providers. The number of residency positions in Wisconsin is significant because the location of a physician's residency is a major determinant of where the physician will practice after completing his or her residency. AAMC data from 2012 to 2021 show that 65% of psychiatry residents who completed their residency in Wisconsin went on to practice in Wisconsin. The MCW Department of Psychiatry currently supports 92 residents including 76 psychiatry residents, 12 psychology residents, and four nurse practitioners in psychiatry as shown in the following table. MCW indicates that its average expense per psychiatry resident is \$160,000, average cost per psychology resident is \$120,000, and average cost per nurse practitioner is \$130,000 per resident. These costs include resident salary and benefits (referred to as resident stipends), space and equipment, and faculty supervision and instruction.

**Medical College of Wisconsin Department of Psychiatry
and Behavioral Health Residency Program**

<u>Residency Type</u>	<u>Number of Residency Positions</u>	<u>Estimated Cost</u>
Milwaukee Psychiatry	32	\$5,120,000
Central Wisconsin Psychiatry	12	1,920,000
Northeast Wisconsin Psychiatry	16	2,560,000
Internal Medicine/Psychiatry Combined	4	640,000
Specialty (e.g. Child, Geriatric) Psychiatry	12	1,920,000
Psychology	12	1,440,000
Nurse Practitioner	<u>4</u>	<u>520,000</u>
Total	92	\$14,120,000

4. MCW indicates the additional funding recommended by the Governor would be used to stabilize the current psychiatry residency programs, as well as support select increases. MCW anticipates that the number of residents in the internal medicine and psychiatry combined residency program is expected to grow by two residents per year over the next three years to 10 residents total. Additionally, the number of specialty fellowship residencies could reach 19 if all of the fellowships are filled. These specialty fellowships currently include four child and adolescent psychiatry

fellowship positions, two in Milwaukee and two in northeastern Wisconsin. The fellowships require two years of additional training, and MCW indicates the rural aspect of the programs are intended to help keep MCW's rural trainees in the northern regions, as child and adolescent psychiatrists are in even greater demand in rural areas versus adult psychiatrists, as noted above.

5. Currently, MCW Department of Psychiatry residency costs are funded by federal graduate medical education moneys received by the hospitals, additional hospital financial support, income the faculty and residents generate from clinical patient care, and other state and federal grants. For example, MCW notes that creation of the rural residency programs in central and northeastern Wisconsin in 2017 was facilitated by state grants from the Department of Health Services (DHS) and the Wisconsin Rural Physician Residency Assistance Program (WRPRAP), which is administered by UW System using funds from the critical hospital assessment fund. The DHS start-up grants totaled \$380,000 and allowed MCW to recruit affiliates and supervisors, and provided support for initial resident stipends.

6. According to MCW, while these grants were scheduled to end with the opening of the two new residencies, MCW received continuing funding from DHS totaling \$1,443,000 and DHS stipend grants totaling approximately \$1,800,000 from 2018 to 2022. However, MCW notes that the DHS stipend grants do not cover the full cost of the resident stipends. Further, the grants are awarded on a competitive basis and do not provide guaranteed ongoing funding. The WRPRAP program provided a \$35,000 feasibility study grant and a multi-year \$675,000 grant to provide these two rural residency programs with leadership and coordinator support. The Accreditation Council for Graduate Medical Education (ACGME) requires that half of a psychiatrist residency training director's time is protected to manage the residency. A residency coordinator is an additional staff person who provides full-time administrative support for both the residency program and the residency director. The WRPRAP grant has supported a portion of the residency training director and residency coordinator costs. In addition, the nurse practitioner residency program is currently supported by federal Health Resources and Services Administration grant funds which MCW indicates were awarded on a one-time basis.

7. Providing annual ongoing GPR funding would provide a sustainable source of funding for the psychiatry residency programs, which MCW notes is especially important in the current rapidly changing healthcare marketplace. MCW notes that in April, 2022, Ascension Columbia St. Mary's gave MCW notice that they would be separating from the MCW affiliated hospitals in Spring, 2024. Effectively, this represents a loss of support for eight of MCW's psychiatry residency stipends. While MCW is currently seeking replacement funds, if they are unable to replace the funds, MCW indicates they may be forced to reduce the number of psychiatry residents trained in Milwaukee from eight annually to six.

8. Identifying residency sites with sufficient patient volume and supervisors to support additional residents has become increasingly difficult, reports MCW. Psychiatry residency programs also require rotations in a variety of subspecialties such as neurology, child and adolescent psychiatry, and addiction psychiatry. It is difficult to find an institution with the capacity to support all of these services, especially in rural areas. For example, when creating the rural residencies, MCW approached and met with 14 potential affiliates in central Wisconsin and seven agreed to participate in the

residency; in northeastern Wisconsin, MCW approached eight potential affiliates and five agreed to participate. MCW indicates that ongoing funding would allow MCW to continue to maintain support for and potentially expand the rural residencies, even when institutional affiliate support is unavailable.

9. The funds provided in the bill would allow MCW to support at least 10 psychiatrist residents per year, including at least four in central Wisconsin and six in northeastern Wisconsin. That funding of \$3,500,000 GPR annually would be provided in Alternative 1 and base funding going into the 2025-27 budget would be \$3.5 million.

10. If the Committee is interested in supporting the program but not at \$3.5 million per year, it could provide \$1,750,000 annually, which could support five psychiatric residents per year. [Alternative 2]

ALTERNATIVES

1. Provide \$3,500,000 GPR annually in a new, annual appropriation, for a psychiatry and behavioral health residency program to support the recruitment and training of psychiatry and behavioral health residents.

ALT 1	Change to Base
GPR	\$7,000,000

2. Provide \$1,750,000 annually, which could support five psychiatric residents per year.

ALT 2	Change to Base
GPR	\$3,500,000

3. Take no action.

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