

To: California Healthcare Workforce Policy Commission **Date:** October 26 – 27, 2016

From: Stacie S. Walker, Deputy Director
Office of Statewide Health Planning and Development
Healthcare Workforce Development Division



Subject: Primary Care Residency and Family Medicine Funds

Item: Action

Recommendation

Song-Brown currently has two separate funding categories for Primary Care Residency (PCR) and Family Medicine (FM) programs. The Office of Statewide Health Planning and Development (OSHPD) staff recommend that all four primary care specialties of Family Medicine, Internal Medicine, Pediatrics, and Obstetrics and Gynecology (OB/GYN) be eligible for funding from Song-Brown as primary care residency programs, starting in Fiscal Year (FY) 2017-18. By doing this, Song-Brown funding is:

- Aligned with industry standards and Song-Brown statute
- Providing equal access to programs that train residents to practice in areas of unmet need throughout California

Background

Song-Brown currently has two separate funding categories and cycles for FM Programs and PCR Programs (which include Internal Medicine, Obstetrics and Gynecology (OB/GYN), and Pediatrics). Historically, this has caused an uneven allocation of funds as there is often excess demand for FM funds and insufficient demand for the PCR funds. As a result, all funds designated for primary care residencies were not always spent in a program year. Having separate programs also creates administrative overhead for OSHPD staff, the Commission, and the residency programs.

The 2016 Budget Act gave OSHPD a one-time General Fund augmentation of \$33.3 million to support PCR programs in areas of unmet need throughout California. The State's spending plan assumes a total augmentation of \$100 million from the General Fund over three years, pending available resources. This funding augmentation is contingent upon federal approval of the Hospital Quality Assurance Fee. The State's implementation strategy assumes federal approval of the fee by January 1, 2017. OSHPD will adjust its implementation strategy accordingly if the fee is not approved by January 1, 2017.

Analysis

History

Historically, Song-Brown has designated \$2.58 million annually from the California Health Data and Planning Fund (Data Fund) to administer the Family Medicine Program. In FY 2014-15, the Data Fund received an additional \$2.84 million annually for three years to support the primary care specialties of Internal Medicine, OB/GYN, and Pediatrics.

Because of the specially designated \$2.84 million, the Commission created a new PCR funding category and cycle for the three additional primary care specialties. In FY 2017-18, the additional \$2.84 million will no longer be available.

Song Brown statute defines a family physician as a primary care physician who is prepared to and renders continued comprehensive and preventative health care services to families and who has received specialized training in an approved Family Medicine residency for three years after graduation from an accredited medical school.¹ When the additional \$2.84 million was allocated, Song-Brown expanded the definition of a primary care physician to state that it is a primary care physician who is prepared to and renders continued comprehensive and preventative health care services, and has received specialized training in the areas of Internal Medicine, OB/GYN or Pediatrics.² Even though Song-Brown statute considers physicians trained in Internal Medicine, OB/GYN, Pediatrics, or Family Medicine to be primary care physicians, they are currently funded as two separate programs.

Equal Access to Funding

As of October 13, 2016, there are 119 accredited PCR programs in California: 49 Family Medicine,³ 34 Internal Medicine,⁴ 20 Obstetrics and Gynecology⁵, and 16 Pediatrics.⁶ Tables 1 and 2 outline the historical demand for support from Song-Brown for these PCR specialties. The total available funding for the FM Program has always been spent annually and the demand from PCR programs significantly increased in FY 2016-17.

Approximately 79 percent of Song-Brown PCR providers render primary care services post-residency, a relatively high rate. Allowing all four primary care specialties the ability to apply for Song-Brown primary care residency funding is a significant step towards facilitating greater access to necessary primary care services throughout the state.

¹ Health and Safety Code section 128205, subsection (a)

² Health and Safety Code section 128205, subsection (b)

³ *Advanced Program Search*. (2016). Retrieved from Accreditation Council for Graduate Medical Education (ACGME): <https://apps.acgme.org/ads/Public/Programs/Search?statelid=5&specialtyid=14&city=>

⁴ *Advanced Program Search*. (2016). Retrieved from Accreditation Council for Graduate Medical Education (ACGME): <https://apps.acgme.org/ads/Public/Programs/Search?statelid=5&specialtyid=18&city=>

⁵ *Advanced Program Search*. (2016). Retrieved from Accreditation Council for Graduate Medical Education (ACGME): <https://apps.acgme.org/ads/Public/Programs/Search?statelid=5&specialtyid=40&city=>

⁶ *Advanced Program Search*. (2016). Retrieved from Accreditation Council for Graduate Medical Education (ACGME): <https://apps.acgme.org/ads/Public/Programs/Search?statelid=5&specialtyid=65&city=>

Table 1: Song-Brown PCR and FM Capitation Application and Residency Slot Comparison

		FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	Total
PCR*	Total Applications Received			15	13	20	48
	Total Applications Funded**			15	13		28
	Total Residency Slots Requested			45	39	78	162
	Total Residency Slots Funded**			45	39		84
FM	Total Applications Received	29	35	37	37	39	177
	Total Applications Funded	29	35	37	37	38	176
	Total Residency Slots Requested	84	121	126	121	136	588
	Total Residency Slots Funded	56	109	102	116	98	481

* The PCR Program began in FY 2014-15

** PCR FY 2016-17 awards will be made in October 2016; "Total Capitation Applications Funded" and "Total Capitation Residency Slots Funded" exclude FY 2016-17 data.

Table 2: Song-Brown PCR and FM Program Expenditure Comparison*

		FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17***
PCR**	Total Funds Available			\$2,840,000.00	\$2,840,000.00	\$2,840,000.00* ***
	Total Funds Requested			\$2,322,675.00	\$2,012,985.00	\$4,025,970.00
	Total Funds Awarded			\$2,322,675.00	\$2,012,985.00	
FM	Total Funds Available	\$2,581,000.00	\$5,472,997.00	\$5,242,750.00	\$5,179,375.00	\$4,130,125.00
	Total Funds Requested	\$4,335,660.00	\$6,245,415.00	\$6,530,490.00	\$6,245,415.00	\$7,019,640.00
	Total Funds Awarded	\$2,890,440.00	\$5,626,035.00	\$5,264,730.00	\$5,987,340.00	\$5,058,270.00

* Unused program funding rolls over to the next fiscal year.

** The PCR Program began in FY 2014-15.

*** PCR FY 2016-17 awards will be made in October 2016; "Total PCR Funds Awarded" excludes FY 2016-17 data.

**** Actual amount available will be higher, as the amounts unexpended in FY 2014 and FY 2015 will be available for expenditure in FY 2016