

Office of the
Legislative Fiscal Analyst

FY 2003 Budget Recommendations

Joint Appropriations Subcommittee for
Higher Education

Medical Education Program

Contents:

1.0 Summary

3.0 Programs

4.0 Additional Information

1.0 Medical Education Program

Summary

The Medical Education Program is created in 63C-8-101 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.

Beginning with the FY 2003 budget, the Medical Education Program will be heard by the Higher Education Joint Appropriations Subcommittee. No State funding is recommended for the Medical Education Program for FY 2003 by the Legislative Fiscal Analyst's Office. This is shown in the following table.

Legislative Fiscal Analyst's Office			
Medical Education Program			
FY 2003 Budget Recommendation			
	Analyst FY 2003 Base	Analyst FY 2003 Changes	Analyst FY 2003 Total
Financing			
Federal Funds	440,000		440,000
Beginning Nonlapsing	43,500		43,500
Total	<u>\$483,500</u>	<u>\$0</u>	<u>\$483,500</u>
Programs			
Medical Education Program	483,500		483,500
Total	<u>\$483,500</u>	<u>\$0</u>	<u>\$483,500</u>
FTE/Other			

3.1 Medical Education Program

Recommendation

During each of the past two Legislative sessions, the Legislature approved one-time funding appropriations of \$110,000. With these funds, the Medical Education Council applied and received federal grants to fund a demonstration project.

Because of Utah’s current economic situation with lower anticipated revenues, no funding is recommended for the Medical Education Program for FY 2003 by the Legislative Fiscal Analyst’s Office. If additional revenue becomes available, it is recommended that \$110,000 in ongoing General Funds be appropriated to the Medical Education Council for FY 2003.

The following table shows historical information:

Legislative Fiscal Analyst's Office				
Medical Education Program				
FY 2003 Budget Recommendation				
	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund, One-time	110,000	110,000		(110,000)
Federal Funds	401,200	440,000		(440,000)
Beginning Nonlapsing		43,500		(43,500)
Total	\$511,200	\$593,500		(\$593,500)
Expenditures				
Current Expense	511,200	593,500		(593,500)
Total	\$511,200	\$593,500		(\$593,500)

Purpose

Clinical training programs for physicians, nurse practitioners, physician assistants, and pharmacists are threatened because of the changing health care environment. 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 that have previously sponsored Graduate Medical Education (GME) are now unable to subsidize clinical training. The Medical Education Council is identifying ways to maximize revenue sources and stabilize funding for clinical training programs. In the past year, the Medical Education Council:

- Identified approximately \$8 million of federal underpayments from 1996-2001. Further identified \$12 million of ongoing additional revenue available to Utah to support residency training and lessen Utah’s dependency on a shrinking national workforce pool. The required actions have been taken to obtain these funds.

- Completed a study in cooperation with the Utah Area Health Education Center (AHEC) showing it is practical to establish rural residencies in family practice, pediatrics and internal medicine.

4.0 Additional Information: Medical Education Program

4.1 Funding History

Legislative Fiscal Analyst's Office					
Medical Education Program					
FY 2003 Budget Recommendation					
	1999	2000	2001	2002	2003
	Actual	Actual	Actual	Estimated	Analyst
Financing					
General Fund, One-time		500,000	110,000	110,000	
Federal Funds			401,200	440,000	440,000
Dedicated Credits Revenue		121,400			
Transfers	49,465	4,000			
Beginning Nonlapsing				43,500	43,500
Closing Nonlapsing	(8,794)	(127,814)			
Total	\$40,671	\$497,586	\$511,200	\$593,500	\$483,500
Programs					
Medical Education Program	40,671	497,586	511,200	593,500	483,500
Total	\$40,671	\$497,586	\$511,200	\$593,500	\$483,500
Expenditures					
Personal Services		3,279			413,200
In-State Travel	18,506				10,900
Current Expense	22,165	493,468	511,200	593,500	59,400
DP Current Expense		839			
Total	\$40,671	\$497,586	\$511,200	\$593,500	\$483,500

4.1 Federal Funds

Program		FY 2001 Actual	FY 2002 Estimated	FY 2003 Analyst
Medical Education Program	Federal	\$401,200	\$440,000	
HCFA Medical Education Grant	Required State Match	110,000	110,000	
	Total	511,200	550,000	0
	Federal	401,200	440,000	0
	Required State Match	110,000	110,000	0
	Total	\$511,200	\$550,000	\$0