HCAi
Department of Health Care Access and Information

Agenda Item 8: Graduate Medical Education in California

HCAI Workforce Council Meeting
March 30, 2022

Diane R. Rittenhouse, Alexandra Ament, Amanda Lechner, Alaya Martin
Mathematica

California Physician Workforce Headlines

- There is a shortage of primary care physicians and psychiatrists in California
- There is maldistribution of physicians in California
  - 7.8 million Californians live in a designated primary care shortage area (California Health Care Foundation)
  - 1/3 of primary care physicians in California are set to retire in the next decade (Healthforce Center at UC-San Francisco)
  - By 2028 California will have 50% fewer psychiatrists than needed (Healthforce Center at UC-San Francisco)

Outline

- Overview of Graduate Medical Education (GME)
  - what is it and why is it important
- GME Funding in California (101)
- Transitional Program Office to Expand GME in California
- GME Subcommittee
- Discussion

What is Graduate Medical Education (GME)?

Guide to Graduate Medical Education **Funding** in California, 2017

- **Methods:** Literature Review; Analysis of AMA Masterfile and Medicare Cost Report Data; Key Informant Interviews; Case Studies

- **Authors:** Diane Rittenhouse, MD, MPH; Alexandra Ament; Kevin Grumbach, MD; Stephen Petterson, PhD; Zachary Levin; Andrew Bazemore, MD, MPH

- **Funding:** California Health Care Foundation

Size of GME in California

- **Sponsoring Institutions:** Assume ultimate financial & academic responsibility for GME
- **California:** 74 GME Sponsoring Institutions (2015)
- **Graduated 3,568** residents and fellows (2015)

Top 20 Residency and Fellowship Sponsoring Institutions, by Number of Graduates, 2015

University of California (San Francisco)	**403**
Stanford Hospital and Clinics	**319**
UCLA David Geffen School of Medicine	**296**
University of Southern California	**281**
University of California (San Diego)	**251**
University of California (Irvine)	**222**
University of California (Davis)	**220**
Los Angeles County-Harbor-UCLA	**168**
Cedars-Sinai Medical Center	**146**
Loma Linda University Medical Center	**135**

Kaiser Permanente Southern California	**115**
Kaiser Permanente Medical Group	**84**
UCSF Fresno Medical Education Program	**70**
Children's Hospital Los Angeles	**67**
Santa Clara Valley Medical Center	**51**
Loma Linda-Inland Empire Consortium	**49**
California Pacific Medical Center	**46**
Alameda County Medical Center	**41**
Olive View/UCLA Medical Center	**40**
Children's Hospital-Oakland	**39**

Percentage of Residents and Fellows Graduating from Sponsoring Institutions, by Institution Type, 2015

Institution	# of Total Graduates	% of Total Graduates
Public Universities Total	**1727**	**48.40%**
UCSF	513	14.38%
UCLA	504	14.13%
UCSD	251	7.03%
UC Irvine	223	6.25%
UC Davis	221	6.19%
UC Riverside	15	0.42%
Private Universities Total	**851**	**23.85%**
USC	348	9.75%
Stanford	319	8.94%
Loma Linda	184	5.16%

Percentage of Residents and Fellows Graduating from Sponsoring Institutions, by Institution Type, 2015

Private Hospitals Total	**685**	**19.20%**
Independent Large (6+)	225	6.31%
Kaiser	199	5.58%
Scripps	69	1.93%
Dignity	67	1.88%
Sutter	64	1.79%
Independent Small (<6)	35	0.98%
Adventist	26	0.73%
Public Hospitals Total	228	**6.39%**
Independent Large (6+)	220	6.17%
Independent Small (<6)	8	0.22%
DOD/VA	77	**2.16%**

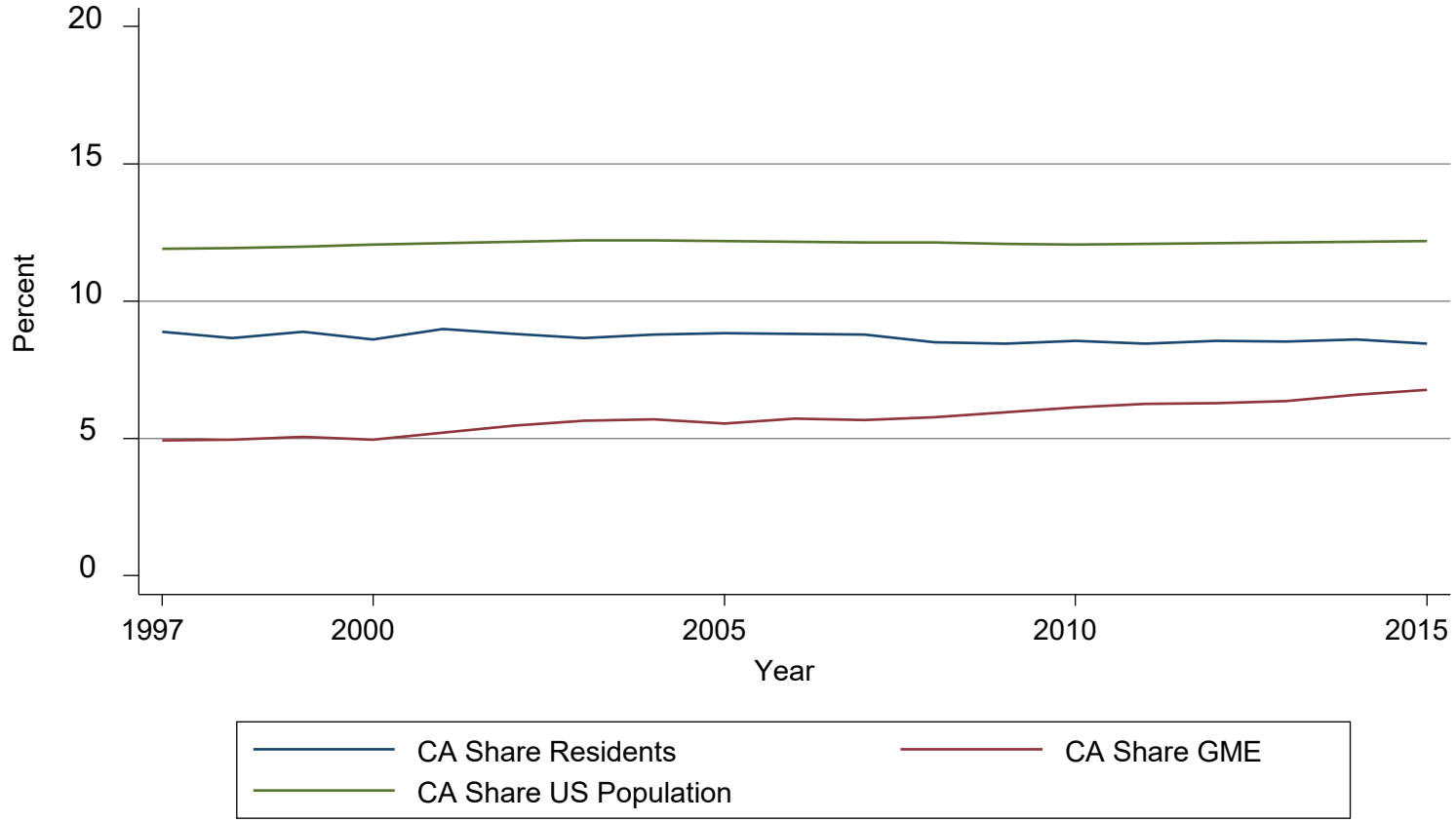
GME Funding in California

- Federal
  - **Medicare**
  - Medi-Cal
  - Health Resources and Services Administration
    - Children's Hospitals
    - Teaching Health Centers
  - Department of Veterans Affairs
  - Department of Defense
- State
  - Song-Brown Program
  - Workforce Education and Training (WET) program
  - CalMedForce
- Private

Medicare

- Largest federal contributor to GME funding nationwide and in California
- Began in 1965 when the Medicare program was established by the U.S. Congress

Since 1997 there has been a significant and persistent gap between California's proportion of U.S. population, proportion of U.S. GME graduates, and proportion of CMS Medicare GME funding



Medicare GME Payments

- Pays Teaching Hospitals for estimated costs directly and indirectly incurred with residency programs
- Not actual costs
- Formulas include for example:
  - the Teaching Hospital's "Medicare patient load" percentage, and the PRA
- Per Resident Amount (PRA)
  - Varies widely between Teaching Hospitals
  - set in fiscal year 1984
  - separate PRA for primary care and non-primary care specialties, with the former being slightly higher than the latter
  - **Over fiscal years 2008–10,**
    - **the average Medicare PRA for the U.S. as a whole was $112,642;**
    - **the average Medicare PRA for California was $87,121**

1997 Medicare GME Cap

- Until 1997, Medicare did not limit number of residents
- In 1997, U.S. was “on the verge of a serious oversupply of physicians”
- The Balanced Budget Act of 1997 “capped” Teaching Hospitals to the number of FTE residents and fellows
- Freezes the geographic distribution of Medicare GME dollars without regard for future changes in local or regional health workforce priorities or the geography and demography of the U.S. population
  - Northeast has the highest density of Medicare-supported GME positions and the most Medicare GME funding
  - Over fiscal years 2008–2010, California ranked 26th among U.S. states, according to the number of Medicare GME FTE cap positions (19.36) per 100,000 population

Medicare GME-naïve hospitals

- Hospitals that have never been Teaching Hospitals
- Not subject to the 1997 Medicare GME Cap
  - Interesting to policy-makers
  - 178 Medicare GME-naïve hospitals in California (2015)
    - defined as not having received Medicare GME funding between 1996 and 2015

GME Funding in California

- Federal
  - Medicare
  - **Medicaid**
  - Health Resources and Services Administration
    - Children's Hospitals
    - Teaching Health Centers
  - Department of Veterans Affairs
  - Department of Defense
- State
  - Song-Brown Program
  - CalMedForce
- Private

Medicaid GME Funding

- Began at the inception of the Medicaid program in 1965
- 2nd largest federal contributor to GME funding nationwide
- No federal guidance exists for Medicaid GME; each state has the option to develop a Medicaid GME program, and to receive matching federal funds, under its Medicaid fee-for-service delivery system, managed care delivery system, or both systems
- Nearly all states historically have developed Medicaid GME programs
- Programs vary substantially from state to state

Medi-**Cal** GME Funding

- Explicit GME funding program prior to 2005
- Since 2005
  - GME payments no longer explicit - instead included in higher FFS payments to hospitals
  - California hospitals—in aggregate—are receiving federal Medicaid funding at the Upper Payment Limit
- If Medi-Cal returned to explicit GME funding program, the total aggregate number of dollars paid to hospitals would not increase
  - It is possible that money would be reallocated among hospitals that do more or less GME

GME Funding in California

- **Federal**
  - Medicare
  - Medicaid
  - **Health Resources and Services Administration**
    - Children's Hospitals
    - Teaching Health Centers
  - Department of Veterans Affairs
  - Department of Defense
- **State**
  - Song-Brown Program
  - CalMedForce
- **Private**

Health Resources and Services Administration (HRSA): Children's Hospital GME

- Children's Hospital GME Program (CHGME)
  - discretionary program established 1999
  - free-standing children's hospitals—to train pediatricians and pediatric subspecialists
  - payments to all children's hospitals that meet requirements
  - biggest HRSA GME program - budget of $300 million and 58 grantees in 29 states, the District of Columbia, and Puerto Rico
    - 7 grantees in California
    - a combined award of $44,448,945 in fiscal year 2020
  - funded on an annual basis through US Congressional approval

Health Resources and Services Administration (HRSA): Teaching Health Centers GME

- Teaching Health Center GME Program (THCGME)
  - 2010 Patient Protection and Affordable Care Act (ACA)
  - provides payments to outpatient THCs to subsidize training:
    - primary care medical (including family medicine, internal medicine, psychiatry, pediatrics, obstetrics-gynecology, and geriatrics) and dental residents
  - Awards funds to all facilities that meet the statutory definition of a Teaching Health Center
    - includes federal health centers, community mental health centers, rural health clinics, facilities operated by the Indian Health Service, and Title X Family Planning clinics
    - typically provide care to low-income and underserved populations
    - generally located in Health Professional Shortage Areas

Health Resources and Services Administration (HRSA): Teaching Health Centers

- Payments similar to Medicare direct and indirect payments
- Appropriated for 5 years, then extended for 2 years at a time (currently the American Rescue Plan Act of 2021)
- 10 grantees in California with a combined award of $17,755,327 in 2020
- 20 grantees in California with a combined (preliminary) award of $20,402,086 in 2021

GME Funding in California

- **Federal**
  - Medicare
  - Medi-Cal
  - Health Resources and Services Administration
    - Children's Hospitals
    - Teaching Health Centers
  - Department of Veterans Affairs
  - Department of Defense
- **State**
  - **Song-Brown Program**
  - CalMedForce
- **Private**

Song-Brown Program Overview

- Established in 1973 with the passing of the Song-Brown Family Physician Training Act (Senator Song and Assemblyman Brown)
- Administered through the Office of Statewide Health Planning and Development (OSHPD) now Department of Health Care Access and Information (HCAI)
- Competitive contracts to residency programs that meet statutory priorities:
  - attracting and admitting under-represented minorities and those from underserved communities
  - training residents in underserved areas
  - placing graduates in underserved areas
- In 2014, eligible GME programs permanently expanded to include Family Medicine, Internal Medicine, OB/GYN, and Pediatrics

GME Funding in California

- **Federal**
  - Medicare
  - Medi-Cal
  - Health Resources and Services Administration
    - Children's Hospitals
    - Teaching Health Centers
  - Department of Veterans Affairs
  - Department of Defense
- **State**
  - Song-Brown Program
  - **CalMedForce**
- **Private**

CalMedForce

- California Healthcare, Research and Prevention Tobacco Tax Act (Proposition 56)
  - $40 million/year allocated to support GME in California
  - Goal: to increase the number of primary care (internal medicine, family medicine, obstetrics, gynecology, and pediatrics) and emergency physicians trained in California
    - priority given to direct GME costs for programs serving medically underserved areas and populations
  - 4 rounds of annual funding have provided funding to 133 programs for both existing program expansion and for new programs, with $151,790,000 awarded to date

GME Funding in California

- **Federal**
  - Medicare
  - Medi-Cal
  - Health Resources and Services Administration
    - Children's Hospitals
    - Teaching Health Centers
  - Department of Veterans Affairs
  - Department of Defense
- **State**
  - Song-Brown Program
  - CalMedForce
- **Private**

Private Sources of California GME Funding

- Difficult to quantify but may be significant
  - Private insurers support GME implicitly by paying higher rates to teaching hospitals
  - Hospitals, universities, physicians' organizations, and faculty practice plans also support residencies and fellowships
  - Private philanthropy and gifts or grants from industry (e.g. pharmaceutical and medical device companies)
  - May be a minor fraction of GME funding nationally, but for some teaching programs they may support most or all of the operating budget

Federal and State Spending on GME California, 2015

Source	Amount ($)
Medicare	552,235,625,500
Medi-Cal	indirect – no direct contribution
Children's Hospitals	32,061,000
Teaching Health Centers	13,476,745
Preventive Medicine	1,329,459
VA	90,662,608
Song Brown	5,987,340
CalMedForce	N/A
Private Sources	unknown

California GME Funding 101: Summary

- The Federal government is by far the largest contributor to GME funding in California, yet there is little to no regulation regarding which specialists get trained or where
  - **Medicare** regulations have to do with program size based on 1997 standards + the number of Medicare patients in the hospital
  - **Medicaid**, the 2nd largest funder of GME in most states, is impossible to analyze for California as Medi-Cal has no explicit GME program
  - **HRSA** provides some additional funds, though a much smaller percentage, with stipulations that these funds be used for specific programs (e.g. Children's Hospitals, Teaching Health Centers) Growth is unpredictable.

California GME Funding 101: Summary

- **Song Brown and CalMedForce** are California state programs aimed to address the primary care shortages in the state
  - These programs are relatively new
- The extent that individual Sponsoring Institutions rely on **private funds** for GME is not known

- As a result of this **complex** and **deeply fragmented** system of GME subsidies, and the associated lack of **transparency** and **accountability, decisions** regarding which physicians to train and where **remain largely at the discretion of individual Sponsoring Institutions**

California Commission on the Future Health Workforce

- Published the Guide, 7 Issue Briefs, and a Recommendations Report
- Commission incorporated our findings into their final report, Meeting the Demand for Health (2019), identified GME expansion as one of 10 "Priorities for Action" to achieve a more diverse and responsive health workforce.
- The Commission's GME recommendations garnered interest from the legislature and support from key partners such as the California Primary Care Association and the California Hospital Association.

Opportunities for GME Expansion in California

- New programs in Medicare GME-naïve hospitals – brings in new federal dollars
- Advocacy at federal level
- Song-Brown
- CalMedForce
- Investment of State general funds
- Investment of private funds

Expanding Graduate Medical Education in California: October 2019 Summit , Oakland, CA

…to catalyze collective action on residency expansion

- **Anthony Albanese, MD**
  - Associate Chief of Staff for Education, VA Northern California Healthcare System
- **Lupe Alonzo-Diaz, MA**
  - President/CEO, Physicians for a Healthy California
- **Theresa Azevedo, MPA**
  - Associate Institutional Director and DIO, Kaiser Permanente Northern California
- **Peter Broderick, MD, MEd**
  - Director of Undergraduate Medical Education, Valley Region Sutter Health
- **Janet Coffman**
  - Professor of Health Policy and Family and Community Medicine, University of California, San Francisco
- **J. Craig Collins, MD, MBA**
  - DIO, Kaiser Permanente Southern California
- **David Connett, DO**
  - Vice Dean, Western University of Health Sciences – College of Osteopathic Medicine
- **James Cruz, MD**
  - Chief Medical Officer, Blue Shield of California Promise Health Plan
- **Jeremy Fish, MD**
  - Program Director, Family Medicine Residency, John Muir Health
- **Hector Flores, MD**
  - Co-Director, Family Medicine Residency Program, White Memorial Medical Center
- **C Freeman, MD, MBA**
  - Adult and Geriatric Psychiatrist, Los Angeles, CA
- **Dean Germano, MHSC**
  - CEO, Shasta Community Health Center
- **Daniel Giang, MD**
  - Associate Dean, GME, Loma Linda University School of Medicine
- **Kevin Grumbach, MD**
  - Chair, Family and Community Medicine, University of California, San Francisco
- **C.J. Howard**
  - Deputy Director, Health Care Workforce Development, Division Office of Statewide Health Planning and Development
- **William Henning, DO**
  - Chair, California Healthcare Workforce Policy Commission
- **Robert McCarron, DO**
  - Vice Chair of Education and Integrated Care, Department of Psychiatry and Human Behavior University of California, Irvine
- **Cathryn Nation, MD**
  - Vice President, Health Sciences, University of California Office of the President
- **Kiki Nocella, MHA, PhD**
  - Director, WIPFLi
- **Michelle Nuss, MD**
  - Campus Associate Dean for GME, Augusta University/University of Georgia Medical Partnership
- **Richard Riemer, DO**
  - Senior Associate Dean, Touro University California
- **Mark Servis, MD**
  - Vice Dean for Medical Education, University of California, Davis
- **Stacey Silverman, PhD**
  - Deputy Assistant Commissioner, Academic Quality, Texas Higher Education Coordinating Board
- **Mannat Singh MPA**
  - Director, The GME Initiative
- **Efrain Talamantes, MD, MBA**
  - Medical Director, Alta Med Institute for Health Equity
- **Lori Weichenthal, MD, FACEP**
  - Assistant Dean of Graduate Medical Education and DIO, UCSF Fresno
- **Lori Winston, MD**
  - DIO, Kaweah Delta Health Care District

Transitional Program Office for Accelerating GME Expansion in California (April 2020)

- Established in April 2020
- Two-year charge:
  - Provide interim leadership
  - Produce resources such as
    - Toolkit to aid hospitals with GME expansion
    - case studies of launching GME in Medicare GME-naïve hospitals
    - small grants for Medicare GME-naïve hospitals exploring the feasibility of establishing new residency programs
    - A deeper look at psychiatry GME – coming May 2022
  - Coordinate with GME experts and leaders at the state and national level
  - Create a permanent GME governance council
- https://www.mathematica.org/features/resources-for-graduate-medical-education-expansion-in-California

Lessons

- Launching GME is an enormous lift
- If Medicare GME subsidies are substantial, there is an excellent ROI; if not, sustainability is challenging at best
- GME must align with mission, vision, organizational priorities
- GME is a *long-term investment*
- Strong leadership, champions, allies are essential
- Learning curve is steep and required knowledge base is deep; lean heavily on consultants and mentors
- Experienced GME leaders are essential and may be hard to come by
- Education and buy-in processes are continual/iterative

Grants program for Medicare GME-naive hospitals

- Dual goals
- Generous seed funding from CHCF: **$280K**
- Tides Collective Action Fund
- CHCF engaged fundraising consultants with goal to raise money especially from small family foundations for funding pool
- **$250K** contribution from UniHealth

Round 1: Feasibility grants

- Funded Proposals (February 2021)
  - Adventist Health St. Helena (St. Helena, CA)
  - Chinese Hospital (San Francisco, CA)
  - Good Samaritan Hospital (Oildale, CA)
  - St. Francis Medical Center (Lynwood, CA)
  - Mountains Community Hospital
  - (Lake Arrowhead, CA)

Round 2: Feasibility grants & Startup grants

- Funded Proposals (September 2021)
  - Stanford ValleyCare (Pleasanton, CA)
  - Sharp Chula Vista Medical Center (San Diego, CA)
  - Desert Valley Hospital (Victorville, CA)
  - Dominican Hospital (Santa Cruz, CA)

Lessons

- Raising philanthropic dollars to start-up new GME programs, *generally*, is extremely challenging
- Hospitals are challenged to consider feasibility and start-up of GME during pandemic
- Hospitals that are the most underresourced are those that also tend to have a low Medicare subsidies and won't be able to sustain GME
- Hospitals that are most likely to be successful in launching GME are sometimes those that already have lots of resources
- Some hospitals aren't set up to succeed due to e.g. leadership/culture but it's challenging to tell from an application
- Hospitals that are the most rural/remote typically don't have adequate resources and need to partner
- For-profit vs non-profit – philanthropy sometimes cares.

University of North Carolina Sheps Center Presentation at GME Initiative Summit (Fall 2021)

- Reforming GME is hard – 3rd rail
- What it takes:
  - Data agitators (highlight workforce disparities, funding inequities; track outcomes of GME graduates)
  - Champions and education (and education and education)
  - Oversight bodies
  - Payment reform (harder than it looks)
  - Transparency!
  - Accountability!
  - Workforce data to demonstrate ROI
  - Patience

What’s next? Short-term and long-term priorities

- Workforce Council – meets quarterly, broad scope
- GME Subcommittee – meets more frequently, GME expertise, policy recommendations

GME Subcommittee

- Examples of specific tasks of a GME subcommittee include:
  - Engaging with Medicare GME-naive hospitals to gauge interest in and promote GME
  - Making recommendations on funding efforts at HCAI and beyond
  - Deep dive into e.g. psychiatry or specialty needs of rural regions of CA
  - Providing technical assistance (e.g., toolkits, white papers, consulting) to hospitals and community health centers to assist with GME expansion and innovation
  - Coordinating GME expansion efforts across California, particularly with the Song-Brown program, CalMedForce, and the Workforce Education and Training (WET) program
  - Coordinating with GME experts in other states and across the country

Discussion