

MINUTES OF THE HOUSE HEALTH AND HUMAN SERVICES COMMITTEE.

The joint meeting with the Senate Public Health and Welfare was called to order by Chairperson Susan Wagle at 1:38 p.m. on January 30, 2003, in Room 231-N of the Capitol.

All members were present except Representatives Landwehr, Neighbor, DeCastro, Holland, Patterson, and Bethell, all of whom were excused.

Committee staff present:

Bill Wolff, Legislative Research Department  
Emalene Correll, Legislative Research Department  
Renaë Jefferies, Revisor of Statutes' Office  
Gary Deeter, Committee Secretary

Conferees appearing before the committee:

Dr. Rick Kellerman, Director, Wichita Center for Graduate Medical Education, University of Kansas School of Medicine  
Donald Hagen, M.D., Executive Vice Chancellor, University of Kansas Medical Center  
Glendon Cox, M.D., Vice Dean and Senior Associate Dean for Educational and Academic Affairs, University of Kansas School of Medicine.

The Chair introduced Dr. Rick Kellerman, Wichita Center for Graduate Medical Education, who directs the Kansas University School of Medicine's Wichita residency program. Begun in 1989, the program has graduated 900 doctors, 60% of whom now practice in Kansas. (Attachments 1 and 2)

Dr. Kellerman listed the advantages of the program:

- 13 separate residency programs train 250 residents in all the major hospitals in Wichita and Salina;
- care is provided to the underinsured and the indigent;
- emergency, trauma and clinic services are available 24/7;
- the economic ripple effect includes 300 dependents, faculty members, and a regional medical hub, all of which were calculated in 2001 to bring \$38.1 million to the Wichita area.

Dr. Kellerman stated that the recent funding reductions were seriously compromising the program's future, noting that the state reduction of \$1.5 million automatically reduced the Medicaid revenue-sharing by \$2.2 million and ultimately reduce the program revenue by \$5.6 million.

Members questioned the funding process. Donald Hagan, MD, Executive Vice Chancellor, University of Kansas Medical Center, said Medicaid and Medicare funding formulas are different and affect Wichita differently than they do KU Med Center. Members expressed concern that Social and Rehabilitative Services had ordered state cuts that also reduced federal revenue.

Glendon Cox, MD, Vice Dean and Senior Associate Dean for Educational and Academic Affairs, KU Medical School, appeared before the joint committees to praise the partnership between KU Medical School and the Wichita Center for Graduate Medical Education, noting that the funding cuts jeopardized

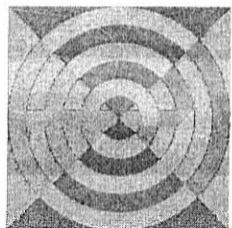
## CONTINUATION SHEET

MINUTES OF THE HOUSE HEALTH AND HUMAN SERVICES COMMITTEE at on January 30, 2003, in Room 231-N of the Capitol.

an excellent program. (Attachment 3)

Answer questions, Dr. Cox said since Kansas' tort reform act, the costs of malpractice insurance have been minimized and do not dissuade physicians from practicing in the state. He said punitive damages had statutory limits of \$5 million. Jerry Slaughter, Director, Kansas Medical Society, said that Kansas has never had a punitive damage claim.

Members expressed further dismay at the funding cuts for the Wichita program, especially when Dr. Hagen said the cuts will be carried over to the FY 2004 budget. The meeting was adjourned at 2:42 p.m. The next meeting is scheduled for Monday, February 3, 2003.



# Wichita Center for Graduate Medical Education

Attachment 1  
HHS 1-30-03

- **A CONSORTIUM formed to employ all KUSM-W residents in Wichita**
- **Members consist of KUSM-W, Via Christi and Wesley**
- **Funding for WCGME provided by the local hospitals and the State of Kansas**
- **WCGME is the Employer and KUSM-W is the Academic Sponsor**



1-2

# **The University of Kansas School of Medicine-Wichita Residency Training Programs**

1-3

- **13 separate Residency programs in Wichita and 1 program in Salina**
- **250 Residents**
- **Receive training in all major hospitals in Wichita and Salina**



# Wichita and Salina Residency Programs Include:

| Program             | Total # of Residents |
|---------------------|----------------------|
| Family Practice     | 82                   |
| Internal Medicine   | 38                   |
| Pediatrics          | 15                   |
| Medicine/Pediatrics | 9                    |



# Wichita and Salina Residency Programs Include:

| Program                 | Total # of Residents |
|-------------------------|----------------------|
| Anesthesiology          | 19                   |
| Psychiatry              | 21                   |
| Orthopaedic Surgery     | 21                   |
| Obstetrics & Gynecology | 20                   |
| Radiology               | 9                    |
| Surgery                 | 30                   |



# The Importance of Residency Training (GME) to Wichita and Kansas

1-6

- Trains new physicians for Kansas
- Improves quality of care
- Scientific environment for all health care professions
- Attracts quality physicians to Wichita and Kansas





# The Importance of Residency Training (GME) to Wichita and Kansas

1-9

- Provides care for uninsured and indigent patients (over 134,000 patient visits to residency clinics in 2001)
- Emergency and trauma care
- In-hospital care of unassigned and indigent patients
- Code Blue response team
- Residents are in the hospital from every residency program, every day and night!!

# The Importance of Residency Training (GME) to Wichita and Kansas

8-1

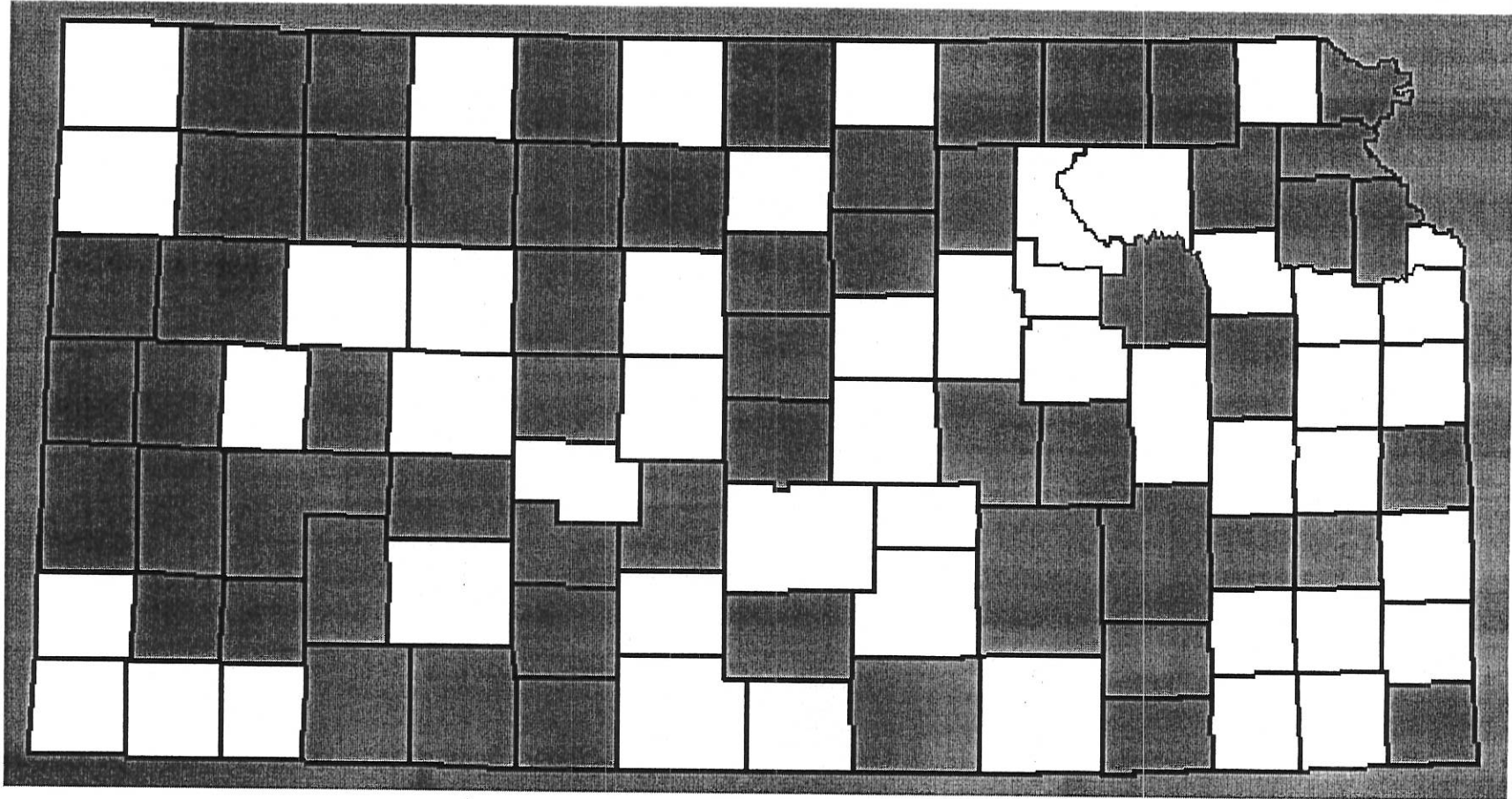
- Economic impact:
  - 250 residents
  - 300 dependents
  - faculty members
  - Medical care hub
  - Referrals to Wichita

# **KUSM-Wichita Residency Graduates**

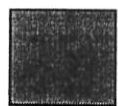
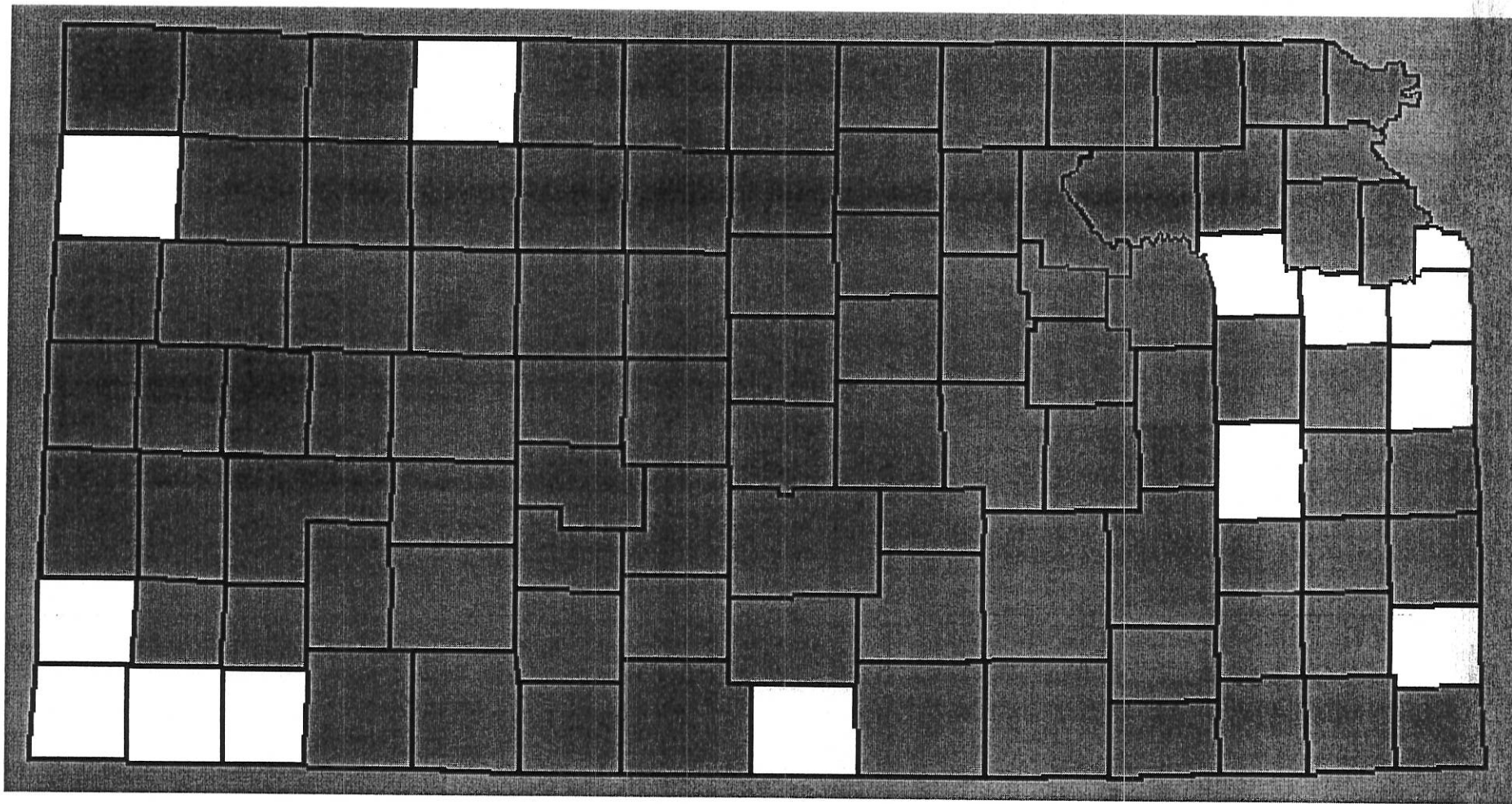
- Total graduates since formation of WCGME in 1989 = 900
- 60% practice in Kansas  
(50:50 Wichita/Rural)
- 40% practice out of state

# Primary Care Underserved Areas in Kansas

1-10



 = underserved



= underserved



= location of KUSM-W grad

# KUSM-Wichita GME Expenses 2001

1-12

|                               |                     |
|-------------------------------|---------------------|
| • Resident Salaries/Benefits  | \$ 11,700,000       |
| • Faculty Salaries/Benefits   | \$ 8,800,000        |
| • Volunteer Community Faculty | \$ 0                |
| • Residency Clinic Expenses   | \$ 7,900,000        |
| • Other Operating Expenses    | <u>\$ 9,800,000</u> |
| Total                         | \$ 38,200,000       |

# KUSM-Wichita Revenue Sources

|                              |                     |
|------------------------------|---------------------|
| • Medicare GME funding       | \$22,600,000        |
| • Patient care revenue       | \$ 9,200,000        |
| • Medicaid GME funding       | \$ 3,700,000        |
| • State Primary Care Support | <u>\$ 2,600,000</u> |
| Total                        | \$38,100,000        |



# **KUSM-Wichita GME Revenue/Expenses**

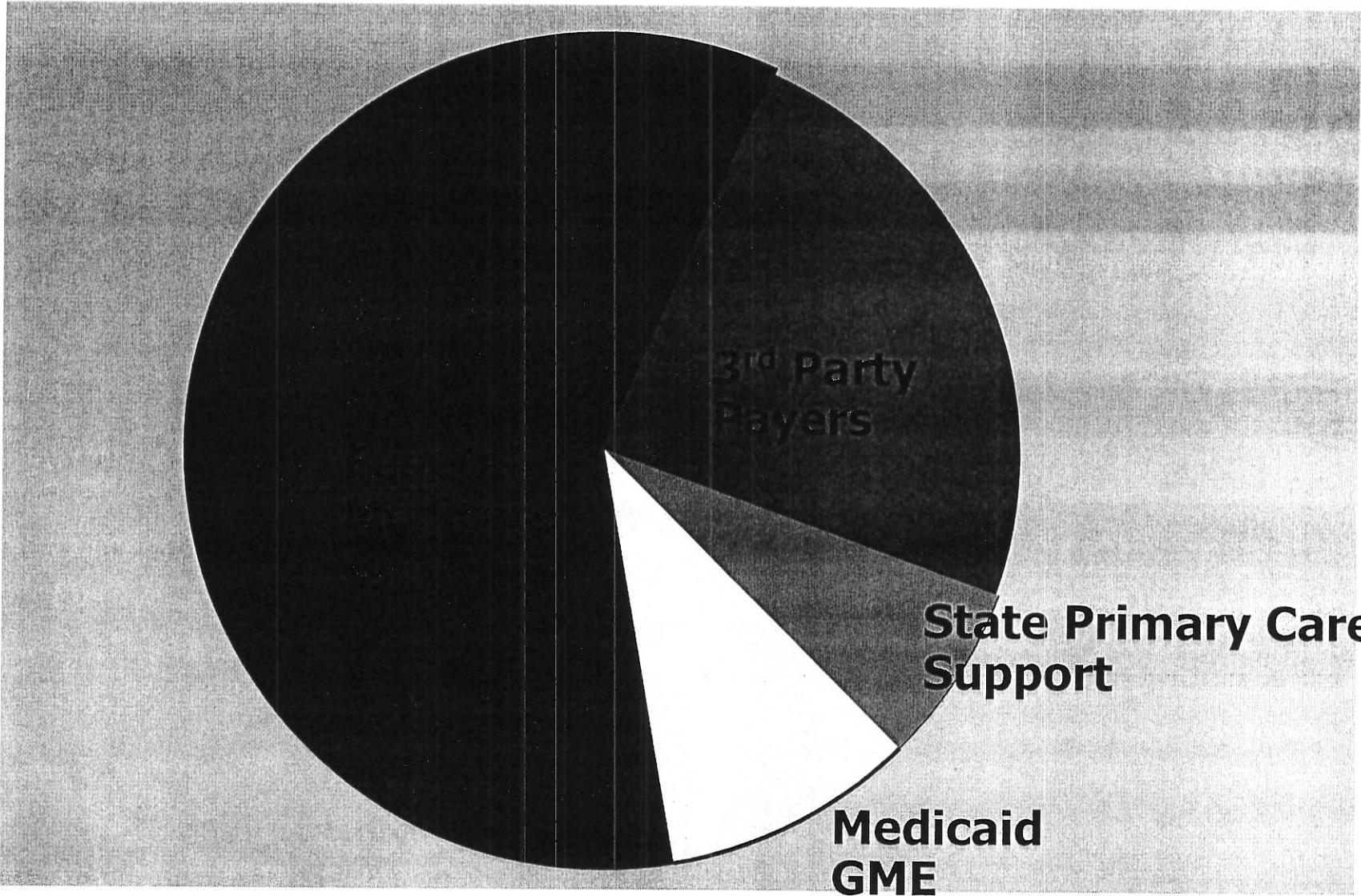
|                 |                             |
|-----------------|-----------------------------|
| <b>Revenue</b>  | <b>\$ 38,100,000</b>        |
| <b>Expenses</b> | <b>\$ <u>38,200,000</u></b> |
|                 | <b>(\$ 100,000)</b>         |



5/1-1

# Potential GME Cuts at KUSM- Wichita Residency Programs

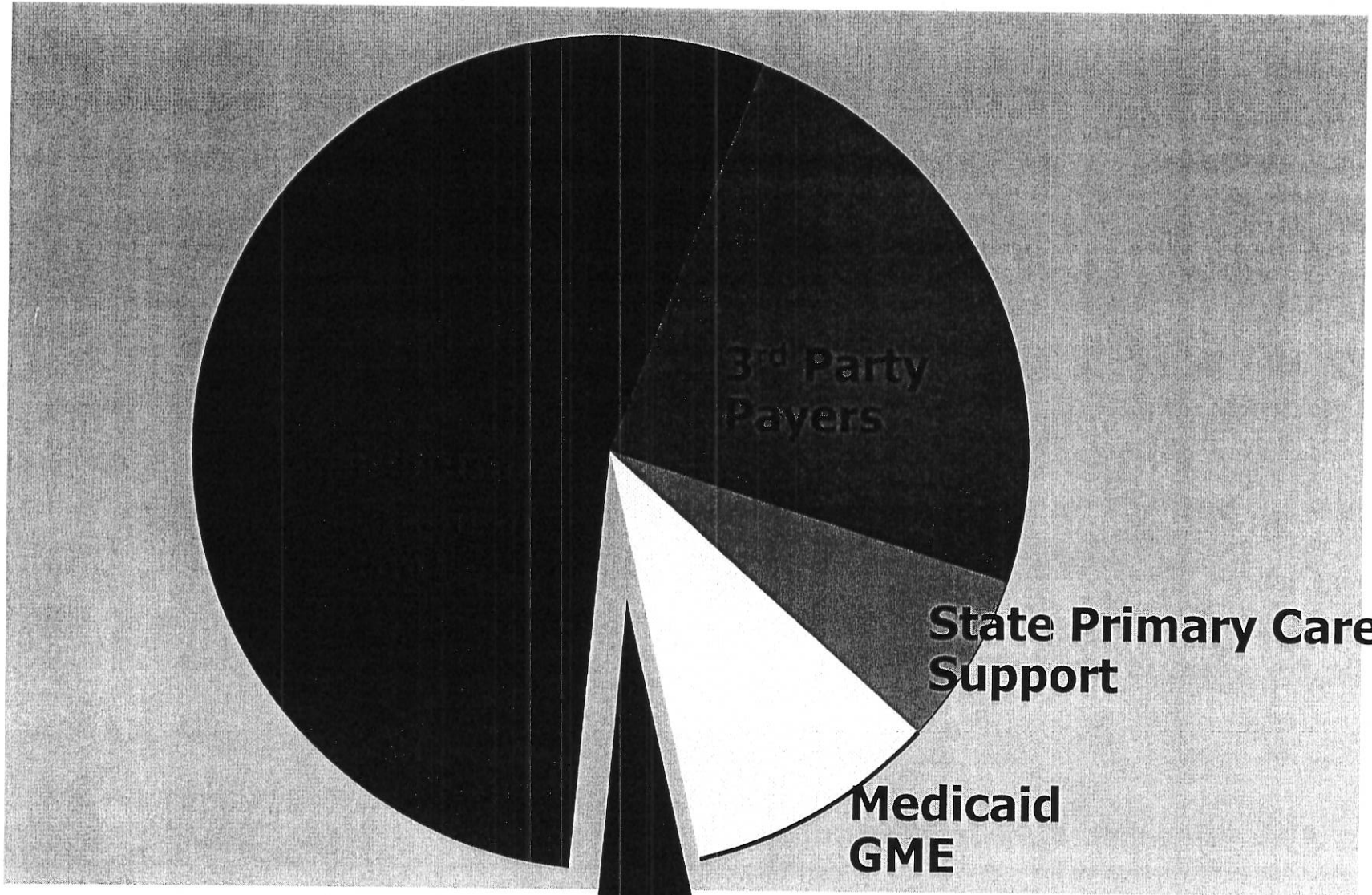
- Medicare GME funding (\$ 1,900,000)
- Medicaid GME funding (\$ 3,700,000)
- Total Loss (\$ 5,600,000)



3rd Party Payers

State Primary Care Support

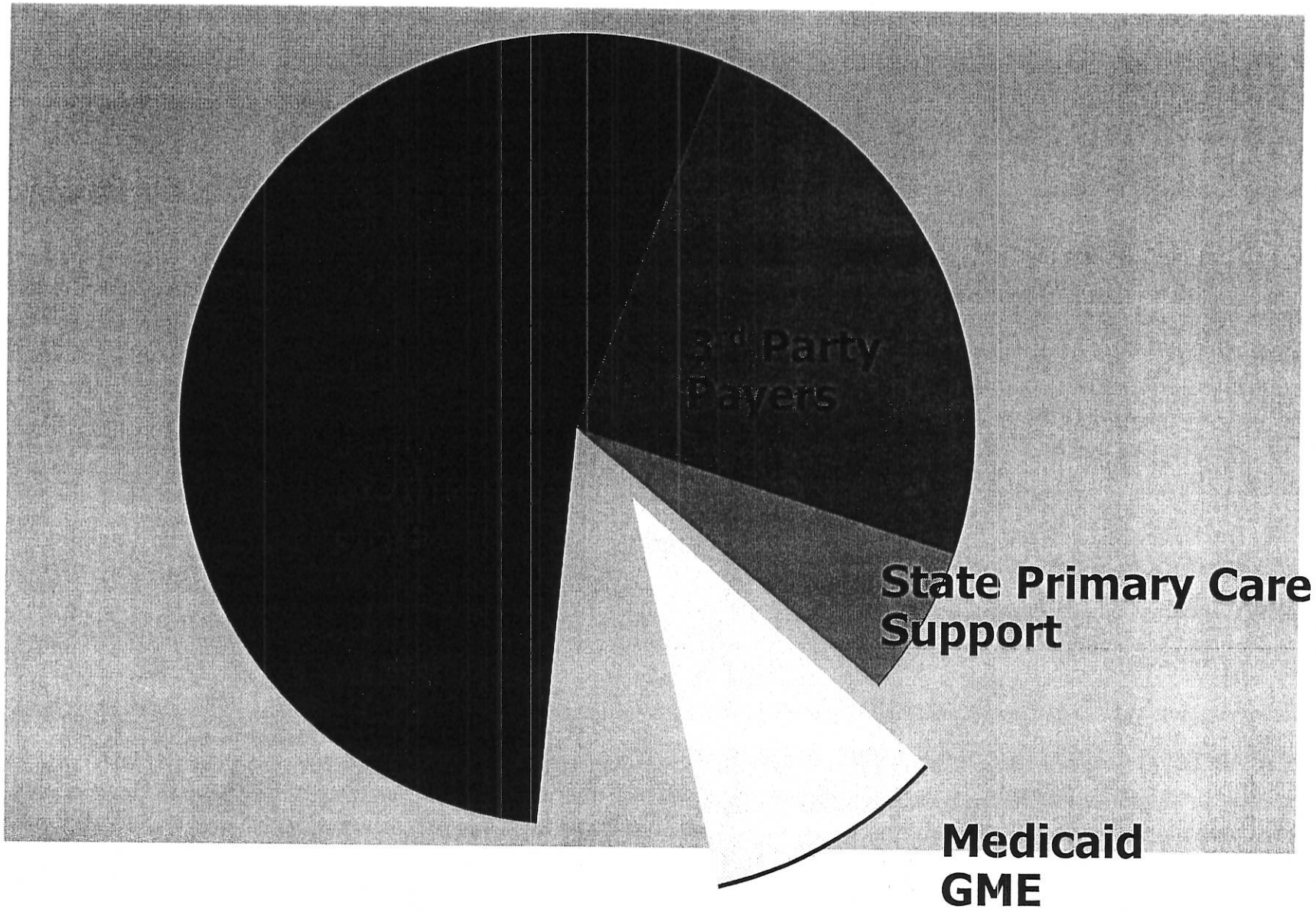
Medicaid GME



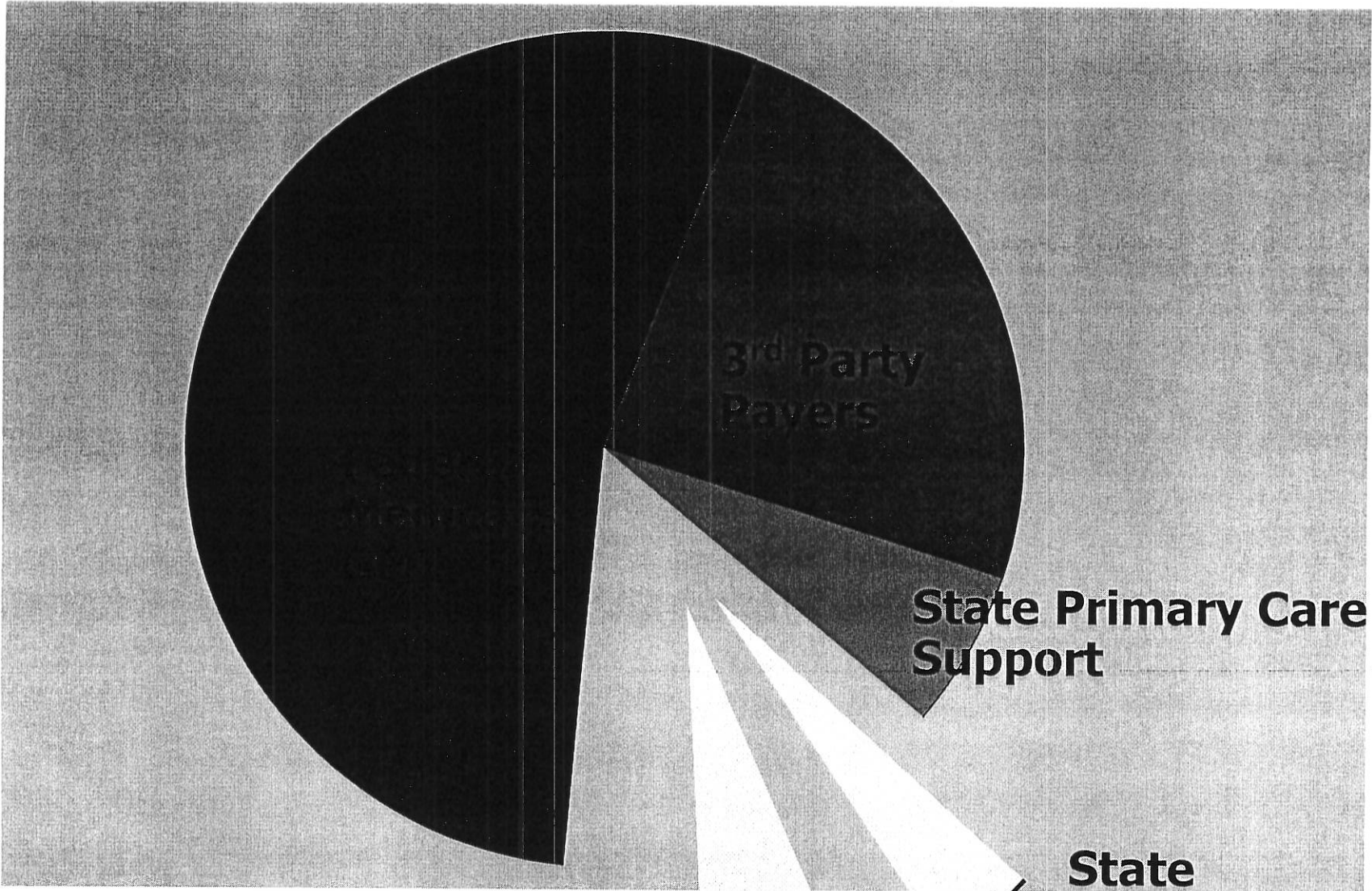
3rd Party Payers

State Primary Care Support

Medicaid GME



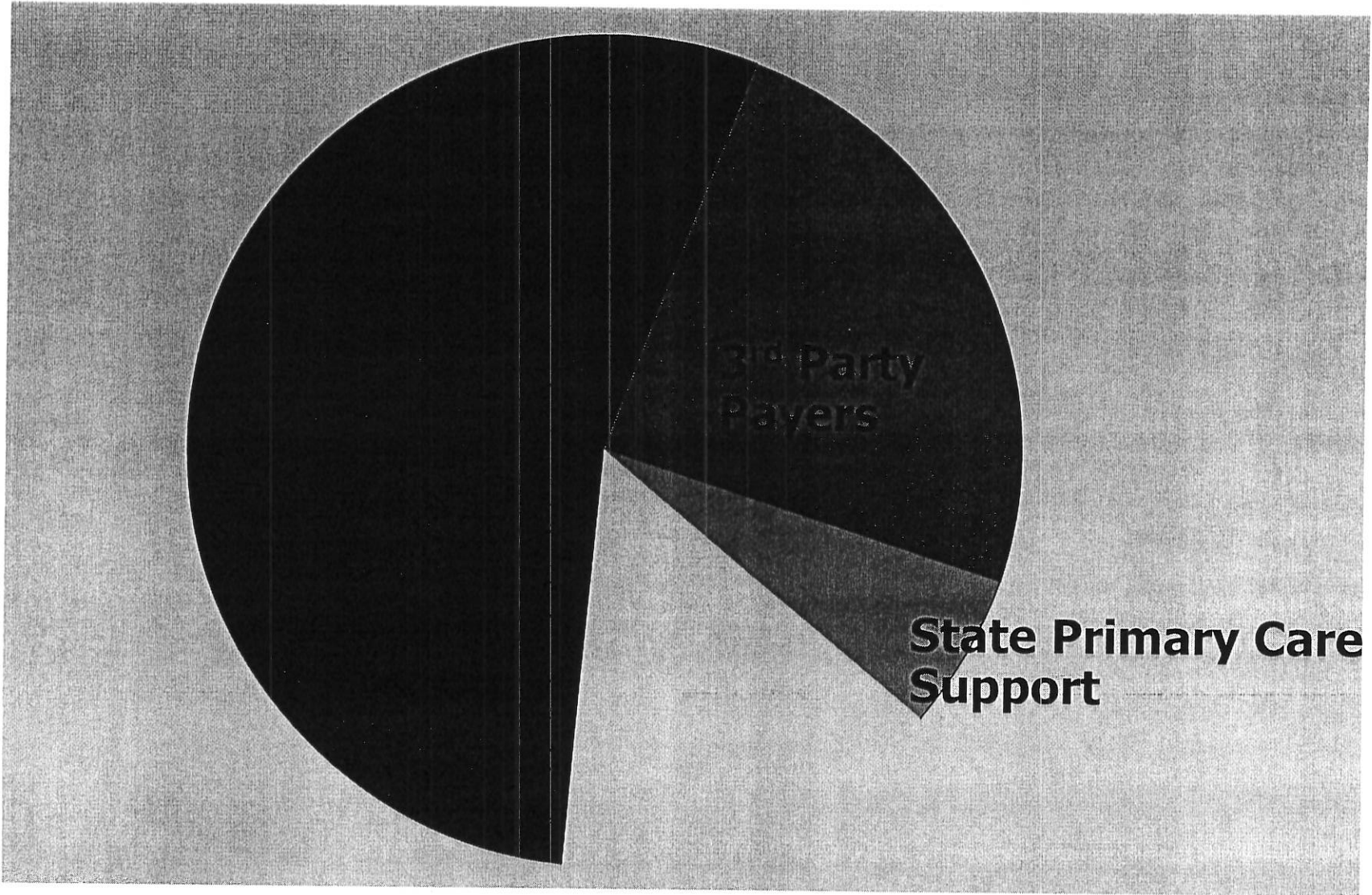




**Federal  
Medicaid  
Match**

**State Primary Care  
Support**

**State  
Medicaid  
GME**



**State Primary Care Support**

**Multi-Party Payers**

# Bottom Line Options

- Close residency programs
- Cut back on residency slots
- Cut faculty positions
- Limit Medicaid and uninsured patients
- SRS hold harmless Wichita/Salina residents in training

## **WICHITA GRADUATE MEDICAL EDUCATION PROGRAMS JEOPARDIZED BY BUDGET CUTS**

### **About GME in Wichita:**

- Graduate medical education is the training of resident physicians
- The Wichita Center for Graduate Medical Education (WCGME) is a consortium (consisting of the University of Kansas School of Medicine-Wichita (KUSM-W), Via Christi Regional Medical Center and Wesley Medical Center) that was formed to employ all KUSM-W residents in Wichita. Salina residents are also sponsored by KUSM-W, but they are employed by the Salina Health Education Foundation.
- 260 resident physicians in 14 residencies receive training in all major hospitals in Wichita and Salina.
- Residency programs include primary care programs in family practice, internal medicine, medicine/pediatrics, and pediatrics, specialty training in adult reconstructive surgery, anesthesiology, geriatric psychiatry, obstetrics and gynecology, orthopaedic surgery, psychiatry, radiology and surgery.
- Funding for GME is provided through Medicare, Medicaid and the State of Kansas to the hospitals.

### **Why Residency Programs Are Vital to Kansas:**

- Wichita graduated physicians reduce underserved areas in Kansas
- Of 900 graduates since the formation of WCGME in 1989, over 500 practice in Kansas – half in Wichita; half in rural communities
- Residents provide care for uninsured and indigent patients (More than 134,000 patient visits to residency clinics in 2001)
- Wichita GME programs improve quality of care in Wichita and rural Kansas
- The residency programs attract quality physicians to Kansas
- Without the residency program, emergency and trauma care will suffer
- Residents improve in-hospital care of unassigned and indigent patients

*Attachment 2*  
*HAS 1-30-03*



- The residency programs have a strong economic impact upon Wichita and the surrounding areas (250 residents, 300 dependents, and numerous faculty members)

**Financial Facts:**

|               |                                    |
|---------------|------------------------------------|
| 2001 Revenue  | \$38,100,000                       |
| 2001 Expenses | <u>\$38,200,000</u><br>(\$100,000) |

**GME Cuts:**

|                                 |                      |
|---------------------------------|----------------------|
| Medicare GME funding (BBA 1997) | (\$1,900,000)        |
| SRS GME cuts 1/1/03*            |                      |
| SRS State General Fund cut      | (\$1,500,000)        |
| Federal match                   | <u>(\$2,200,000)</u> |
| Total Loss                      | (\$5,600,000)        |

**Policy Considerations:**

- Who will care for medicaid/medicare and uninsured patients?
- Who will provide physicians for Kansas?
- What will be the economic impact on Wichita and rural areas?

**Solution:**

Restore Medicaid GME funding:

- To keep providers for the uninsured and Medicaid patients
- To sustain the supply of physicians to Kansas

\*\$3.7 million cut to Wichita is only a \$1.5 million savings to the State (federal government matches state funding by 60%).

1-28-03

Testimony  
Senate Committee on Public Health & Welfare  
House Health and Human Services Committee  
January 30, 2003

Glendon Cox, MD  
Vice Dean and Senior Associate Dean for Educational and Academic Affairs  
University of Kansas School of Medicine

Chairman Wagle, Chairman Morrison, and members of the committees.

My name is Glendon Cox. I am Vice Dean and Senior Associate Dean for Educational and Academic Affairs at the University of Kansas School of Medicine. I appear before you today on behalf of the University of Kansas to express the University's concerns related to a proposal that would have a significant adverse impact on the ability of the Wichita Center for Graduate Medical Education (WCGME) to conduct training programs in various medical specialties in Wichita.

The internships and residencies are funded through a three-way partnership between Via Christi Regional Medical Center, Wesley Medical Center, and the University of Kansas School of Medicine (Wichita). The leadership and vision of the hospitals and the School of Medicine has made WCGME a remarkably successful example of community-based model for graduate medical education. The University of Kansas, as the sponsor of the residencies in Wichita, is proud of the achievements of our faculty members and educational partners.

The entire University recognizes the contributions of the Wichita campus of the School of Medicine in producing physicians for the state of Kansas. The proposed elimination of graduate medical education funding provided through Medicaid program of Kansas SRS is a great threat to the strength of the School of Medicine.

Since its founding, nearly 100 years ago, the University of Kansas School of Medicine has consistently worked to meet its mission of providing physicians of all specialties to the state of Kansas. As of this month, the records of the Kansas State Board of Healing Arts shows that of the 5500 or so practicing physicians in the state, over 2200, roughly 40%, are products of the KU School of Medicine. Not only do our physicians practice in nearly all rural counties in the state, they provide service to a whole spectrum of medically underserved individuals in our urban areas in Wichita, Topeka, Salina, and Kansas City. It is only through the continued joint operation of the Wichita and Kansas City facilities, to put it another way, the School of Medicine as organic whole, that the University can continue to meet its mission.

Thank you for your time and consideration. I will be glad to try to answer any questions.

Attachment 3  
HHS 1-30-03