

Senate

Graduate Medical Education

2016-17

Prepared by LBB Staff

March 25, 2015

Senate Finance Committee
 Senator Taylor, Workgroup Leader on Article III
 Members: Senators Hancock, Huffman, Seliger, West
 Decision Document

Decisions as of 3/26/15 at 9:00am

LBB Manager: Demetrio Hernandez

Article III - Higher Education Total, Article III - Graduate Medical Education Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Work Group Decisions			
	Items Not Included in SB 2 2016-17 Biennial Total		Pended Items 2016-17 Biennial Total		Adopted 2016-17 Biennial Total		Article XI 2016-17 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
Higher Education Coordinating Board (Agy 781)								
Total, Outstanding Items / Tentative Decisions	\$ 111,884,160	\$ 111,884,160	\$ -	\$ -	\$ 60,000,000	\$ 60,000,000	\$ -	\$ -
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Special Provisions Relating Only to State Agencies of Higher Education								
Total, Outstanding Items / Tentative Decisions	\$ -	\$ -	\$ -	\$ -	\$ (60,000,000)	\$ (60,000,000)	\$ -	\$ -
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Total, Outstanding Items / Tentative Decisions	\$ 111,884,160	\$ 111,884,160	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Article III - Higher Education Texas Higher Education Coordinating Board (781) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Work Group Decisions			
	Items Not Included in SB 2 2016-17 Biennial Total		Pended Items 2016-17 Biennial Total		Adopted 2016-17 Biennial Total		Article XI 2016-17 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
Performance Review & Other Budget Recommendations								
<p>Align Graduate Medical Education Funding to Meet State Health Care Needs, p. 139. These recommendations would have a cost of \$59.4 million in All Funds for the 2016-17 biennium. Other recommendations in this report would affect the budget of the Department of State Health Services. These recommendations would increase the number of residency slots and improve how the state's funding mechanisms contribute to the types and location of doctors to better meet the needs of the state.</p>								
1.	Amend statute to establish the critical shortage physician program and include a contingency rider in the 2016-17 General Appropriations to appropriate funds to the Texas Higher Education Coordinating Board (THECB) to implement the new program.	\$ 19,800,000	\$ 19,800,000					
	<p>Fund Type: General Revenue.</p> <p>Action Required during Session: Amend Statute and Adopt Rider.</p> <p>This item was not adopted by the workgroup.</p>							

Article III - Higher Education Texas Higher Education Coordinating Board (781) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Work Group Decisions			
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	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
2. Increase appropriations to THECB in the 2016-17 Appropriations Bill for Primary Care and Family Medicine Residency programs. Fund Type: General Revenue. Action Required During Session: Increase appropriations to THECB Family Practice and Primary Care Residency Strategies. This item was not adopted by the workgroup.	\$ 12,484,160	\$ 12,484,160						
3. Amend statute to establish the Texas teach health center program and include a contingency rider in the 2016-17 General Appropriations Bill to appropriate funds to THECB to implement the new program. Fund Type: General Revenue. Action Required During Session: Amend Statute and Adopt Rider. This item was not adopted by the workgroup.	\$ 16,200,000	\$ 16,200,000						

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	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
4. Amend statute to establish the Graduate Medical Education (GME) partnership grant program and include a contingency rider in the 2016-17 General Appropriations Bill to appropriate funds to THECB to implement the new program. Fund Type: General Revenue. Action Required During Session: Amend Statute and Adopt Rider. This item was not adopted by the workgroup.	\$ 6,000,000	\$ 6,000,000						
5. Increase appropriations to THECB in the 2016-17 General Appropriations Bill to develop physician faculty. Fund Type: General Revenue. Action Required During Session: Increase appropriations to THECB Family Practice Residency Strategy. This item was not adopted by the workgroup.	\$ 1,400,000	\$ 1,400,000						

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	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds	GR & GR-Dedicated	All Funds
6. Include a rider in the 2016-17 General Appropriations Bill to require THECB to develop a report about the impact of new funding for GME and submit it to the LBB and Office of the Governor. Action Required During Session: Adopt rider. This item was not adopted by the workgroup.								
Reduce Reliance on General Revenue-Dedicated Accounts for Certification, page 33. This report fulfills House Bill 7, Eighty-third legislature Legislature, 2013, requirements relating to the reduction of reliance on available dedicated revenue for certification of the General Appropriations Act. The report provides an overview of the issue and includes recommendations and options to reduce reliance on General Revenue-Dedicated Accounts, including dedicated revenue appropriated to the Texas Higher Education Coordinating Board.								

Article III - Higher Education Texas Higher Education Coordinating Board (781) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Work Group Decisions			
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	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
7. If adopted, fund Recommendations 1, 2, and 3 contained in Section 4, Performance Review and Policy Report Highlights, under "Align New Graduate Medical Education Funding with Healthcare Needs of the State." with \$48,484,160 from the GR-D Designated Trauma Facility and EMS Account No. 5111 in lieu of General Revenue. This item was not adopted by the workgroup.								
Agency Requests:								
1. Graduate Medical Education Expansion (Strategy D.1.7). The agency requested \$40 million as an exceptional item. This additional funding includes: \$19.7 million for new and expanded program grants; \$9.8 million for unfilled position grants; \$5.0 million for resident physician expansion; \$2.3 million for an additional years of residency; \$2.1 million for primary care innovation; \$0.9 million for planning grants; and \$0.2 million for administration costs. Senate Bill 2 funding is \$14.3 million in General Revenue which maintains 2014-15 levels of funding. Senate Bill 2 includes contingency rider in Special Provisions Relating Only to State Agencies of Higher Education that appropriates an additional \$60 million for Graduate Medical Education. This item was not adopted by the workgroup.	\$ 40,000,000	\$ 40,000,000						

Article III - Higher Education Texas Higher Education Coordinating Board (781) Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Work Group Decisions			
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	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
2. Family Practice Residency Program (Strategy D.1.1). The exceptional item would increase the per resident funding level from \$8,500 to \$18,920 to support approximately 750 family practice residents, and to provide for an increase in the number of rural and public health rotations from 56 funded at \$2,000 to 80 positions funded at \$2,500. Senate Bill 2 funding is \$12.8 million in General Revenue which maintains 2014-15 General Revenue levels and would support approximately 750 family practice residents per year at a per-resident funding level of \$8,500 and 56 rural and public health rotations at \$2,000. This request is funded below in Subcommittee Revisions and Additions Item #1.	\$ 16,000,000	\$ 16,000,000						

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	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
Subcommittee Revisions and Additions:								
1. Add rider that appropriates \$60,000,000 in General Revenue as follows: (a) \$3,500,000 for one-time planning and partnership grants to hospitals, medical schools, and community-based ambulatory patient care centers to develop new GME programs; (b) \$20,550,000 for grants to enable new or existing GME programs to increase the number of first year residency positions in critical shortage areas; (c) \$9,750,000 for grants to GME programs to enable those programs to fill first year residency positions that are unfilled as of 7/1/13; (d) \$7,200,000 for grants to GME programs that received a grant award for the New and Expanded GME Program in fiscal year 2015; (e) \$16,000,000 for the Family Practice Residency Program; and (f) \$3,000,000 for the Preceptorship Program.					\$ 60,000,000	\$ 60,000,000		
2. Add rider that, contingent on enactment of Senate Bill 18 or similar legislation, appropriates proceeds of the Permanent Fund Supporting GME available for allocation to the Higher Education Coordinating Board for the purpose of implementing the provisions of the legislation.					Adopted			
Total, Outstanding Items / Tentative Decisions	\$ 111,884,160	\$ 111,884,160	\$ -	\$ -	\$ 60,000,000	\$ 60,000,000	\$ -	\$ -
	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017
Total, Full-time Equivalents / Tentative Decisions	12.5	13.0	0.0	0.0	0.0	0.0	0.0	0.0

Article III - Higher Education Special Provisions Relating Only to State Agencies of Higher Education Items Not Included in Bill as Introduced	Outstanding Items for Consideration				Tentative Work Group Decisions			
	Items Not Included in SB 2 2016-17 Biennial Total		Pended Items 2016-17 Biennial Total		Adopted 2016-17 Biennial Total		Article XI 2016-17 Biennial Total	
	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds	GR & GR- Dedicated	All Funds
Subcommittee Revisions and Additions:								
1. Delete the provision, Sec. 64, Graduate Medical Education, due to the adoption of the Graduate Medical Education appropriations in the Higher Education Coordinating Board bill pattern.					\$ (60,000,000)	\$ (60,000,000)		
Total, Outstanding Items / Tentative Decisions	\$ -	\$ -	\$ -	\$ -	\$ (60,000,000)	\$ (60,000,000)	\$ -	\$ -
	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017	FY 2016	FY 2017
Total, Full-time Equivalents / Tentative Decisions	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Higher Education Coordinating Board
Graduate Medical Education
Prepared by LBB Staff
March 25, 2015

By _____

Overview

The following rider would appropriate an additional \$60,000,000 in General Revenue in the 2016-17 biennium to the Higher Education Coordinating Board to support or enhance graduate medical education

Required Action:

1. On page III-60 of the Higher Education Coordinating Board's bill pattern add the following riders:

62. Graduate Medical Education Expansion. In addition to amounts appropriated above, the Higher Education Coordinating Board is hereby appropriated \$30,000,000 in General Revenue in fiscal year 2016 and \$30,000,000 in General Revenue in fiscal year 2017 to be allocated as follows:

- a. \$1,750,000 in fiscal year 2016 and \$1,750,000 in fiscal year 2017 in Strategy D.1.7, Graduate Medical Education Expansion, shall be used to award one-time graduate medical education planning and partnership grants to hospitals, medical schools, and community-based ambulatory patient care centers to develop new graduate medical education programs.
- b. \$10,275,000 in fiscal year 2016 and \$10,275,000 in fiscal year 2017 in Strategy D.1.7, Graduate Medical Education Expansion, shall be used to enable new or existing graduate medical education programs to increase the number of first year residency positions in critical shortage areas.
- c. \$4,875,000 in fiscal year 2016 and \$4,875,000 in fiscal year 2017 in Strategy D.1.7, Graduate Medical Education Expansion, shall be used to award grants to graduate medical education programs to enable those programs to fill first year residency positions that are unfilled as of July 1, 2013.
- d. \$3,600,000 in fiscal year 2016 and \$3,600,000 in fiscal year 2017 in Strategy D.1.7, Graduate Medical Education Expansion, shall be used to award grants to graduate medical education programs that received a grant award for the New and Expanded Graduate Medical Education Program in fiscal year 2015.
- e. \$8,000,000 in fiscal year 2016 and \$8,000,000 in fiscal year 2017 in Strategy D.1.1, Family Practice Residency Program, to support the Family Practice Residency Program.
- f. \$1,500,000 in fiscal year 2016 and \$1,500,000 in fiscal year 2017 in Strategy D.1.X, Preceptorship Program, to support the Preceptorship Program.

Any unexpended balances on hand at the end of fiscal year 2016 are hereby appropriated for the same purpose for fiscal year 2017.

Notwithstanding Article IX, Sec. 14.01 of this Act related to Appropriations Transfers, the Higher Education Coordinating Board shall not transfer appropriations

made above to another strategy within the agency's bill pattern to be used for a different purpose.

Higher Education Coordinating Board
Contingency Rider
Permanent Fund Supporting Graduate Medical Education
Prepared by LBB Staff
March 25, 2015

By _____

Overview

The following contingency rider would provide authority for the Higher Education Coordinating Board to receive appropriations from the Permanent Fund Supporting Graduate Medical Education contingent upon the enactment of Senate Bill 18 or similar legislation relating to measures to support or enhance graduate medical education and establish the Permanent Fund Supporting Graduate Medical Education.

Required Action:

1. On page III-60 of the Higher Education Coordinating Board's bill pattern add the following rider:

63. Permanent Fund Supporting Graduate Medical Education. Contingent on the enactment of SB 18, or similar legislation relating to the Permanent Fund Supporting Graduate Medical Education, by the Eighty-fourth Legislature, Regular Session, the proceeds of the Permanent Fund Supporting Graduate Medical Education available for allocation are hereby appropriated in Strategy D.1.7. Graduate Medical Education Expansion, at the Texas Higher Education Coordinating Board in Other Funds for each year of the biennium ending August 31, 2017 for the purpose of implementing that Act.