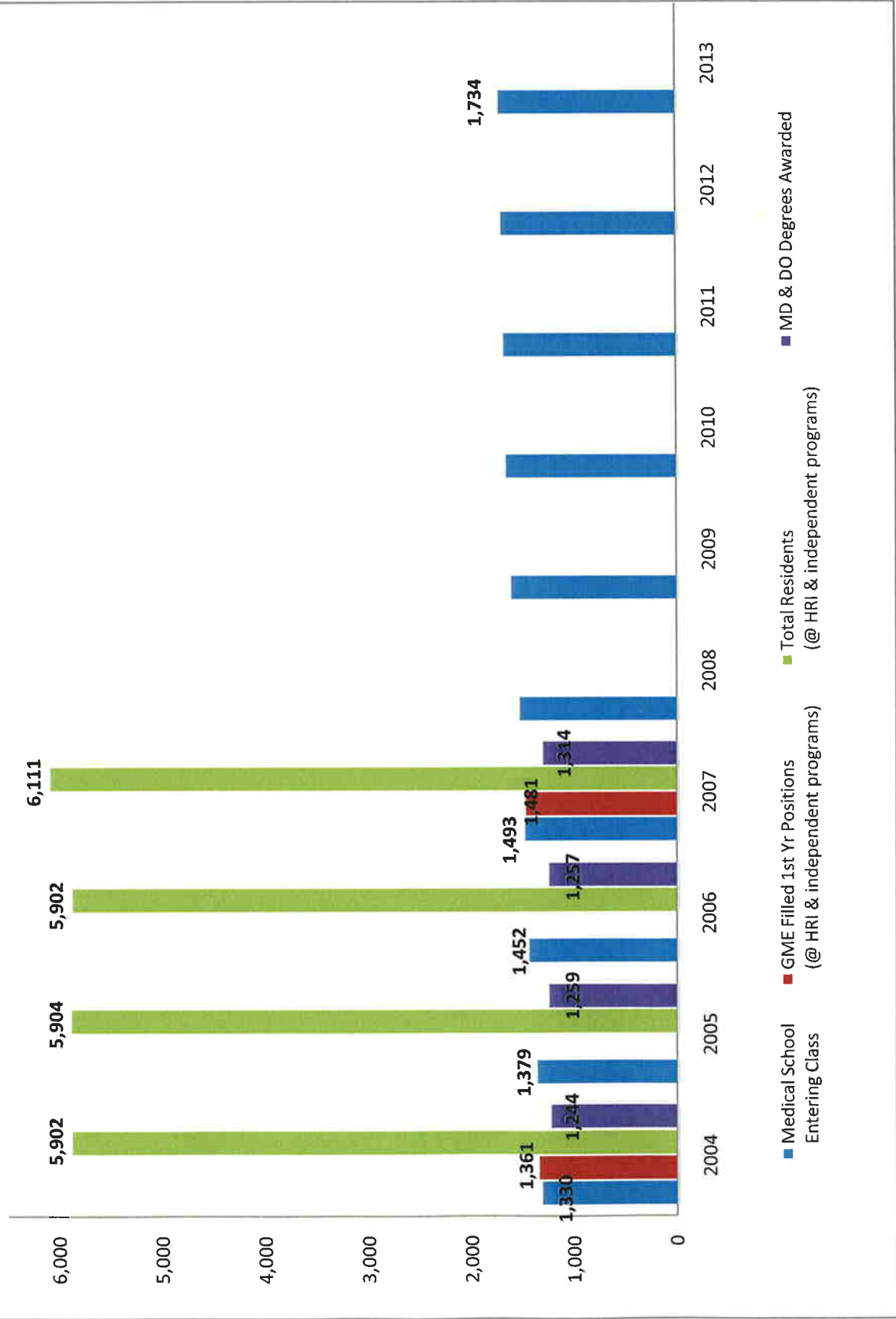


# Medical Students and Residency Slots in Texas



## DIRECT COSTS OF TRAINING A RESIDENT

<i>Faculty Costs Related to Instruction:</i>	\$	17,500
<i>Resident Salary and Benefits</i>	\$	70,000
<i>Administrative Costs</i>	\$	12,500
<b><i>Estimated Direct Costs</i></b>	<b>\$</b>	<b>100,000</b>

### *Recommendation*

**With the projected enrollment increases in Texas medical schools, at least 200 additional 1st year residency positions should be established over the next 4 years in order to retain these future physicians in Texas.**

**Because of the limit on the number of residents supported by Medicare, State support is necessary beyond the GME Formula support for faculty related costs.**

### **50 NEW ENTRY LEVEL POSITIONS FOR EACH OF NEXT 4 YRS (Total of 500 additional residents in 4 years)**

1st year	\$5,000,000
2nd year	\$15,000,000
3rd year	\$30,000,000
4th year	\$50,000,000

## FUNDING FOR GRADUATE MEDICAL EDUCATION

*GME is financed through a combination of federal, state, and local funding.*

### ***Federal Funding***

Federal dollars generally go to the hospitals that house residency programs and are paid primarily through the Medicare program. These Medicare payments partially compensate hospitals for salaries for a limited number of residents and for the higher patient care costs incurred by teaching hospitals.

Unfortunately the limit on the number of residents in Texas supported by Medicare is approximately 60%, leaving hospitals and medical schools to support the remaining 40%.

### ***State Funding***

The majority of State support for GME used to be provided from the Medicaid Program, which generated a Federal match, to support teaching hospitals for GME expenses. This Medicaid GME was as high as \$48 million in State General Revenue (plus the \$72 million in Federal matching funds) for the 2002-03 biennium. State General Revenue for Medicaid GME was discontinued for the 2004-05 except for a small amount of unclaimed lottery revenue, and no State appropriation has been made since.

There are a few, institution specific Special Items which support residency efforts and various programs trusted at the Coordinating Board. Total funding for these programs has declined in recent biennia.

The GME Formula established for the 2006-07 biennium provided support faculty related costs of GME. This formula funding increased by more than 150% for the 2008-09 biennium.

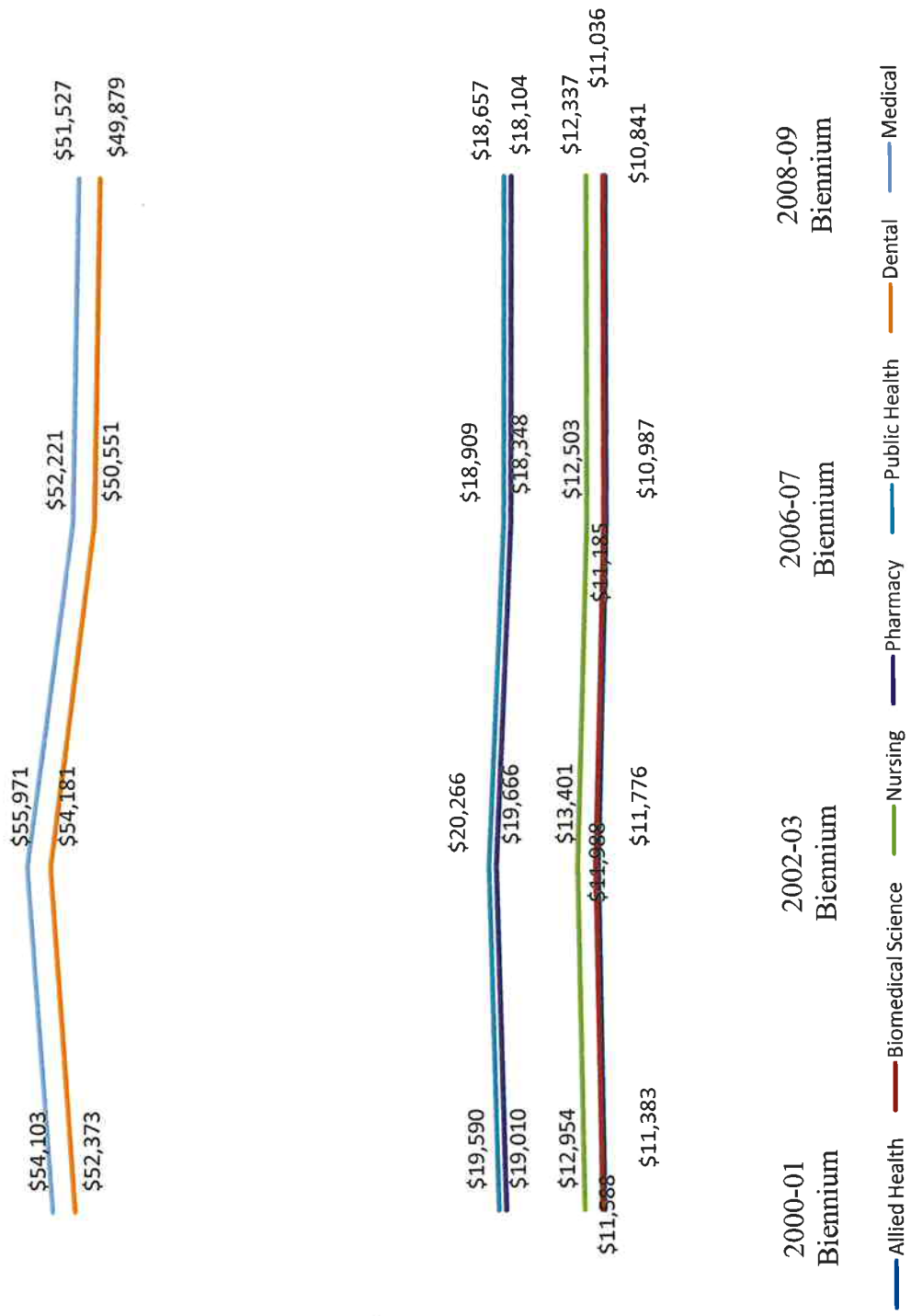
### ***State Appropriations for Graduate Medical Education***

	2002-03 Biennium	2006-07 Biennium	2008-09 Biennium	Difference 02-03 to 08-09
<b>Health and Human Services Commission</b>				
Medicaid GME (estimated GR)	\$48,000,000	\$0	\$0	-\$48,000,000
Medicaid GME (estimated Federal \$ based on 40/60 split)	\$72,000,000	\$0	\$0	-\$72,000,000
<b>Article III Health-Related Institutions *</b>				
GME Formula	\$0	\$25,000,000	\$62,785,588	\$62,785,588
<b>Coordinating Board</b>				
Family Practice Residency Program (GR)	\$20,599,709	\$17,464,310	\$17,464,310	-\$3,135,399
Primary Care Residency Program (GR)	\$5,886,460	\$4,990,440	\$4,990,440	-\$896,020
GME Program (GR)	\$15,200,000	\$3,636,804	\$600,000	-\$14,600,000
Resident Physicians Compensation Program (GR)	\$8,070,238	\$0	\$0	-\$8,070,238
Family Practice Pilot Projects (GR)	\$1,974,400	\$0	\$0	-\$1,974,400
<b><i>GME-RELATED PROGRAMS--GENERAL</i></b>	<b>\$99,730,807</b>	<b>\$51,091,554</b>	<b>\$85,840,338</b>	<b>-\$13,890,469</b>
<b><i>GME-RELATED PROGRAMS--ALL FUNDS</i></b>	<b>\$171,730,807</b>	<b>\$51,091,554</b>	<b>\$85,840,338</b>	<b>-\$85,890,469</b>

\* This list does not include Special Item appropriations to health institutions for residency related programs.

# HEALTH-RELATED INSTITUTIONS

## Instruction & Operations Formula



## Health-Related Institutions Formula Funding

	FY 2000-01	FY 2008-07	2000-01 to 2008-09 % Incr/Decr	FY 2006-07	06-07 to 08-09 % Incr/Decr
<b>Instruction and Operations</b>					
Formula Base Rate	\$11,383	\$10,841	-4.8%	\$10,987	-1.3%
Formula Driver - Full-Time Student Equivalents	12,631	16,585	31.3%	15,307	8.3%
I&O Formula General Revenue	\$749,503,697	\$870,502,390	16.1%	\$823,202,956	5.7%
<b>Infrastructure Support</b>					
Formula Rate	\$11.18	\$7.98	-28.6%	\$8.47	-5.8%
Formula Rate - UTMDACC/UTHC-T	\$10.68	\$7.20	-32.6%	\$8.06	-10.7%
Formula Driver - Predicted Square Feet	10,195,292	15,523,461	52.3%	14,080,541	10.2%
Infrastructure Formula General Revenue	\$216,124,336	\$229,885,787	6.4%	\$223,017,993	3.1%
<b>Research Enhancement</b>					
Formula Rate	2.85%	1.53%	-47.4%	1.73%	-11.6%
Formula Driver - Research Expenditures	\$584,394,590	\$1,343,362,695	129.9%	\$1,143,296,406	17.5%
Research Formula General Revenue	\$58,735,492	\$66,567,265	13.3%	\$64,942,492	2.5%

Sources: General Appropriations Acts and Texas Higher Education Coordinating Board data.