

Office of the
Legislative Fiscal Analyst

FY 2003 Budget Recommendations

Joint Appropriations Subcommittee for
Health and Human Services

Utah Department of Health
**Physicians and Physician Assistants Grant
And Scholarship Program**

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1.0 Department of Health - Physicians and Physician Assistants Grants and Scholarship Program

Summary

The purpose of the Physicians and Physician Assistants Grant and Scholarship Program is to increase the number of physicians and physician assistants practicing in medically underserved rural areas through loan repayment grants and scholarships in return for an obligated period of professional services rendered in a rural area of the State.

Funding for this program is appropriated as a separate line item, in accordance with UCA 26-9-211.

	Analyst FY 2003 Base	Analyst FY 2003 Changes	Analyst FY 2003 Total
Financing			
General Fund	283,400	(102,900)	180,500
Beginning Nonlapsing	830,800		830,800
Closing Nonlapsing	(740,300)		(740,300)
Total	\$373,900	(\$102,900)	\$271,000
Programs			
Physician & Physician Assistants Grant &	373,900	(102,900)	271,000
Total	\$373,900	(\$102,900)	\$271,000
FTE/Other			
Total FTE	0.50		0.50

2.0 Issues: Physicians and Physician Assistants Grants and Scholarship Program

2.01 Program Reduction

The Analyst recommends the reduction of funding for the Physicians and Physician Assistants Grants and Scholarship Program in the amount of \$102,900 for FY 2003.

General Fund **(\$102,900)**

2.02 Administrative Cost Intent Language

The 2001 Legislature approved the following intent language to be implemented by this division:

It is the intent of the Legislature that the budget analysis for the Department of Health be presented with a breakdown between costs of administration and services delivered and the number of citizens served and categorized by cost and type of service.

The Department reports that the Physicians and Physician Assistants Grant and Scholarship Program’s budget is 100 percent indirect services as shown in the following table.

PHYSICIANS and PHYSICIAN ASSISTANTS GRANT/SCHOLARSHIP PROGRAM				
ADMINISTRATIVE and SERVICE COSTS				
FY 2001 Authorized Costs				
	<u>Admin-</u> <u>istration</u>	<u>Indirect</u> <u>Services</u>	<u>Direct</u> <u>Services</u>	<u>Total</u>
Grant/Scholarship Program	0	231,815	0	231,815
	0.0%	100.0%	0.0%	
Total	0	231,815	0	231,815
	0.0%	100.0%	0.0%	

Source: Department of Health

3.1 Physicians and Physician Assistants Grants and Scholarship Program

Recommendation

The Analyst recommends a budget of \$271,000 for the Physicians and Physician Assistants Grant and Scholarship Program for FY 2003. The funding comes from a General Fund appropriation of \$180,500 and from nonlapsing balances which are for committed, but unspent grants and scholarships. The reduction of this program may adversely affect the ability of rural areas to recruit physicians or physician assistants to those areas. However, there are other incentive programs such as the National Health Service Corp. and Conrad State 20/J-1 Visa Waiver program that can assist in these endeavors.

	2001	2002	2003	Est/Analyst
	Actual	Estimated	Analyst	Difference
Financing				
General Fund	295,600	296,400	180,500	(115,900)
General Fund, One-time		(19,600)		19,600
Federal Funds	20,698			
Beginning Nonlapsing	872,147	956,600	830,800	(125,800)
Closing Nonlapsing	(956,630)	(830,800)	(740,300)	90,500
Total	\$231,815	\$402,600	\$271,000	(\$131,600)
Expenditures				
Personal Services	24,545	17,500	17,800	300
In-State Travel	1,427	1,900	1,900	
Current Expense	204,443	382,300	251,200	(131,100)
DP Current Expense	1,400	900	100	(800)
Total	\$231,815	\$402,600	\$271,000	(\$131,600)
FTE/Other				
Total FTE	0.50	0.50	0.50	

Purpose

The Physicians and Physician Assistants Grant and Scholarship Program was created to assist medically underserved rural areas of the State in the recruitment and retention of physicians and physician assistants. The program provides loan repayment grants in exchange for a minimum two-year service commitment in a medically underserved rural area of the State. The program is authorized to offer scholarships, but has not awarded any since FY 1997.

During FY 2001, the Physicians and Physician Assistants Grant and Scholarship Program awarded nine physician grants and two physician assistant grants.

Thus far in FY 2002, an additional ten grants have been approved for physicians.

Since its inception in 1990, the Physicians and Physician Assistants Grant and Scholarship Program has grown considerably. The program has received \$3.7 million in General Funds, and has awarded 57 physician grants, 10 physician scholarships, 9 physician assistant grants, and 10 physician assistant scholarships.

Of those professionals who have completed their service obligation, 91 percent have either remained in their original service area or another rural site. Placements have been made in 18 underserved rural communities, allowing those communities the opportunities of more accessible medical help. The program has provided funding to secure the obligation of a total of 283 years of service.

PHYSICIANS AND PHYSICIAN ASSISTANTS GRANT AND SCHOLARSHIP PROGRAM							
<u>Fiscal Year</u>	<u>Beg. Balance</u>	<u>Appropriation</u>	Administrative	Funds Received	Awards		
			Expense and	From Defaulting	Grants	Scholarships	
			<u>Funds Awarded</u>	<u>Contractors</u>			
1990-91	0	325,000	113,039	0	4	0	
1991-92	211,961	310,000	155,595	0	1	2	
1992-93	366,366	310,000	310,450	10,000	7	2	
1993-94	375,916	310,000	538,354	0	8	8	
1994-95	147,562	310,000	240,917	0	3	3	
1995-96	216,645	310,000	485,071	0	6	2	
1996-97	41,574	310,000	227,448	53,800	2	3	
1997-98	177,926	310,000	265,706	12,000	6	0	
1998-99	234,220	310,000	149,387	122,960	4	0	
1999-2000	517,793	310,000	239,307	0	4	0	
2000-2001	588,486	295,000	445,607	3,200	11	0	
2001-2002	441,079	296,400	522,973	2,000	10		
Total		3,706,400	3,693,854	203,960	66	20	

**Administration/
Service Cost
Breakdown Intent
Language**

The 2001 Legislature approved this item of intent language for this program:

It is the intent of the Legislature that the budget analysis for the Department of Health be presented with a breakdown between costs of administration and services delivered and the number of citizens served and categorized by cost and type of service.

The Department reports that this budget is 100 percent indirect services.

4.0 Additional Information: Physicians and Physician Assistants Grant and Scholarship Program

4.1 Funding History

	1999	2000	2001	2002	2003
	Actual	Actual	Actual	Estimated	Analyst
Financing					
General Fund	310,000	310,000	295,600	296,400	180,500
General Fund, One-time				(19,600)	
Federal Funds	54,751	29,295	20,698		
Beginning Nonlapsing	725,328	729,942	872,147	956,600	830,800
Closing Nonlapsing	(855,294)	(872,147)	(956,630)	(830,800)	(740,300)
Lapsing Balance	(7,557)				
Total	\$227,228	\$197,090	\$231,815	\$402,600	\$271,000
Programs					
Physician & Physician Assistants Grant &	227,228	197,090	231,815	402,600	271,000
Total	\$227,228	\$197,090	\$231,815	\$402,600	\$271,000
Expenditures					
Personal Services	22,971	27,800	24,545	17,500	17,800
In-State Travel	318	543	1,427	1,900	1,900
Current Expense	203,471	168,747	204,443	382,300	251,200
DP Current Expense	468		1,400	900	100
Total	\$227,228	\$197,090	\$231,815	\$402,600	\$271,000
FTE/Other					
Total FTE		0.65	0.50	0.50	0.50

4.2 Federal Funds

Program		FY 2001 Actual	FY 2002 Estimated	FY 2003 Analyst
Physicians and Physician Assistants Grant and Scholarship Program	Federal	\$20,698		
PHS Local Federal Grant	Required State Match	0	0	0
	Total	20,698	0	0
	Federal	20,698	0	0
	Required State Match	0	0	0
	Total	\$20,698	\$0	\$0