

TEXAS HIGHER EDUCATION COORDINATING BOARD  
Academic Quality and Workforce

## Family Practice Residency Advisory Committee

May 29, 2019  
**Summary Notes**

**Members present:** Michael Ragain-Chair, Jim Donovan, Mark Nadeau, Fred Onger-Vice Chair, Damon Schranz, Dana Sprute, Eric Warwick,

**Members absent:** Richard Young

**Guests present:** Tom Banning, John Wyatt, Cindy Passmore, Risa McGuire, Roland Goertz

**Coordinating Board staff:** Suzanne Pickens, Stacey Silverman, Cindy Fisher, Reinold Cornelius, Ernest Jacquez, Jodie Lopez

### 1. Welcome and Introduction

Michael Ragain, Vice Chair of the Family Practice Residency Program (FPRP) Advisory Committee, convened the meeting at 10:00am. Members, staff, guests, and audience members introduced themselves.

- *Dr. Ragain acknowledged that former Chair of the Advisory Committee, Dr. Roland Goertz was in attendance and recognized him for his outstanding service and contributions to Family Medicine.*
- *Dr. Stacey Silverman also recognized Dr. Goertz for his service, leadership, and contributions. Dr. Goertz was presented with a State Flag and appreciation gifts in honor of his work and service.*

- **Consideration of Summary Notes for April 3, 2019 Meeting**

- *Action item: The Advisory Committee unanimously approved the Summary Notes from the April 3, 2019 meeting.*

- **Update on 86th Legislative Session**

John Wyatt, Director of Governmental Relations at the Texas Higher Education Coordinating Board (THECB) presented an overview of the policy and funding outcomes of the 86th Legislative Session. He noted that the primary focus of this session was on K-12 education but noted there were important achievements in higher education.

Budget outcomes relevant to committee are as follows:

- Family Practice Residency Program funding is maintained at \$10 million for the FY20-21 biennium.
- Funding for the Statewide Preceptorship Program remained constant at \$3 million.
- Significant increase in the Graduate Medical Education (GME) Expansion Grant Program were included in the both introduced bills, resulting in an additional \$60 million, which will allow for the state to maintain the ratio of 1.1 GME first year filled positions for each medical school graduate.
- Slight reduction (\$130K) in funding for Emergency and Trauma Care Partnership

- Joint Admission Medical Program funding also remain constant at \$10.2 million for the biennium

Budget outcomes for Loan Repayment and Other Programs:

- Physician Education Loan Repayment Program received a \$4.9million dollar increase. This increase is the amount identified to fund a contingency rider for HB 2261 which increased the annual loan repayments under PELRP by \$5,000, to a lifetime maximum of no more than \$180,000.
- Nursing Faculty LRP funding remained constant at \$3 million.
- Mental Health LRP funding remained constant at \$2.1 million.
- Nursing Shortage Reduction Program had a \$120,000 decrease in funding due to some rider changes.

Budget Outcomes – New Rider:

Mr. Wyatt mentioned that the THECB was appropriated \$99 million dollars for a new initiative, the Texas Child Mental Health Care Consortium.

The contingency rider for Senate Bill 11 authorizes the Health Care Consortium.

It appropriates \$49.5M in FY20 and \$49.5M in FY21 for the Texas Child Mental Health Care Consortium (TCMHCC). Mr. Wyatt also noted that the rider requires mental health initiatives identified in Senate Bill (SB) 11 be implemented but does not designate how funding shall be allocated among those initiatives.

Additionally, by September 15, 2019, the THECB must transfer \$1M in FY20 and \$500,000 in FY21 for administration and oversight to an HRI designated by the Consortium.

It also states that the Consortium is required to submit to the LBB a plan for implementing initiatives by November 30, 2019. The requirement states that the Coordinating Board cannot expend any funds without obtaining until LBB approval. This Plan is considered approved unless the LBB issues a written disapproval within 30 days.

The consortium is governed by an executive committee consisting of thirteen Health-Related Institutions, Texas Health and Human Services Commission, THECB, and at least three nonprofit organizations that focus on mental health care, and any other entity the executive committee of the consortium considers necessary. He explained that this was the committee responsible for making decisions regarding how the \$99 million will be purposed and allocated.

Purposes identified in SB11 include:

- Establishing a network of comprehensive child psychiatry access centers at the member HRIs.
- Establishing or expanding telemedicine programs at member HRIs for identifying and assessing behavioral health needs and providing access to mental health services, with a focus on at-risk children and adolescents.
- Provide funding to a member HRI for a full-time psychiatrist to serve as academic medical director at a facility operated by a community mental health provider and two new resident rotation positions.

- Provide funding to a member HRI for a physician fellowship position leading to a medical specialty in the diagnosis and treatment of behavioral health issues affecting children and adolescents.

Mr. Wyatt also noted that SB 11 was one of the signature issues for the Legislature during this session, with their concern being "How can we increase access to and the effectiveness of mental and behavioral health services to children and adolescents?" He mentioned that there will be a great deal of work over this interim in terms of implementation of this program and meeting the Legislature's concern for improving these services.

Regarding SB 1755, Mr. Wyatt clarified language and explained that residents and fellows in graduate medical training programs sponsored by a governmental unit (such as the THECB or HRIs) are considered to be employees of a governmental unit for purposes of the Texas Tort Claims Act.

HB 1065 established a Rural Resident Physician Grant Program as a competitive grant program to encourage the creation of new graduate medical education positions in rural and nonmetropolitan areas. Mr. Wyatt explained that the THECB is only required to provide grants if the Legislature appropriates money specifically for this purpose. No funding was provided in HB 1 for the FY20-21 biennium. This is still permissive pending available appropriations for use in this purpose.

Mr. Wyatt also reported increases in formula funding for all sectors, but particularly for Health-Related Institutions. The Instruction and Operations Formula rate increased from \$9,431 to \$9,692. In addition, the weight for Biomedical Informatics increased from 1.0 to 1.75. Furthermore, the Graduate Medical Education rate also increased from \$5,824 to \$5,992

Tom Banning, Executive Director of the Texas Academy of Family Physicians (TAFP) added in regard to the Rural Resident Grant Program, his understanding from Senator Jane Nelson's office when they pulled funding from the rider for the program, the intent was to utilize the GME expansion grant funding. Mr. Banning clarified that with the enabling legislation recently passed, some of the newly appropriated (\$60M) GME Expansion funds could be utilized for this new Rural Rotation track.

Mr. Banning also mentioned that HHSC received \$84 million in Medicaid GME funding to be utilized for Texas' public hospitals. The HHSC is also applying for additional resources to provide assistance to private hospitals but have not received Federal guidance nor approval at this time.

Mr. Banning noted that in addition to the substantial appropriations for GME, HHSC has identified a significant amount in additional resources to be utilized to help subsidize, support and grow existing programs at least at the public hospital level.

Suzanne Pickens, Senior Program Director at THECB, asked for clarification on the exceptional item request of \$2 million per year for the Family Practice Residency Program not being fulfilled. Mr. Banning explained the Legislature convened with three primary goals: (1) public education, (2) property tax cuts and (3) Hurricane Harvey. Most of the available funding identified through increased revenue and savings opportunity went to fulfill these three priorities. Unfortunately, the FPRP was not prioritized over these concerns and resulting in a relatively flat funding for most THECB and HHSC programs.

Mr. Banning remarked that there is a need for additional funding outside of new and expanded positions and it will be up to the stakeholders to make the case for an increase in funding given the fact that the Legislature also approved the creation of two new medical schools at the University of Houston and Sam Houston State University in addition to several new Residency programs coming online in the near future.

- **Report on Medical and Graduate Medical Education Legislative Appropriations**

Susan Pickens briefly reiterated on John Wyatt's comments regarding the appropriations for GME and referenced a handout in the meeting packet for Agenda Item #4 which explained these legislative appropriations.

- **(Agenda Item #6) Consideration of Reallocation of Remaining Fiscal Year 2019 Funding**

Suzanne Pickens provided an overview of fiscal year (FY) 2019. There were 27 Family Residency Programs that participated in FY19 with a total of 749 residents funded at \$6,438 per resident. Ms. Pickens explained that the difference was primarily due to the closure of the Bay Area Medical Center and the North Central Texas/Wichita Falls Programs. Those closures also resulted in a decrease in the number of rural rotations funded from the approved 42 slots down to 37 rotations funded in FY19.

In terms of awards and funding in addition to the \$5million appropriated for the FPRP, additional resources were identified from prior years, the majority coming from the Primary Care Innovation Program. This program was initiated in FY14 but was not funded for FY 2018-19. Any unexpended funding available at the end of these award cycles was redistributed to the FPRP. Through the reconciliation process, a few FPRP balances were also identified for a total reallocation amount of \$233,000 which was disbursed to programs via the contract amendment process.

Ms. Pickens noted that after the amendment process was complete, \$34,311 in additional funding became available for reallocation. THECB staff proposed recommendations to reallocate these funds to the FPRP's Faculty Development Center (FDC) due to a timing issue in terms of trying to execute contracts for all programs for the amount of funds available.

A motion to approve the reallocation of remaining FY 2019 funding to the Faculty Development Center was made by Dr. Sprute and seconded by Dr. Schranz.

Prior to a vote, Dr. Warwick asked for confirmation that the FDC would be able to utilize these funds prior to the end of the fiscal year. Cindy Passmore, Executive Director of the FDC confirmed the FDC would be able to utilize the additional funding this fiscal year.

With no further discussion, Dr. Ragain called for a vote.

→ *Action item: The Advisory Committee unanimously approved the Reallocation of Remaining Fiscal Year 2019 Funding to the Faculty Development Center.*

- **(Agenda Item #5) Consideration and Discussion of FPRP Eligibility for Family Medicine Programs funded under the Graduate Medical Education Expansion Program**

Dr. Ragain provided some background and stated that the FPRP Advisory Committee has the responsibility to decide which Family Medicine Residency Programs are to be included in funding considerations recommended to the THECB. The THECB rules are very specific and state that the approved programs must be nationally accredited and in operation for at least three years. Dr. Ragain noted that with the establishment of the GME Expansion Grant Program there are now additional issues to be considered. Dr. Ragain referenced handouts to be reviewed and discussed regarding these concerns.

Suzanne Pickens provided an overview of the current GME Expansion awards, historical funding, and the number of residents funded through FPRP over the last 20 years. The overview also included potential impacts of GME Expansion awards on Family Practice and different options relating to funding.

Statute requires all GME awarded positions for all programs be verified and filled before a disbursement can be made. THECB staff are currently verifying resident positions and will make awards by June 30.

For the FY2018-19 biennium, awards totaled \$97.7M which funded 1,303 positions at 75 programs. Twenty-Seven (27%) of this funding went to 18 Family Practice Residency Programs. In terms of ALL Primary Care Programs awarded through GME Expansion (FM, IM, OBGYN, Peds), 68% of the total awards were distributed among these specialties, in addition to Psychiatry (15%) for a collective total of 83% for Primary Care. The balance was allocated to other specialties (Anesthesiology, General Surgery, Neurology).

Ms. Pickens commented on the historical awards over the last 20 years for Family Practice. Residency Program funding has been impacted by a 44% decrease due to Legislative cuts. Currently, the program is funded at \$5 million per year for the next biennium. There is a significant difference in the available funding for both programs. The number of residents funded by the program over the same period shows a slight upward trend with a variance in the per resident amounts each year.

Ms. Pickens provided the committee with a list of existing Family Practice Residency Programs currently funded, which also includes those programs that expanded through the GME Expansion Program. Also included were new programs in operation for three years and ONLY receiving awards through the GME Expansion Program but are also eligible for funding through the Family Practice Resident Program. Ms. Pickens clarified that these new programs all have their full complement of residents funded by GME Expansion in comparison to those existing programs who might only be receiving a few awards.

Ms. Pickens provided additional information about the new Family Practice Residency Programs created with support from GME Expansion. She described programs in operation for three years or more along with their number of eligible positions for Family Practice funding consideration. Dr. Ragain also remarked that there could be future ramifications for future awards as new programs become eligible for consideration.

Ms. Pickens also provided an overview of Family Practice Residency Program funding for FY19. This was the basis for the funding models for FY2020 which included three funding scenarios (projections):

1. **ASSUMPTION A:** Program Participation at 2019 Level
2. **ASSUMPTION B:** Program Participation at 2019 Level with the addition of 7 new programs
3. **ASSUMPTION C:** Remove those programs currently participating in both Family Practice and GME Expansion – 50 positions affected for FY2020

Dr. Ragain mentioned that historically there was a precedent to allow those programs eligible to participate after operating for three years, which opens up the discussion about both sources of funding and whether to allow residency programs to participate (*double-dipping*) in both funding sources.

Dr. Silverman clarified that those existing programs that utilized GME Expansion were those programs that expanded by adding new residents.

Dr. Warrick asked for clarification of whether programs if eligible and granted to expand via GME, would the program now be eligible for the Family Practice Residency Program funding as well.

Ms. Pickens confirmed this was possible with some exceptions which may vary by program eligibility situations.

Dr. Ragain asked about GME Expansion and the discussion around uncertainty after two years for these programs to which Dr. Silverman commented on legislative appropriations with the assumption that this will be approved and will cover existing positions with the ability to support new expansion efforts. Dr. Silverman also mentioned that the priority would be funding for primary care for rural communities. Dr. Silverman discussed the challenges the committee will encounter when presented with these discussions about programs participating in both funding sources as well as the impacts of the consideration of funding for those new eligible residency programs.

Dr. Sprute suggested a potential solution stating that one option would be to have those existing programs participating in both funding sources to continue receiving GME for those expanded positions until funding is no longer available at which point, they would only continue to receive Family Practice Residency Program funding.

Dr. Donovan had concerns about changing the historical precedent of including these programs and the intent of the GME Expansion Program to add new programs and consider all options without programs weighing their options without a penalty.

Dr. Sprute clarified her earlier point to include all eligible programs and not exclude them through her suggestion.

Dr. Ragain asked for clarification on GME Expansion continued funding and whether the expanded slots would be funded. Dr. Silverman confirmed 25-50 slots would be funded which covers all expanded positions. The next priority would be to fund the growth of the two new medical schools over a two-year span roughly 300-400 positions which would potentially cover all anticipated graduates.

→ *Informational item: No action taken.*

## **7. Consideration of the Fiscal Year 2020 Funding Recommendation**

The Committee continued the discussion regarding the existing programs receiving both funding sources and the consideration of the seven new programs eligible to participate in the Family Practice Program.

A motion to approve the Consideration of the Fiscal Year 2020 Funding Recommendation which includes the addition of the seven new eligible programs was made by Dr. Sprute and seconded by Dr. Schranz.

→ *Action item: The Advisory Committee approved (Assumption B) the Consideration of the Fiscal Year 2020 Funding Recommendation to include the addition of the seven new eligible programs.*

Dr. Ragain called for a discussion for the Consideration of the Fiscal Year 2020 Funding Recommendation regarding the funding level for the Faculty Development Center.

A motion to approve the FDC funding level of \$100,000 (Option 1B) was made by Dr. Schranz and seconded by Dr. Warrick.

→ *Action item: The Advisory Committee unanimously approved FDC funding level of \$100,000 (Option 1B).*

## **8. Update on the Statewide Preceptorship Program**

Total Medical Student Participants were just over 9,000

Fiscal Year 2018:

- Family Medicine - significant improvement in student participation due to increased aggressive marketing, program understanding, and continued state funding. Internal challenges included student pre-qualifications (drug testing, background checks, vaccine records, etc.) from preceptor employers that delayed start times and/or caused the rotation experience to be canceled.
- Pediatrics – exceeded their anticipated match numbers and reported that participants strongly agreed or agreed they were more likely to choose pediatrics vs other specialties as a result of their preceptorship experience.
- Internal Medicine – refreshed and rebranded their recruitment efforts this year, including the website, to an enthusiastic response, including social media. Foundation established to raise fund to support medical student activities via reinforcement of digital infrastructure to increase potential donors.

**Total Medical Student Participants = 9,295**

<b>Family Medicine</b>	<b>Pediatrics</b>	<b>Internal Medicine</b>
<b>1999-2018: 3,882</b>	<b>1996-2018: 2,313</b>	<b>1995-2018: 3,100</b>

→ *Informational item: No action taken.*

## **9. Consideration and Discussion of Future Agenda Items and Meeting Dates**

The next meeting is April 1, 2020 10:00 am – 12:00 pm.

Suggested items for the next agenda:

- Consideration of potential review of the Annual Financial and Written Reports
- HHSC staff to discuss the \$84 million for Medicaid GME Expansion
- SB 11 Update - Texas Child Mental Health Care Consortium

## **10. Adjournment**

Dr. Ragain adjourned the meeting at 11:33am.