

Office of the
Legislative Fiscal Analyst

FY 2001 Budget Recommendations

Joint Appropriations Subcommittee for
Health and Human Services

Utah Department of Health
Medical Education Program

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1.0 Medical Education Program

Summary

The Medical Education Council is created in 63C-7-101 UCA to determine the types and numbers of health care professionals needed to provide appropriate levels of health care, to seek public and private funding for clinical training, and to determine a method to reimburse those institutions that sponsor clinical training.

	Analyst FY 2001 Base	Analyst FY 2001 Changes	Analyst FY 2001 Total
Financing			
Dedicated Credits Revenue	\$1,000		\$1,000
Total	\$1,000	\$0	\$1,000
Programs			
Medical Education Council	\$1,000		\$1,000
Total	\$1,000	\$0	\$1,000
FTE			

3.1 Medical Education Program

Recommendation The Analyst recommends a budget of \$1,000 for FY 2001 for the Medical Education Council. This funding is from dedicated credits, expected from the sale of copies of the survey taken of the Utah Clinical workforce.

	FY 1999	FY 2000	FY 2001	Est/Analyst
Financing	Actual	Estimated	Analyst	Difference
General Fund, One-time		\$500,000		(\$500,000)
Dedicated Credits Revenue		125,400	1,000	(124,400)
Transfers	49,465			
Beginning Non-lapsing		8,800		(8,800)
Closing Non-lapsing	(8,794)			
Total	<u>\$40,671</u>	<u>\$634,200</u>	<u>\$1,000</u>	<u>(\$633,200)</u>
Expenditures				
Current Expense	\$22,165	\$133,900	\$1,000	(\$132,900)
DP Current Expense		300		(300)
Other Charges/Pass Thru	18,506	500,000		(500,000)
Total	<u>\$40,671</u>	<u>\$634,200</u>	<u>\$1,000</u>	<u>(\$633,200)</u>
FTE				

Purpose Training programs for physicians may be threatened because private corporations are withdrawing training support. The movement to managed care has forced institutions to compete on the cost of patient care and those institutions which sponsor clinical training cannot compete for market share when the costs of clinical training is included in their rates. As a result, those institutions which have previously sponsored Graduate Medical Education (GME) are now unable to subsidize clinical training.

Previous Budget Increase The 1999 Legislature approved one-time funding in the amount of \$500,000 to stabilize a family practice residency program and preserve its viability as a source of physicians to enter practice in Utah. This funding was contracted with the St. Mark’s Health Care Foundation to secure the full compliment of new first-year residents so that the program has the full 12 residents for the three-year program. This funding was designated as one-time and is being used only while the Foundation is working on developing on-going revenue sources to continue the program without the State funds. The Foundation has been working on building the base plus some reserves, so that any future market shift can be met without the need of State assistance. The Council has developed processes to encourage more graduates to enter practice in Utah, rather than go elsewhere.

During 1999, the Council administered the \$500,000 appropriation made to help stabilize the Family Practice Residency program sponsored by St. Mark's Health Care Foundation. It also conducted surveys dealing with physicians, physician assistants, and advanced practice nursing. In addition, the Council reviewed the impact of the Balanced Budget Act on Utah, health care facilities, and Graduate Medical Education; worked with the AHEC to obtain grant funding for a rural residency program; and worked with Medicaid to determine the best process for the managed care portion of Medicaid to participate in the funding of GME.

4.0 Additional Information: Medical Education Program

4.1 Funding History

	FY 1997 Actual	FY 1998 Actual	FY 1999 Actual	FY 2000 Estimated	FY 2001 Analyst
Financing					
General Fund, One-time				\$500,000	
Dedicated Credits Revenue		5,000		125,400	1,000
Transfers		31,535	49,465		
Beginning Non-lapsing				8,800	
Closing Non-lapsing			(8,794)		
Total	<u>\$0</u>	<u>\$36,535</u>	<u>\$40,671</u>	<u>\$634,200</u>	<u>\$1,000</u>
% Change			11.3%	1459.3%	-99.8%
Programs					
Medical Education Council		\$36,535	\$40,671	\$634,200	\$1,000
Total	<u>\$0</u>	<u>\$36,535</u>	<u>\$40,671</u>	<u>\$634,200</u>	<u>\$1,000</u>
Expenditures					
Personal Services		\$34,000			
Current Expense		2,157	22,165	133,900	1,000
DP Current Expense		378		300	
Other Charges/Pass Thru			18,506	500,000	
Total	<u>\$0</u>	<u>\$36,535</u>	<u>\$40,671</u>	<u>\$634,200</u>	<u>\$1,000</u>