



Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873
Email: fiscal.bureau@legis.wisconsin.gov • Website: <http://legis.wisconsin.gov/lfb>

February 29, 2024

TO: Members
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Health Services: Section 13.10 Request for the Release of Funding to Establish a Dental General Practice Residency Program for the Marquette University School of Dentistry -- Agenda Item III

On January 31, 2024, the Department of Health Services (DHS) submitted a request to the Committee under s. 13.101(4) of the statutes to transfer \$5,000,000 GPR from the Committee's program supplements appropriation under s. 20.865(4) (a) to increase the DHS appropriation under 20.435(1)(de) by \$1,250,000 GPR in 2023-24 and \$3,750,000 GPR in 2024-25 to establish a dental general practice residency program for the Marquette University School of Dentistry (MUSOD).

BACKGROUND

Marquette University offers the only pre-doctoral dental education program in Wisconsin and several dentistry master's programs in areas such as periodontics, endodontics and dental biomaterials. Pre-doctoral students provide clinical dental services to patients from around the state at four community-based dental clinics in Milwaukee, Eau Claire, Appleton, and Elkhorn. DHS administers a grant program, which provides \$2,427,600 annually from a GPR appropriation to support the cost of dental services provided at these clinics by MUSOD students and faculty.

For the 2023-24 school year, the school received 2,479 applications for the MUSOD doctoral program, accepted 195 students, and enrolled 100 students (50 in-state and 50 out-of-state students), all of whom had completed coursework at a four-year accredited college or university and met minimum specified coursework requirements. By the third year of the four-year program, doctoral students work primarily in clinical settings through clinical rotations, take part in comprehensive treatment planning, and provide direct patient care in community-based clinics that primarily serve Medicaid recipients and other low-income individuals. A survey of 2023-24 first-year students indicated that approximately 72% of the resident and 18% of the nonresident incoming class members plan to practice in Wisconsin following graduation.

The American Dental Association reports that, nationally, nearly 40% of all Doctor of Dental Surgery (DDS) graduates enroll in postdoctoral courses, including general practice residency programs. These programs, which can be one- or two-years in length, provide graduates with

intensive hospital experience, enabling students to rotate through a variety of services, including general medicine, oral surgery, and anesthesiology. Most of the residents' time is spent delivering oral health care to ambulatory patients. In addition, general practice residency programs include advanced training and clinical experience in preventive dentistry, periodontics, restorative dentistry, endodontics, and oral surgery. Some general practice residency programs offer students experience working with patients with special needs. Most of these residency programs are sponsored by a hospital or a hospital-affiliated institution, such as a dental school.

Children's Wisconsin in Milwaukee currently operates a two-year pediatric dental residency program. The program accepts four applicants per year, which are compensated with salary and full benefits as hospital employees. The residents are placed at Children's Wisconsin through the American Dental Education Association's Postdoctoral Application Support Services (PASS) program and the National Matching Services Match program.

Until 2015, Meriter Hospital in Madison operated a dental general practice residency program. The Max W. Pohle Dental Clinic served approximately 1,800 patients annually, including about 90 patients with developmental disabilities and other conditions that required sedation at Meriter. However, the program was discontinued because each year, the program's costs exceeded revenues, according to a spokesperson for Meriter at the time. Consequently, since 2015, there has been no hospital-based dental residency program operating in Wisconsin, other than the pediatric dental residency program at Children's Wisconsin.

2023 Act 19 (the 2023-25 biennial budget act) provided \$5,000,000 GPR in 2023-24 in the Joint Committee on Finance program supplements appropriation to establish a dental residency program. It was anticipated that DHS would seek the release of this funding once additional information on the proposal became available.

PROGRAM DESCRIPTION

The DHS request includes a memorandum from Dr. Kalenderian, the Dean and Professor of Surgical Science at Marquette University, that describes a proposal for the development and implementation of the dental residency program. A summary of information provided in that memorandum and additional information provided by MUSOD follows.

Under the plan, MUSOD would expend the \$5,000,000 to: (a) develop a program and curriculum for a dental general practice residency program that would meet accreditation standards of the Commission on Dental Accreditation (CODA); and (b) fund program costs during the first several years it operates. MUSOD estimates that the \$5.0 million budgeted in Act 19 for the program would be fully expended by December 31, 2029, and has indicated that it would provide DHS and the Joint Committee on Finance progress reports and account for its use of the state funds by January 31 after the close of the 2023-25, 2025-27 and 2027-29 biennia. MUSOD's goal is to have the program funded entirely from patient revenues and federally-funded graduate medical education (GME) grants within several years of full operation. MUSOD indicates that it and its hospital partner would also pursue federal funding opportunities to support ongoing program costs.

While MUSOD is currently finalizing a memorandum of understanding with a hospital in the City of Milwaukee, it prefers not to identify the hospital until funding is secured for the program and

a memorandum of understanding between MUSOD and the hospital is completed.

MUSOD would begin developing the program by hiring a Dentistry Residency Program Director and Program Coordinator, and eventually hire a minimum of five part-time dental faculty positions to oversee the clinical teaching component, and two dental assistants to support the residents. Funding would also be used to support teaching stipends for adjunct and specialty faculty to assist with classroom-based teaching, stipends and salaries for up to six dental students, support for hospital educational and rotational services, supplies, and training MUSOD staff to use the hospital's electronic health record (EHR) system. In addition, some funding could be used for MUSOD to acquire a new dental EHR and billing management system (WISDOM, offered by Epic Systems) to replace its current EHR and clinical information system because MUSOD's intended hospital partner currently uses EPIC's EHR system.

MUSOD would like to seek initial accreditation (for programs that are not yet fully operational) from CODA by submitting materials by May 1, 2024, and indicates that CODA's review process for initial accreditation of a general practice residency program usually takes between 12 and 18 months. This initial accreditation provides evidence to educational institutions, licensing bodies, and governing agencies that a developing program has potential for meeting CODA's standards for fully-operating programs.

A hospital-based residency program would enable patients requiring general anesthesia and procedures performed in operating rooms to be treated at a hospital. MUSOD anticipates that the one-year program would begin with four dental residents, with an optional second year program, and eventually have six to eight dentists in the program, with possible future increases in participating dentists. MUSOD anticipates that its intended hospital partner would convert three emergency department rooms to house on-site dental equipment to accommodate simple outpatient surgeries, while other operatory rooms could be required for more extensive inpatient dental surgical services.

Residents would participate in hospital-based rotations that would include medical, anesthesia, hospitalist, intensive care, outpatient surgery, and family medicine services. In addition, the MUSOD Main Campus Clinic would be the host site for clinical rotations that would include operative dentistry, emergency dental care, special needs, periodontics, endodontics, oral surgery, pain/temporomandibular joint conditions, anxiety and behavior management, implants, practice management, and literature review. In addition, MUSOD's Main Campus Clinic would provide treatment for some of the hospital's emergency department non-traumatic dental cases.

FISCAL CONSIDERATIONS

MUSOD cannot provide estimates of the cost of developing a dental GPR program at this time, as the program's details would be developed by the Program Director, in collaboration with MUSOD staff and the hospital partner. MUSOD expects to complete and sign a memorandum of understanding with its hospital partner sometime in the near future.

Under the DHS request, \$1,250,000 GPR in 2023-24 and \$3,750,000 GPR in 2024-25 would be transferred from the Committee's program supplements appropriation to the Department's annual appropriation for the current MUSOD dental services grant program. As with other DHS grant

programs, funds would be distributed to MUSOD on a reimbursement-of-costs basis, which is done in order to ensure that funds are spent in accordance with legislative intent.

Under the Department's request, the funding would be provided on a one-time basis, and so would not be included as part of the agency's appropriation base for the 2025-27 biennium. However, given that MUSOD's plans for establishing a general practice residency dentistry program anticipate that the \$5.0 million in state funding provided by Act 19 would be spent over the course of a five- or six- year period, it is likely that a portion of the funding intended for the initiative would remain unexpended at the end of the 2023-25 biennium, and would therefore lapse to the general fund. In this case, a decision about providing additional funding for any future costs of establishing the residency program would need to be made during deliberations on the 2025-27 budget.

As an alternative to the Department's request, the Committee could transfer \$2,000,000 GPR in 2023-24 from the Committee's program supplements appropriation to increase the DHS appropriation under s. 20.435(1)(de) by \$500,000 GPR in 2023-24 and \$1,500,000 GPR in 2024-25, and specify that the amount provided in 2024-25 be included in the appropriation base. Under this alternative, DHS could continue to make payments to MSOD of up to \$1,500,000 GPR in 2025-26 and \$1,500,000 GPR in 2026-27, making a total of \$5,000,000 GPR available to support costs of implementing the dental residency program over a four-year period (\$500,000 in 2023-24, and \$1,500,000 annually in 2024-25, 2025-26, and 2026-27). Also, \$1,500,000 annually would be included in the base going forward. Under this alternative, \$3,000,000 GPR would lapse from the Committee's program supplements appropriation to the general fund at the end of the 2023-25 biennium.

The Committee could determine that it does not have enough information regarding the scope and estimated costs of the proposal, take no action on this item, and reconsider the request once additional information is available. However, it is not clear what additional information would be available unless funding is authorized for MUSOD to develop the program. Further, delaying action on the DHS request would likely delay MUSOD's application to receive CODA certification.

ALTERNATIVES

1. Approve the Department's request to transfer \$1,250,000 GPR in 2023-24 and \$3,750,000 GPR in 2024-25, on a one-time basis, from the Committee's program supplements appropriation under s. 20.865(4)(a) to the DHS appropriation under 20.435(1) (de) to establish a dental general practice residency program for MUSOD.

2. Transfer \$2,000,000 GPR in 2023-24 from the Committee's program supplements appropriation to increase the DHS appropriation under s. 20.435(1)(de) by \$500,000 GPR in 2023-24 and \$1,500,000 GPR in 2024-25, and specify that this amount would be included as part of the agency's base funding, to enable DHS to fund costs of establishing a dental GPR program for MUSOD. Estimate a GPR lapse of \$3,000,000 from the Committee's biennial program supplements appropriation at the end of 2024-25.

3. Take no action.

Prepared by: Charles Morgan