Approved: February 21, 2008
Date

MINUTES OF THE HOUSE APPROPRIATIONS COMMITTEE

The meeting was called to order by Chair Sharon Schwartz at 9:00 A.M. on February 14, 2008, in Room 514-S of the Capitol.

All members were present except:
Representative Jason Watkins - excused

Committee staff present:
Alan Conroy, Legislative Research Department
J. G. Scott, Legislative Research Department
Reed Holwegner, Legislative Research Department
Cody Gorges, Legislative Research Department
Audrey Dunkel, Legislative Research Department
Julian Efird, Legislative Research Department
Jim Wilson, Revisor of Statutes
Nobuko Folmsbee, Revisor of Statutes
Nikki Feuerborn, Chief of Staff
Shirley Jepson, Committee Assistant

Conferees appearing before the committee:
Dr. W. Bartley Hildreth, Wichita State University
Steve Weatherford, President, Kansas Development Finance Authority
Dr. Don Brada, Designated Institutional Officer, University of Kansas
Dr. Joe Davison, West Wichita Family Physicians
Dr. Rob Freelove, Program Director, Smoky Hill Family Medicine Residency Program
Rita Buurman, Sabetha Community Hospital, Inc.
Dr. Rob Gibbs, MD, Labotte Health Center
Dr. Justin Mills, MD, Student at Wichita Center for Graduate Education
Bernie Koch, VP/Government Relations, Wichita Metro Chamber of Commerce

Others attending:
See attached list.

- Attachment 1 — Testimony on Status of Bonding in Kansas by Dr. W. Bartley Hildreth
- Attachment 2 — State of Kansas 2005 Debt Affordability Report
- Attachment 3 — Testimony on Status of Bonding in Kansas by Steve Weatherford
- Attachment 4 — Testimony on Wichita Center for Graduate Medical Education (WCGME) by Dr. Don Brada
- Attachment 5 — Testimony on WCGME by Dr. Joe Davison
- Attachment 6 — Testimony on WCGME by Dr. Rob Freelove
- Attachment 7 — Testimony on WCGME by Rita Buurman
- Attachment 8 — Testimony on WCGME by Dr. Rob Gibbs
- Attachment 9 — Testimony on WCGME by Dr. Justin Mills
- Attachment 10 — Testimony on WCGME by Bernie Koch
- Attachment 11 — Written testimony on WCGME by Carolyn Gaughan
- Attachment 12 — Written testimony on WCGME by Jerry Slaughter
- Attachment 13 — Written testimony on WCGME by Dr. Steen Mortensen and Dr. Dennis Ross
- Attachment 14 — Written testimony on WCGME by Dr. Bob Moser
- Attachment 15 — Written testimony on WCGME by Dr. Gene Klingler
- Attachment 16 — Other written testimony on WCGME
- Attachment 17 — Information on WCGME

Introduction of Legislation

Representative Bethell moved to introduce legislation relating to equality in issuing permits for electric plants. The motion was seconded by Representative Beamer. Motion carried.

Status of Bonding in Kansas

Dr. W. Bartley Hildreth, Wichita State University, presented testimony on State Debt and Affordability (Attachment 1). Dr. Hildreth stated that comments in his testimony are his own and not those of Wichita State University or the Board of Regents. Dr. Hildreth noted that his research into the State's debt resulted in the report titled "State of Kansas 2005 Debt Affordability" (Attachment 2).

Responding to questions from the Committee, Dr. Hildreth indicated that the Kansas Constitution states that the State can only have $1 million in outstanding general obligation bonds at any one time. Currently, the state has approximately $4 billion in outstanding debt. Revenue bonds have been issued for additional resources in addition to general obligation bonds. Dr. Hildreth noted that revenue bonds carry a higher interest rate than general obligation bonds. In determining a credit rating, the market looks at the revenue growth rate of the state and determines if the state has over-extended its debt. Dr. Hildreth indicated that Kansas does not qualify for a top credit rating because it constitutionally limits the issue of additional general obligation bonds at this time.

Steve Weatherford, President, Kansas Development Finance Authority (KDFA), presented testimony on the analysis on the debt of the State (Attachment 3). Mr. Weatherford noted that the majority of the state's debt is tax-supported with approximately one-quarter of the debt supported by the State General Fund (SGF). Mr. Weatherford indicated that paying down the State debt will not improve the rating because of the fact that there is a limit on the amount of general obligation bonds that can be issued.

- The Committee requested information on the interest rate on all outstanding state bonds and the amount of interest paid on each on an annual basis.

Wichita Center for Graduate Medical Education (WCGME)

Dr. Don Brada, Designated Institutional Officer, University of Kansas, presented testimony on a request from the Wichita Center for Graduate Medical Education (WCGME) for state funding to support the resident program at Wichita State University (Attachment 4). Dr. Brada stated that WCGME is faced with two challenges at this time. The primary concern relates to accreditation changes that mandate more paid time for faculty research, teaching and administration. The second challenge relates to reduced Medicare GME funding. These challenges must be met or WCGME could lose accreditation. Dr. Brada stated that it is estimated that the cost of the first phase of improvements to meet these challenges would be $9.6 million with a total investment of $12.5 over a two-year period. WCGME is requesting state funding to cover this expense.

The following provided additional testimony in support of the request for additional funding for WCGME:

- Dr. Joe Davison, West Wichita Family Physician (Attachment 5).
- Dr. Rob Freelove, Program Director, Smoky Hill Family Medicine (Attachment 6).
- Rita Buurman, CEO, Sabetha Community Hospital, Inc. (Attachment 7).
- Dr. Rob Gibbs, WCGME, Graduate, Radiologist, Parsons, Kansas (Attachment 8).
- Dr. Justin Mills, 2nd year WCGME pediatric resident (Attachment 9).
- Bernie Koch, VP Government Relations, Wichita Metro Chamber of Commerce (Attachment 10).

Written testimony was received from:

- Carolyn Gaughan, Executive Director, Kansas Academy of Family Physicians (Attachment 11).
- Jerry Slaughter, Executive Director, Kansas Medical Society (Attachment 12).
- Dr. Steen Mortensen and Dr. Dennis Ross, Medical Society of Sedgwick County (Attachment 13).
- Dr. Bob Moser, SCGME graduate, Chair Primary Care Collaborative Coordinating Committee, Greeley County Health Services (Attachment 14).

MINUTES OF THE House Appropriations Committee at 9:00 A.M. on February 14, 2008, in Room 514-S of the Capitol.

- Dr. Gene Klingler, Manhattan Surgical Center (Attachment 15).
- Other written testimony (Attachment 16).

Distribution of Requested Information

Copies of information received from Dr. Edward Dismuke, pertinent to his testimony before the Committee on February 11, 2008, was distributed to the Committee (Attachment 17).

Approval of Minutes

Representative Gatewood moved to approve the minutes of January 31, February 1, February 4, February 5, February 6 and February 7, as written. The motion was seconded by Representative Bethell. Motion carried.

The meeting was adjourned at 10:50 a.m. The next meeting of the Committee will be held at 9:00 a.m. on February 18, 2008.

Sharon Schwartz, Chair

House Appropriations Committee
February 14, 2008
9:00 A.M.

NAME	REPRESENTING
Steve Weatherford	KDFA
JOHN DOUGHERTY	ESU
Carmen Klopping	Ks State Treasurers Office
MARK BORANYAK	CAPITOL STRATEGIES
Bernie Koch	Wichita Chamber
Jim MacMurray	KDFA
Phillip Wilkerson	~~KDFA~~ Budget
Christine Hesed	
Barbara Gibson	KDHE
Michael Hooper	Kearney & Assoc
Mason Heilman	Intern
Kathleen O'Loughlin Pate	observer
Chad Austin	KS Hosp Assoc
Lisa Burrman	Salvation Army Hospital
Rob Freelove MD	WCGME - Salina
JOE DAVISON MD	WCGME - Wichita
Emily Geier	Hein Law Firm
Kay Brada	WCGME - Wichita
Rob Gibbs MD	WCGME - Chanute
Lana Oleen	WCGME
Justin Miller	WCGME
Woody Moses/Wendy Harms	KAPA - KCCMCA

Comments on State Debt and State Debt Affordability

By:
W. Bartley Hildreth, Ph.D.
Interim Dean, W. Frank Barton School of Business
Regents Distinguished Professor of Public Finance
Director, Kansas Public Finance Center
Wichita State University*

Thank you for the opportunity to talk to you about State debt. Of course, these are my personal, professional views and are not the policy of Wichita State University or the Kansas Board of Regents.

These comments are based on the research I did that resulted in the "State of Kansas 2005 Debt Affordability Report."†

The report was not in response to any request. Instead, my service on the board of the Kansas Development Finance Authority (KDFA) from 1998 to 2003 helped me see the need for a comprehensive analysis of State debt.

The purpose of debt affordability analysis is:

- To provide policy makers with information to set capital financing policies so that every bond issuance proposal is considered against total state debt affordability; and,
- To safeguard the credit quality of the state's debt instruments and to ensure the sustainability of the State's financial position.

My study gives all the details as of June 30, 2005, with projections based on the debt authorized but unissued at that time.

Several key points were highlighted by the Report:

- The State of Kansas does not issue debt backed by the full faith and credit taxing power of the State. Instead, the State relies exclusively on the issuance of bonds backed by dedicated revenues stream and implicit pledges by the legislature to pay debt service when due. This distinction is important because full faith and credit (General Obligation) debt pays lower interest rates to purchasers of the bonds than required if revenue bonds are issued.
- Kansas does not qualify for the top credit rating (Triple–A). The State has been assigned an issuer credit rating of AA+ by the independent credit rating firm, Standard & Poor's. State governments with higher bond ratings pay lower interest costs, while governments with lower bond ratings pay higher interest costs.

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* Email (bart.hildreth@wichita.edu) and phone (316-978-6332).

† The report is available at this web address: http://hws.wichita.edu/KPF/reports

- Kansas principal debt increased almost five times in a 10-year span, from $424 million in Fiscal Year (FY) 1992 to $2.43 billion in FY 2002. Surges in total debt outstanding within the 10-year period correspond to the time lines of two comprehensive transportation programs implemented by KDOT.
- At the end of FY 2005, the total amount of debt for all state agencies was $4.0 billion. Half of this was for KDOT. Another major segment was for a pooled loan program for local government clean water and waste water treatment improvements that are repaid by those local entities. Then there was the money borrowed to help KPERS.
- Calculations on six credit ratios for assessing debt affordability revealed that Kansas has racked up a growth rate of 7.5 to 13.5 percent per year. The seventh measure showed a tighter debt coverage ratio for KDOT debt.
- Kansas has higher than national averages in terms of debt per capita and debt as a percent of personal income.
- Each of the 4 states surrounding Kansas has a lower ranking of net tax-supported debt per capita as a percent of personal income than Kansas.
- A state's debt burden is a significant factor in assessing a state's long-term financial health.

I have not updated the report to reflect FY06 or FY07 data. A quick look, however, reveals that the State issued more debt than I expected in FY06 with the major bond issues tied to KDOT (including highway revenue bonds, contingency bonds and the transportation revolving loan program), KDHE's clean water revolving loan program, and the renovations to this building.

Does the State of Kansas have too much debt? The answer depends on what you are comparing us to.

- If current debt is compared to our history, then we have much more debt than before we started on the first comprehensive highway plan.
- If current debt is compared to the benefits derived from the services aided by these capital investments, then I have to admit I do not know if we have too much debt.
- If current debt obligations are compared to the debt in other states, then we have moved out of the group of low-debt states. If the past 10-year trend is maintained, we will move further away from the low-debt category (see Table 1).

Can Kansas afford its debt? The short answer is YES. The capital markets would not have loaned us the money at such attractive rates if those investors did not think we were a good credit risk. We can afford more debt.

Should Kansas be prudent in its issuance and management of debt? Of course, the answer is YES. We have been prudent these past years, too. The major uses of debt have been to make extensive improvements to our transportation network, to improve local water and wastewater capacity, and to address a long-standing unfunded pension liability.

The study's recommendations included the following points:

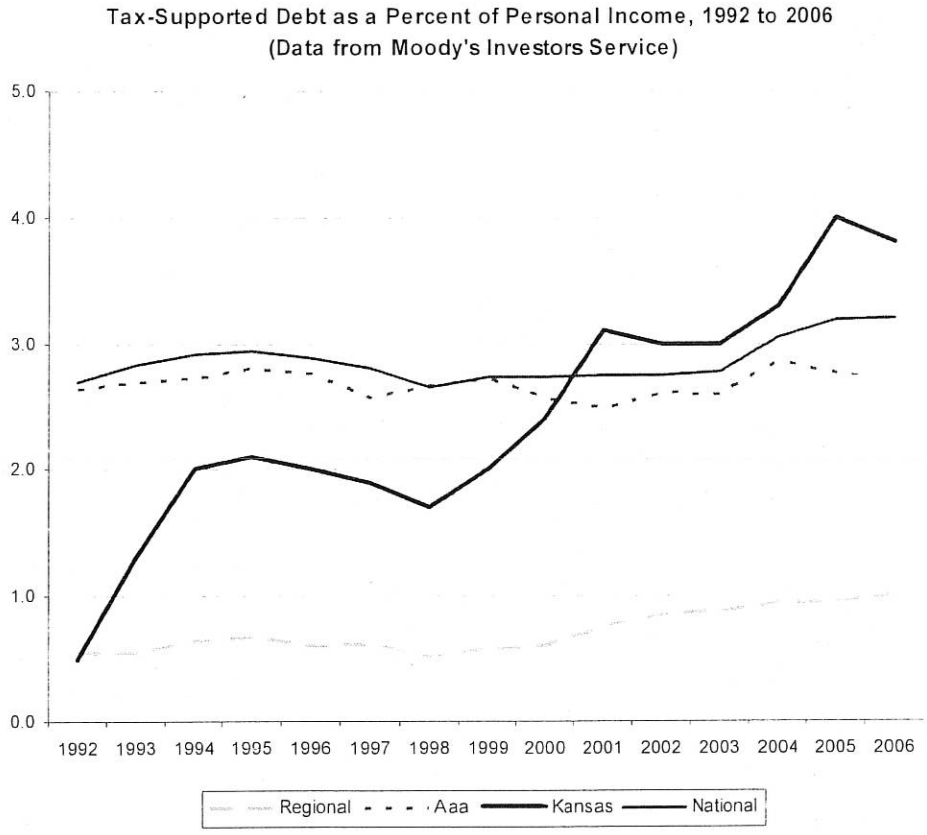
- Adopt a set of debt policies to guide state debt issuance and management.
- Prepare and publish a multi-year capital improvements plan as a way to manage capital asset construction and acquisition with scarce resources.
- Monitor the State's debt using common debt affordability ratios.
- Prepare an annual debt affordability study prior to the legislative session, and make the underlying data available on a timely basis to others who might want to run their own analysis.
- Require every debt issuance proposal submitted to the legislature to be evaluated against its impact on future debt affordability.
- Reduce the State's level of debt per capita and debt per capita as a percentage of personal income to the level of the benchmark average set by the bond rating agencies.
- Use General Obligation bonds in addition to Revenue bonds to obtain the lowest cost of capital.
- Maintain KDFA as the central professional office for state-supported debt financing, and.
- Avoid creating any other financing authorities unless they are subsidiaries of KDFA.

If you are interesting in specific legislation to implement these recommendations, you might examine the approach taken in Florida (Section 215.98 on State Debt Fiscal Responsibility). Similar legislation for Kansas would have these features:

- Clarify the state's commitment to prudent debt policy (perhaps by adopting a target ratio of debt);
- Task KDFA with responsibility to prepare a yearly Debt Affordability Report by December 15;
- Require the Debt Affordability Report to:
    - Review existing state debt obligations, and the credit ratings;
    - Provide 10-year estimates of revenues, debt, debt service, and other relevant factors; and,
    - Compare past and estimated debt ratios (for the 10-year period) to comparable benchmarks (the Kansas target as well as national levels and in similar states.)
- Prepare updates as requested by Governor and Legislature;
- Give advise on prudent debt policy;
- Make the debt affordability model publicly available;
- Require any entity proposing state debt financing to provide information to KDFA for inclusion in its yearly Report, and for such debt advocates to address in their legislative testimony how their proposed debt would impact the Report's ratios; and,
- Include in the legislation all appropriate caveats, such as: Failure to comply with this legislation shall NOT affect the validity of any debt or the authorization of such debt.

In conclusion, Kansas has matured as a debt issuer. It can no longer present itself as a low debt state. Two comprehensive transportation programs have fueled the debt appetite of citizens and public officials alike. This study highlights two key points:

- By establishing affordable levels of debt burden, state leaders will be provided with the opportunity to link the issuance of new debt to the underlying economy, which supports such debt.
- Kansas should extend its debt planning horizon to ensure an efficient and effective balancing of needs and resources



1-4

Kansas Public Finance Center
Hugo Wall School of Urban and Public Affairs
Wichita State University

State of Kansas
2005 Debt Affordability Report

September 1, 2005

Project Leader:

Dr. W. Bartley Hildreth
Regents Distinguished Professor of Public Finance
Director, Kansas Public Finance Center
Hugo Wall School of Public and Urban Affairs
and the W. Frank Barton School of Business
Wichita State University, Wichita, KS 67260-0155
316-978-6332
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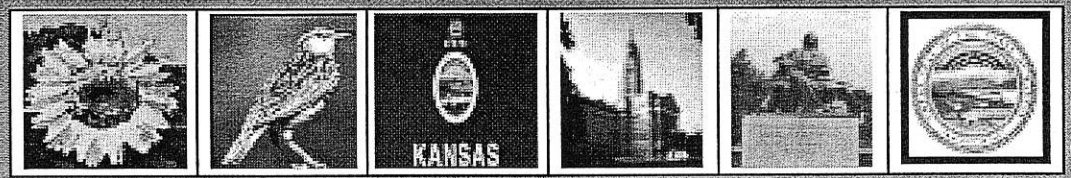
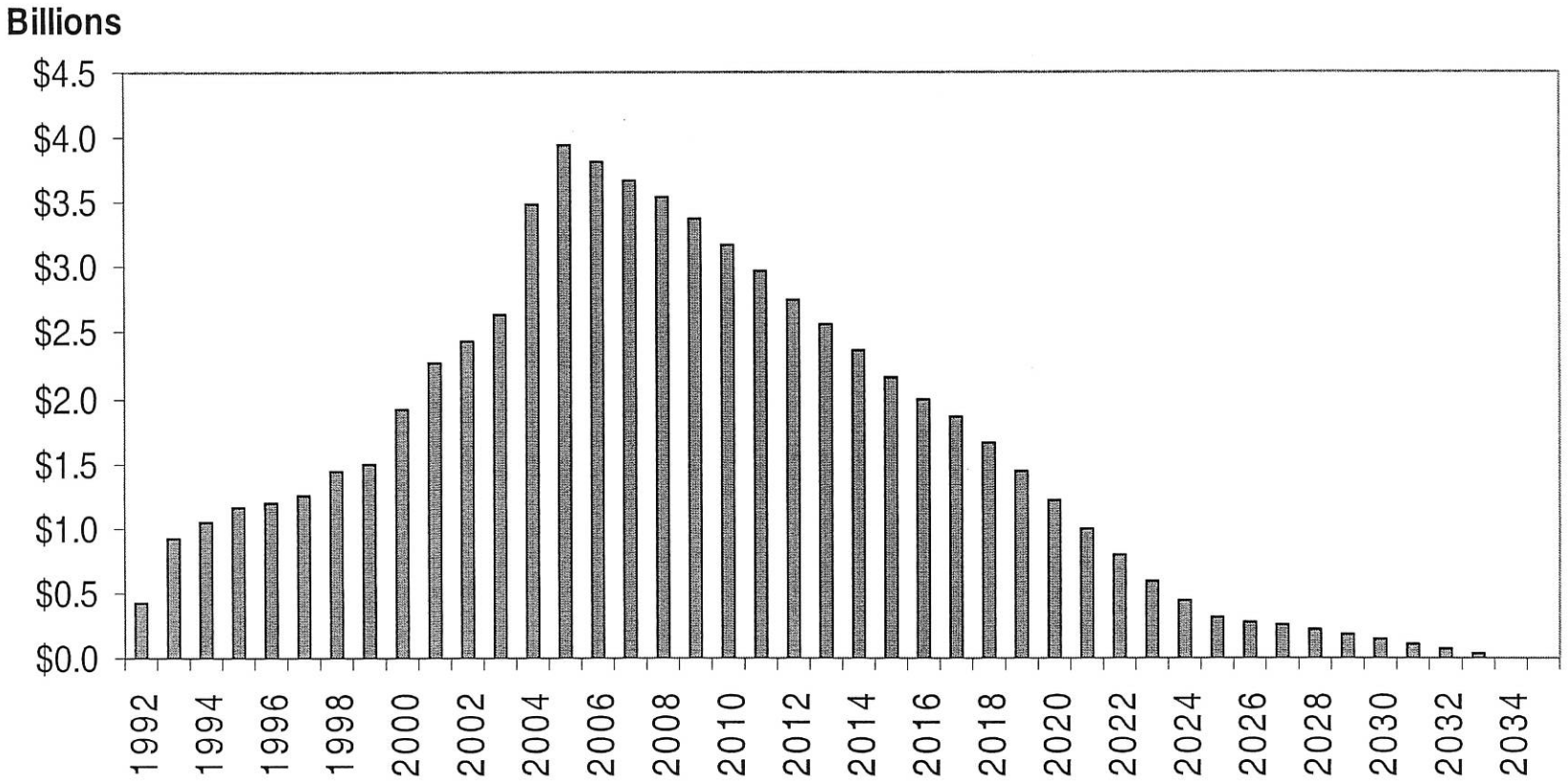


Purpose of Debt Affordability Analysis

- To provide Kansas policy makers with information to set capital financing policies so that every bond issuance proposal is considered against total State debt affordability.
- To safeguard the credit quality of the State's debt instruments and to ensure the sustainability of the State's financial position.

2-3

Figure 1: Total Debt Outstanding (in billions), FY 1992 to FY 2034

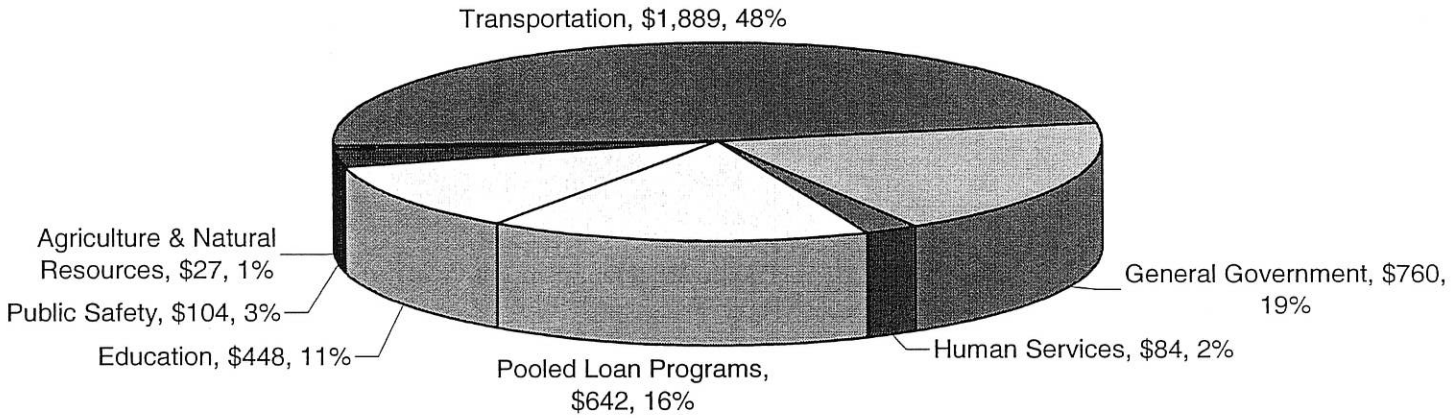


Source: Kansas Division of Budget Spreadsheets as of June 30, 2005-assuming no new debt.

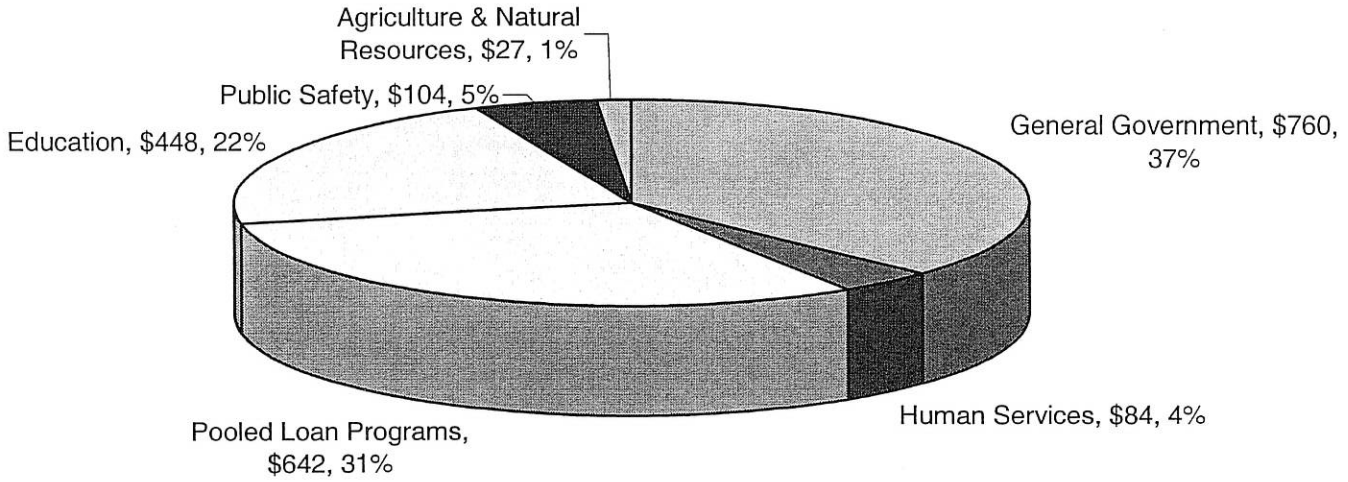
2-4

Figure 3: Outstanding Debt by Program for FY 2005 (in millions)

A. Including Transportation

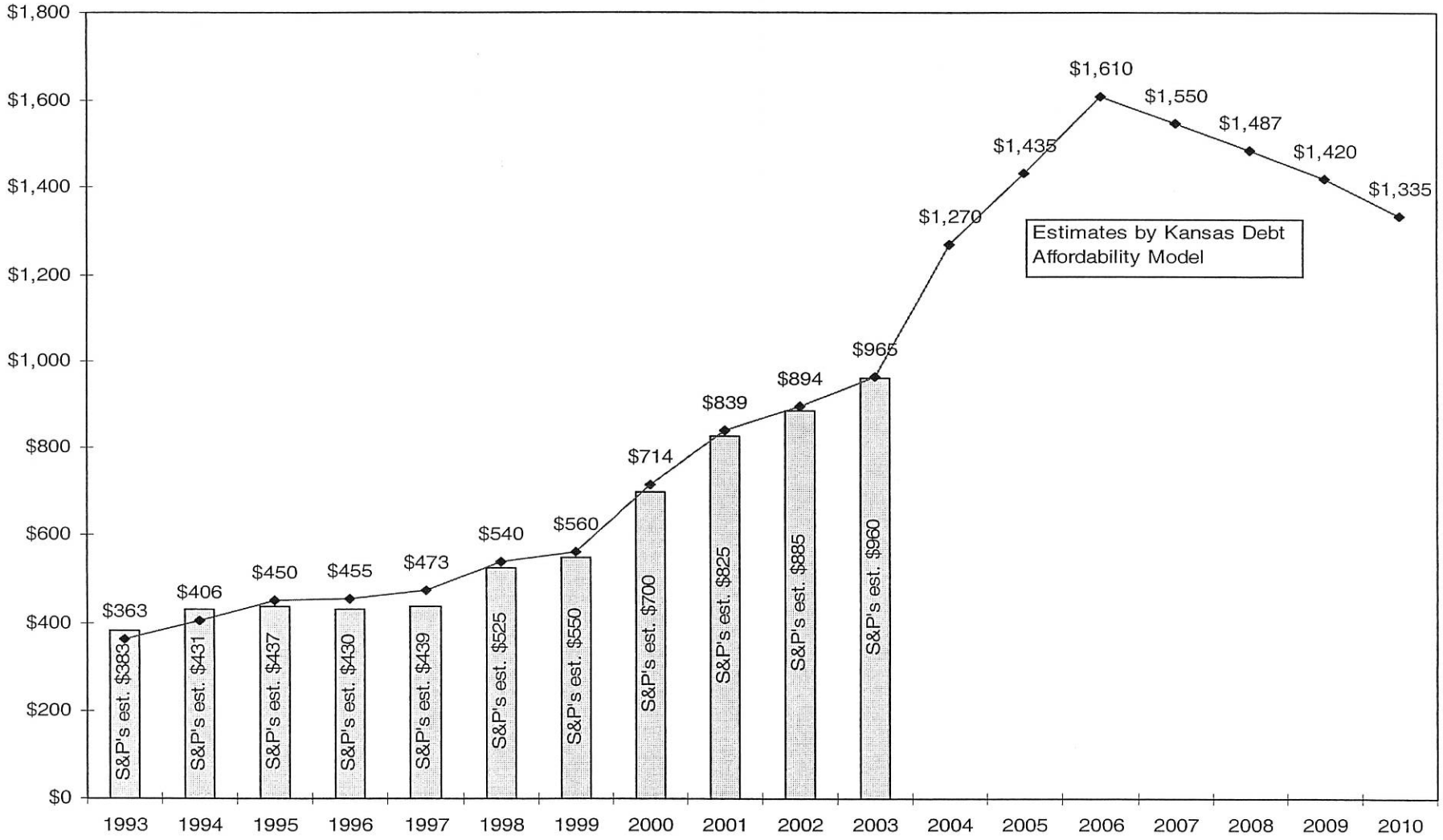


B. Excluding Transportation



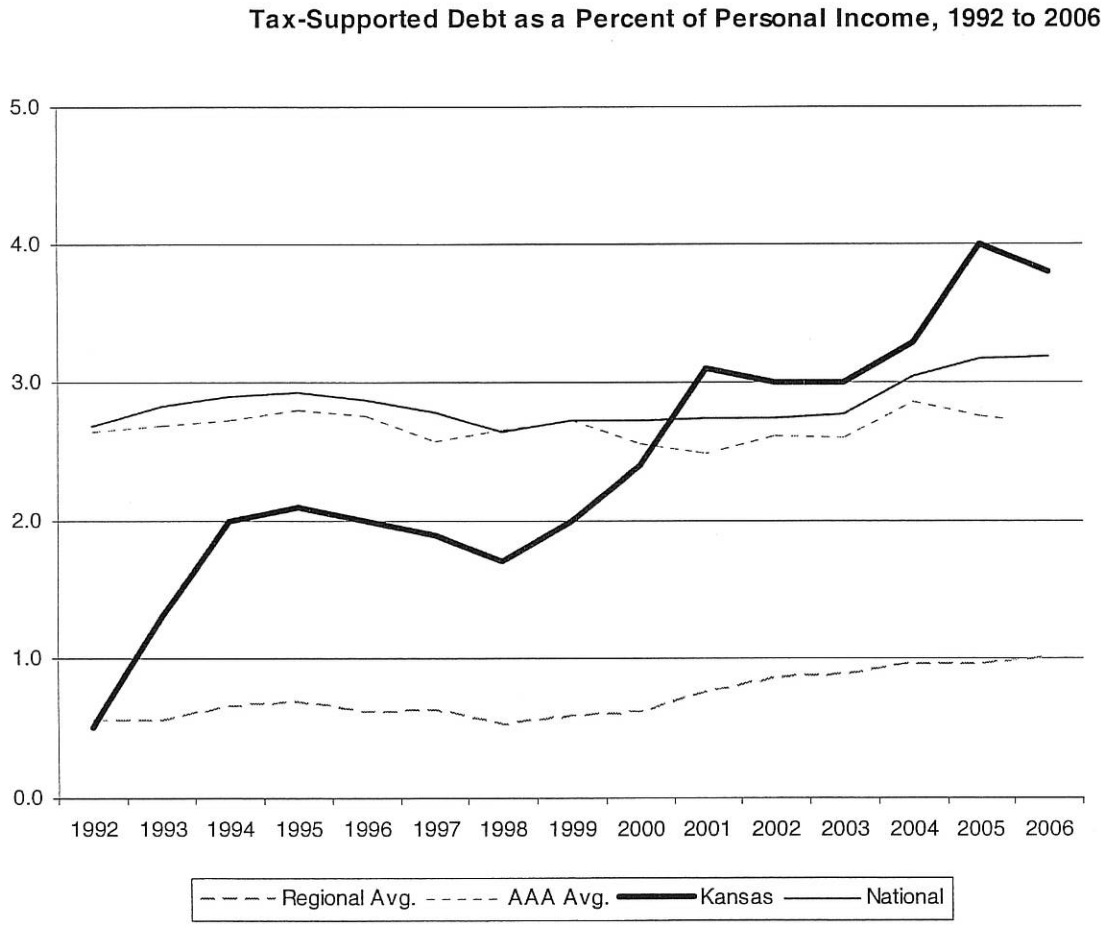
Source: Kansas Division of Budget spreadsheets as of June 30, 2005—assuming no new debt.

Figure 4: Comparing Standard and Poor's Total Tax-Supported Debt per Capita Calculations with Estimates to 2010



Source: Standard & Poor's (State Review: Kansas – November 2000, August 2002, November 2004) and Kansas Debt Affordability Model.

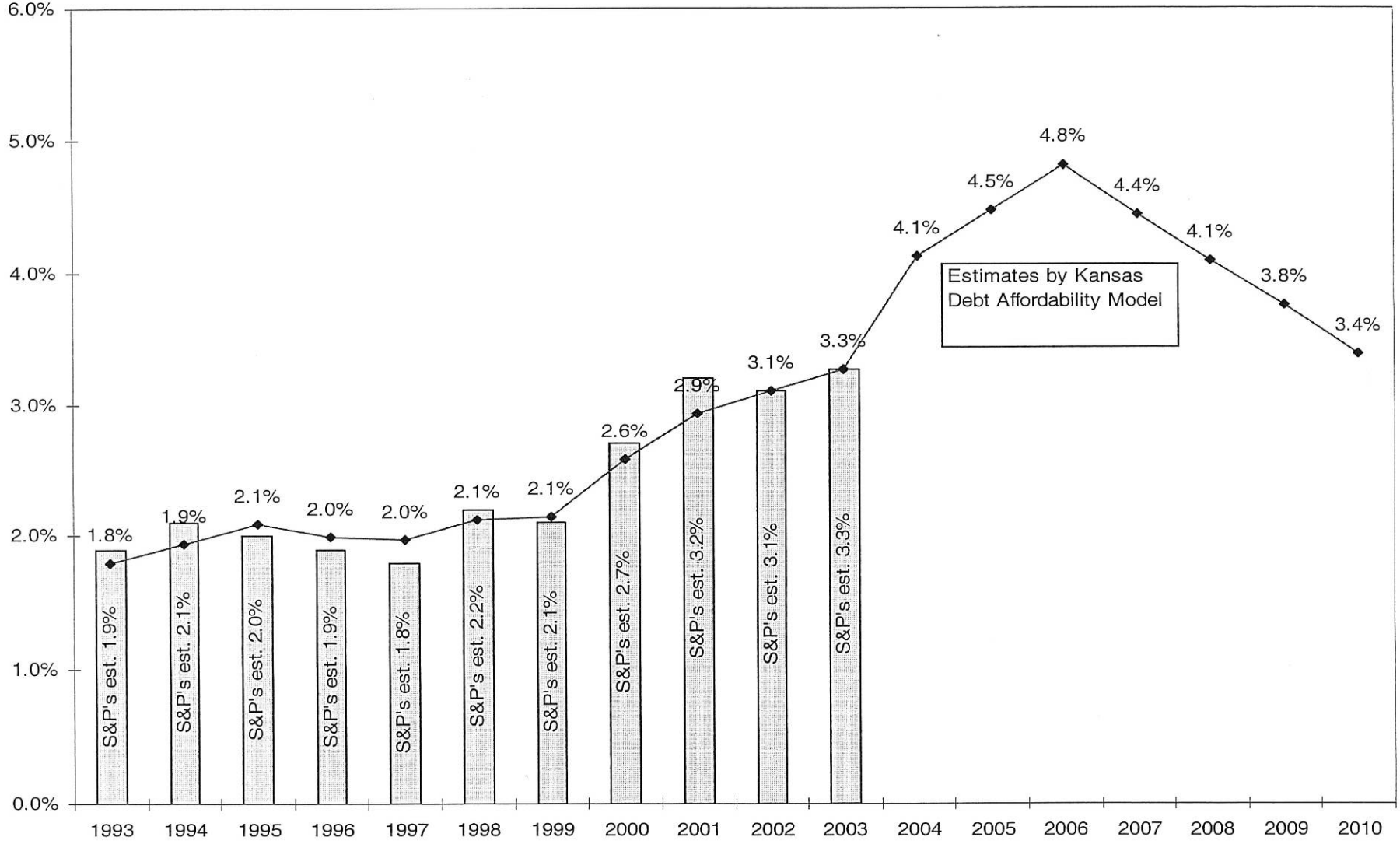
Figure 5: Tax-Supported Debt as a Percent of Personal Income, Years 1992 to 2006



Source: Moody's Investors Service; Triple-A States vary by year.

2-7

Figure 6: Comparing Standard & Poor's Total Tax-Supported Debt as a Percent of Personal Income Calculations with Estimates to 2010



Source: Standard & Poor's (State Review: Kansas – November 2000, August 2002, November 2004) and Kansas Debt Affordability Model.

2-8

Figure 7: Summary of Findings

Debt Burden Ratio	Findings	Kansas' Compound Annual Growth Rate: FY 1996 to FY 2006
1. Debt per capita	Higher than national medians; Estimate of $1,610 in FY 2006	13.47%
2. Debt per capita as % of personal income	Higher than national medians, top ranked states, and the 4 surrounding states; Estimate of 4.8% in Kansas FY 2006	9.15%
3. Debt service per capita	Peak of $156 in FY 2005 compares to $31 in FY 1994	12.51%
4. Debt service per capita as % of personal income	Doubling since FY 1994	7.49%
5. Debt service as % of General Fund revenues	Near top range of benchmark (within range if remove KDOT debt service)	8.24%
6. Debt service as % of General Fund expenditures	Near top range of benchmark (within range if remove KDOT debt service)	8.44%
7. Debt service coverage	Decline in coverage from State Highway Fund, but 4.5x in FY 2010 still above the 3x required coverage ratio	-7.45%

Recommendations

- Adopt a set of debt policies to guide state debt issuance and management.
- Prepare and publish a multi-year capital improvements plan as a way to manage capital asset construction and acquisition with scarce resources.
- Monitor the State's debt using all the listed debt affordability ratios.
- Prepare an annual debt affordability study prior to the legislative session.
- Require every debt issuance proposal to be evaluated against its impact on future debt affordability.

- Reduce the State's level of debt per capita and debt per capita as a percentage of personal income to the level of the benchmark average set by Moody's and Standard and Poor's in order to safeguard the State's ratings.
- Use General Obligation bonds in addition to Revenue bonds to obtain the lowest cost of capital.
- Maintain the Kansas Development Finance Authority (KDFA) as the central professional office for state-supported debt financing.
- Avoid creating any other financing authorities unless they are subsidiaries of KDFA.

Legislation based on Florida's law:

- Make an expression of prudent debt policy (with a benchmark level?)
- Task KDFA with responsibility to prepare a yearly Debt Affordability Report by December 15
- Include in the yearly Debt Affordability Report:
  - Review existing state debt and credit ratings
  - Provide 10-year estimates of revenues, debt, debt service, and other relevant factors
  - Compare past and estimated debt ratios (for the 10-year period) to comparable benchmarks (the Kansas target as well as national levels and in similar states)

Legislation based on Florida's law (continued):

- Prepare updates as requested by Governor and Legislature, and make model publicly available
- Require any entity proposing state debt financing to provide information to KDFA for inclusion in its yearly Report, and to address in any testimony the proposed debt in terms of the impact on the Report's ratios
- Caveat: Failure to comply with this legislation shall NOT affect the validity of any debt or the authorization of such debt

Conclusion

- By establishing affordable levels of debt burden, state leaders will be provided with the opportunity to link the issuance of new debt to the underlying economy, which supports such debt.

- Kansas should extend its debt planning horizon to ensure an efficient and effective balancing of needs and resources

- *You can download the report: http://hws.wichita.edu/KPF/reports_publications/*

Background

In 2005, the Hugo Wall School of Urban and Public Affairs at Wichita State University published the "State of Kansas 2005 Debt Affordability Report". This report compiled and analyzed a large amount of data regarding the debt of the State; its historical trends; and, in comparison with other states.

In the Legislative sessions subsequent to this report, various legislative committees discussed formalizing a State debt policy and annual debt studies through legislation. Senate Bill 193 of the 2007 Session was the most advanced step in formalizing this process, however the bill was not passed by the end of the session.

With this report, KDFA hopes to help advance the formalization of an annual debt study and provide relevant data to assist policymakers in making financing decisions for the State. The purpose of this 2007 Debt Study is to give policymakers a picture of the State's debt position on June 30, 2007. It is anticipated that this report will be prepared annually such that the State's debt trends can be monitored. Further, the report makes some projections to help policymakers understand and measure the financial impact of future debt issuance.

The information generated by this analysis will be provided to the KDFA Board of Directors; the Governor's office; the State Budget Director; and, members of the Legislature. The analysis can be updated as revenue estimating forecasts are revised. The information can be used by the legislature to establish priorities during the legislative appropriation process. Additionally, as the legislature considers new financing initiatives, the long-term financial impact of any proposal can be evaluated upon request. The information generated by this analysis is important for policymakers to consider because their decisions on additional borrowing affect the fiscal health of the State.

This study is not meant to be a replication of the Comprehensive Annual Financial Report's (CAFR) Long-term Obligations section. The CAFR is prepared annually by the Division of Accounts and Reports.

Terminology & Nomenclature

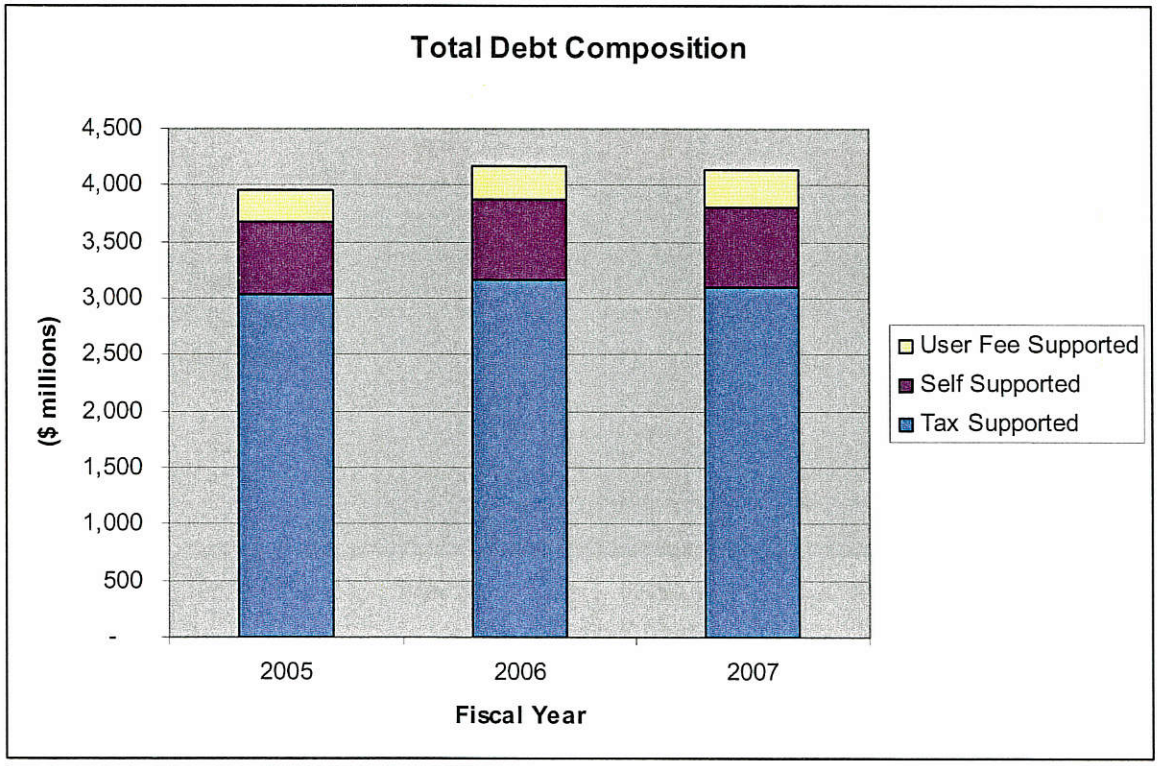
User-Fee Supported Debt is debt secured by revenues generated from the operation of the associated facilities that were financed by the debt issuance. ***These obligations are not secured by traditional State tax revenues.*** None of this debt is secured by a general obligation pledge or an annual appropriation by the Legislature of State revenues. Tabulated in Appendix page A-1.

Self-Supporting Debt ***is the primary obligation of a legal entity other than the State*** (in most cases these entities are city and county government units in the State). None of this debt is secured by a general obligation pledge or an annual appropriation by the Legislature of State revenues. Tabulated in Appendix page A-2.

Tax-Supported Debt is debt secured by traditional State revenues typically generated through taxation. For each debt issuance a specific pledge of revenues has been made to secure the repayment of principle and interest for the bonds (e.g. Highway Fund revenues for KDOT debt). None of this debt is secured by a general obligation pledge of State revenues. A portion of this debt is secured by an annual appropriation pledge by the Legislature. Tabulated in Appendix pages A-3 through A-5.

Debt Outstanding

Total State debt outstanding at June 30, 2007 was $4.132 billion approximately $39.9 million LESS than at June 30, 2006. User-fee supported debt totaled $326.2 million (Appendix page A-1). This represented a $25.6 million INCREASE from the prior year. Additionally, self-supporting debt outstanding at June 30, 2007 was $705.6 million which was $5.1 million LESS than at June 30, 2006 (Appendix page A-2). Tax-supported debt totaled $3.100 billion for financings supported by State tax revenues or tax-like revenues which was an annual DECREASE of approximately $60.4 million (Appendix pages A-3 to A-5). Approximately one quarter of all debt is supported by the State General Fund (SGF).

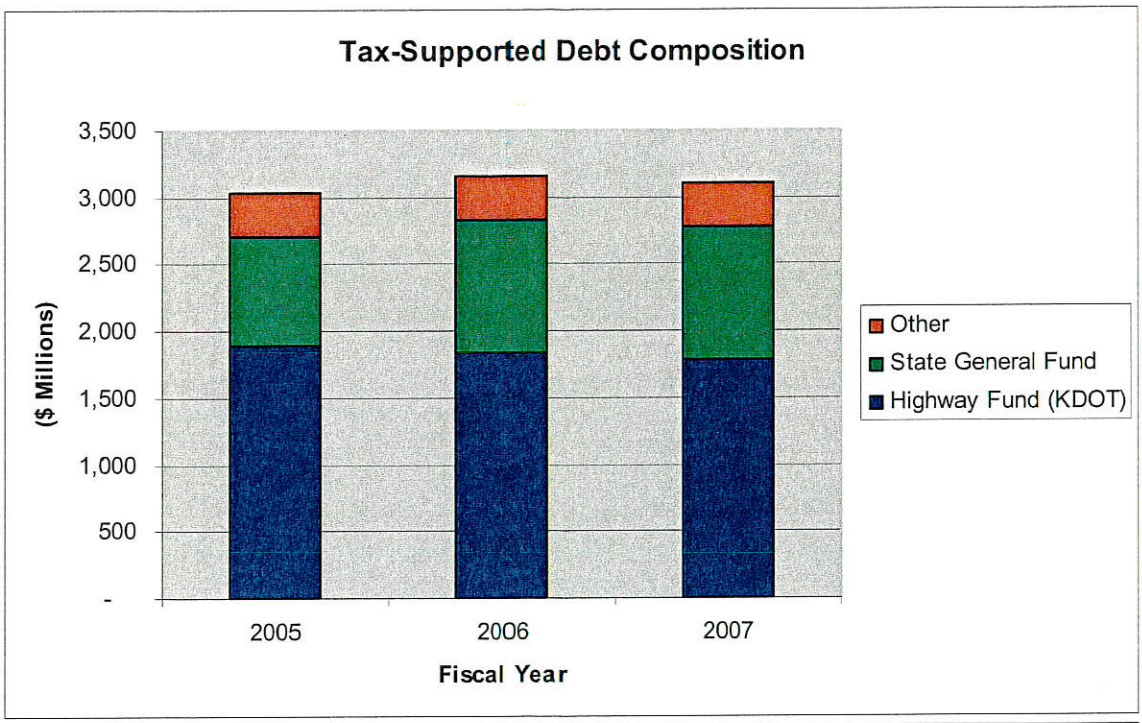


TOTAL DEBT	*Fiscal Year End*					
($ Millions)	*2005*		*2006*		*2007*	
User Fee Supported	278	7.0%	301	7.2%	326	7.9%
Self Supported	642	16.2%	711	17.0%	706	17.1%
Tax Supported	3,040	76.8%	3,160	75.8%	3,100	75.0%
Total	**3,960**		**4,171**		**4,132**	

3-3

Tax-Supported Debt

Tax-supported debt composes the majority of the State's debt. Further, the majority of tax-supported debt comes from the State's investment in transportation infrastructure as detailed below. Highway Fund (KDOT) debt was issued in conjunction with the State's Comprehensive Transportation Programs and is financed by motor fuel taxes, vehicle registration fees, sales taxes and federal aid reimbursements (Appendix A-5). State General Fund debt is backed by an annual appropriation pledge from the Legislature (Appendix A-4). Other Tax-Supported debt includes bonds secured by the Educational Building Fund and other Special Revenue Funds (Appendix A-3).



TAX-SUPPORTED DEBT	*Fiscal Year End*					
($ Millions)	*2005*		*2006*		*2007*	
Other	329	10.8%	326	10.3%	328	10.6%
State General Fund	822	27.0%	992	31.4%	982	31.7%
Highway Fund (KDOT)	1,889	62.1%	1,842	58.3%	1,789	57.7%
Total	**3,040**		**3,160**		**3,100**	

3-4

State General Fund Debt Ratio

While there has been measurable growth in the percentage of SGF Revenues going towards debt service over the past several years, the overall percentage of SGF Revenues going towards debt service is small. The largest contributors for the growth in SGF Debt Service in recent years are from the following issuances of debt:

- 2004C Kansas Public Employees Retirement System ($500.0M)
- 2005H State of Kansas Projects ($88.2M)
  - Refunding prior SGF bonds - $43.0M
  - Capitol Restoration - $27.2M
  - Unemployment Benefit System - $18.0M
- 2006A Kansas Department of Administration – Comprehensive Transportation Program ($209.5M)

SGF DEBT RATIO	*Fiscal Year*			
(Millions)	***2005***	***2006***	***2007***	***2008****
SGF Revenue	$4,841.3	$5,394.4	$5,721.3	$6,170.1
SGF Debt Service	$39.7	$48.2	$63.3	$86.0
Debt Service as % of Revenue	0.82%	0.89%	1.11%	1.39%
2004C Debt Service	$0.0	$10.0	$15.0	$26.1
2005H Debt Service	N/A	$1.3	$7.0	$7.0
2006A Debt Service	N/A	N/A	$4.8	$16.2

** estimated*

3-5

Proposed Debt Issuance

As of June 30, 2007, approximately $395 million of debt is expected to be issued over the next several years based on current authorizations from the State Legislature. The largest portion of this additional authorized debt ($138 million) is for state building renovation and expansion at the Capitol, Correction Facilities, Armories and a new Adjutant General Training Center near Salina. The next largest portion of this additional authorized debt ($100 million) is from the Post-Secondary Educational Institution (PEI) loan program created by in the most recent legislative session (HB 2237). This program provides subsidized loans to post-secondary educational institutions (defined as community colleges, technical schools and Washburn University in the legislation). The loans are subsidized by the SGF, which pays the interest on the bonds issued to finance the loans, whereas the PEI repays the principal of the loans and thereby the principal on the bonds. The purpose of the loans is to assist the PEIs with maintaining their infrastructure.

Authorized *Proposed* Debt Issuance

DESCRIPTION	AUTHORIZED BY	BALANCE AT 06/30/06	ISSUED IN FY 2007	AUTHORIZED IN FY 2007	BALANCE AT 06/30/07	ISSUED YTD FY 2008	Repayment Security
KSU Greenhouse Lab	SB 225 Sec 161, pg 162	1,700,000			1,700,000		Tax - EBF
KSU Horticulture Research Center	SB 225 Sec 161, pg 162	1500000			1,500,000		Tax- EBF
				subtotal	**3,200,000**		**Tax -Other**
BOR Community College loans (PEI Loan Program)	HB2237 Sec. 12 Page 4			100,000,000	100,000,000		SGF - Interest; Self-Supporting - Principal
Adjutant General - renovate armories	HB2482, Sec 47, pg 22	9,000,000	3,000,000		6,000,000		Tax - SGF
Adjutant General - training center	SB 357 Sec 54g			9,000,000	9,000,000	9,000,000	Tax - SGF
DOA - Capital Renovations	SB 480, Ch 174 & Ch 206	16,227,091	7,207,080		9,020,011	9,020,011	Tax - SGF
Dept of Corrections - cap improvement	HB 2368 Sec 185 Page 202			19,250,000	19,250,000	19,250,000	Tax - SGF
Dept of Corrections - expand prison capacity	HB 2368 Sec 185 Page 201			39,525,000	39,525,000		Tax - SGF
DOA - Capitol Renovations	HB 2368 Sec 171 Page 185			55,000,000	55,000,000	17,979,989	Tax - SGF
				subtotal	**243,177,888**	**55,250,000**	**Tax - SGF**
KSU Salina Campus Student Life Center	S Sub for HB 2968 Pg 17	2,000,000			2,000,000		User-Fee
University Research & Dev. KSU, Wichita State & Pittsburgh State	SB225, Sec 167, Pg 169	5,000,000			5,000,000		User-Fee
KSU Child Care Facility	HB 2368 Sec. 173 Page 188			6,000,000	6,000,000		User-Fee
KUMC parking facilities 4	HB 2368 Sec. 179 Page 194			8,150,000	8,150,000		User-Fee
KU Law Enforcement Training Facility	HB 2368 Sec. 178 Page 193			16,421,600	16,421,600	16,421,600	User-Fee
KSU parking garage	HB 2368 Sec. 173 Page 187			17,500,000	17,500,000	17,500,000	User-Fee
KSU Housing (JARDINE)	SB225, Sec 160, Pg 161	63,136,229	25,136,229		38,000,000		User-Fee
KUMC ambulatory care facility	HB 2368 Sec. 179 Page 196			55,645,000	55,645,000		User-Fee
				subtotal	**148,716,600**	**33,921,600**	**User-Fee**
				TOTAL	**395,094,488**	**89,171,600**	

This table does not take into account future plans for: additional costs anticipated for Capitol Restoration; preliminary plans for the renovation or reconstruction of the Docking State Office Building; the next transportation program; or, any other planned capital expenditure that has not already been authorized by the Legislature to be financed through debt issuance.

The projects identified in the table above are authorized to be financed through debt issuance. Certain projects may have already been financed, and the authorization represents unissued debt which may be issued, if necessary, to complete the project, or may contain remainder authorization that ultimately will not be needed or issued. In some instances, the agencies elect to pursue a different course, and debt may never be issued for an authorized project.

As indicated by the second to last column, $89.2 million of the outstanding authorizations at the end of Fiscal Year 2007 had been issued in the first half of Fiscal Year 2008. ***The estimated additional burden on the SGF in Fiscal Year 2009 from debt service if all of the SGF backed authorized debt was issued in Fiscal Year 2008 would be $12.3 million which is about 0.2% of estimated Fiscal Year 2009 SGF revenue.*** This value was estimated using 20 year level debt service and an interest rate of 5% for the SGF authorizations indicated above except for the PEI Loan Program. For the PEI Loan Program, only $20 million of the $100 million can be issued in Fiscal Year 2008; the program amortizes its debt over eight years; and, the SGF is only responsible for the repayment of interest.

Surrounding State Comparison

In April or May of each year, Moody's Investor Services has published a report titled "State Debt Medians". With this report Moody's calculates a handful of debt ratios for all fifty states and tabulates the results listing all the states in order for the various ratios. In the 2007 report the following data can be found for Kansas and surrounding states for comparison:

State	Net Tax-Supported Debt[(1)] Per Capita	Rank	Net Tax-Supported Debt as a % of 2005 Personal Income	Rank	Moody's Rating
Kansas	$1,218	16	3.7%	18	Aa1[(2)]
Oklahoma	$450	39	1.5%	38	Aa2
Colorado	$343	43	0.9%	44	NGO[(3)]
Nebraska	$24	50	0.1%	50	NGO[(3)]
Iowa	$104	48	0.3%	48	Aa1[(2)]
Missouri	$613	33	1.9%	34	Aaa
Surrounding Average	$459		1.4%		
US Average	$1,101		3.2%		

Notes: (1) Moody's defines Net Tax-Supported Debt to include some User-Fee Supported Debt. In the case for Kansas, this figure includes SGF backed debt, all other Tax-Supported debt including KDOT debt, and the majority of User-Fee Supported Debt. Further Moody's methodology does not appear to be consistent from one state to the next. A similar S&P's study yields consistent results
(2) Issuer Credit Rating
(3) No General Obligation Rating

While Kansas's ratios are measurably higher than the surrounding state group's, ***it is important to note that Moody's rating, which is an "all in" measure of a state's ability and willingness to pay its obligations on time, is consistent with the surrounding state group***. Further, different states make different financing choices which leads to variations in the level of services provided by the state and the condition of the state's infrastructure.

Kansas's ability and cost to using debt as a financing tool is determined by our credit rating not by the ranking in this study. In fact, while Oklahoma's per capita rankings are much lower than Kansas's, their credit rating is one notch lower. Further, Iowa's per capita rankings are near the bottom of the rankings but has the same credit rating as Kansas.

Finally, if comparisons are made on a GROSS tax-supported debt basis, Kansas's position in the rankings changes measurably. Moody's states: "...gross debt, which includes contingent liabilities that may not have direct tax-support but are included in state audited financial statements."

State	Gross Tax-Supported Debt Per Capita	Rank	Gross Tax-Supported Debt as a % of 2005 Personal Income	Rank	Moody's Rating
Kansas	$1,303	28	4.0%	30	Aa1[(1)]
Oklahoma	$464	48	1.5%	48	Aa2
Colorado	$1,784	18	4.7%	25	NGO[(2)]
Nebraska	$25	50	0.1%	50	NGO[(2)]
Iowa	$899	39	2.6%	40	Aa1[(1)]
Missouri	$625	44	1.9%	45	Aaa
Surrounding Average	$850		2.5%		
US Average	$1,802		5.3%		

Notes: (1) Issuer Credit Rating
(2) No General Obligation Rating

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Review of Credit Ratings

Credit ratings are the rating agencies' assessments of a governmental entity's ability and willingness to repay debt on a timely basis. Credit ratings are an important indicator in the credit markets and influence interest rates a borrower must pay. Each of the rating agencies believe that debt management generally, and this debt report in particular, are positive factors in assigning credit ratings.

Kansas is a strong credit as reflected in our AA+ and Aa1 ratings from S&P and Moody's respectively. There are several factors which rating agencies analyze in assigning credit ratings: financial factors, economic factors, debt factors, and administrative / management factors. Weakness in one area may well be offset by strength in another. However, significant variations in any single factor can influence a bond rating.

Kansas's economy continued to demonstrate growth in Fiscal Year 2007. Actual general revenue collections for Fiscal Year 2007 were $76.6 million more than the April 2007 estimates. The latest general revenue forecast completed in November 2007, projects a $91.7 million decrease for Fiscal Year 2008, and a $452.8 million increase in Fiscal Year 2009.

The outlook for the State's credit rating is stable. The rating agencies note that the State's debt burden has increased in recent years. However, the debt burden is still considered low to moderate at the current level. Positive factors listed in the rating reports include: substantial rebuilding of available balances in the last three fiscal years; positive economic trends; likely positive budgetary impact from recent gaming legislation; and, a relatively diverse economic base. However, challenges to the State's rating are presented by: budgetary pressure from education funding increases ordered by the Kansas Supreme Court; and, budgetary pressure from statutorily required pension fund increases and debt service on pension obligation bonds.

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User-Fee Supported Debt

Source of Repayment: revenues generated from the operation of the associated facilities that were financed by the debt issuance. These obligations are not secured by traditional State tax revenues. None of this debt is secured by a general obligation pledge or an annual appropriation by the Legislature of State revenues.

Series	Title	Balance 6/30/07
E, 1989	Kansas Board of Regents - Emporia State University Memorial Union Renovation Project	358,049
K, 1995	Kansas Board of Regents - Kansas State University Farrell Library Expansion Project	2,390,000
1997C	Kansas Board of Regents - University of Kansas Regents Center Refunding Project	1,115,000
1998B	Kansas Board of Regents - Kansas State University Student Union Renovation and Expansion Project	6,490,000
1998D	Kansas Board of Regents - University of Kansas Housing System Renovation Project - Lewis Hall Project	3,350,000
1998E	Kansas Board of Regents - Pittsburg State University Housing System Renovation Project - Willard Hall Project	3,980,000
1998H	Kansas Board of Regents - University of Kansas Continuing Education Building Purchase Project	1,235,000
1998P	Kansas Board of Regents - Pittsburg State University Horace Mann Administration Building Renovation Project	2,705,000
1999B	Kansas Board of Regents - University of Kansas Medical Center - Center for Health in Aging Project	2,175,000
1999C	Kansas Board of Regents - University of Kansas Child Care Facility Construction Project	2,310,000
1999D	Kansas Board of Regents - University of Kansas Parking Garage #2 Construction Project	5,210,000
2000B	Kansas Board of Regents - Wichita State University Parking System Project	3,780,000
2000D	Kansas Board of Regents - Kansas State University Ackert Hall Addition Project	1,140,000
2001B	Kansas Board of Regents - Emporia State University Student Recreation Facility Project	2,220,000
2001G-1	Kansas Board of Regents - Kansas State University - Salina, College of Technology Housing System Project	540,000
2001G-2	Kansas Board of Regents - Kansas State University Recreation Complex Expansion Project	3,910,000
2001G-3	Kansas Board of Regents - Emporia State University - Residence Hall Project	335,000
2001G-4	Kansas Board of Regents - University of Kansas Lawrence Campus Parking Facilities Project	700,000
2001T-1	Kansas Board of Regents - University of Kansas Bioscience Research Center Project	4,840,000
2001T-2	Kansas Board of Regents - University of Kansas Student Union Renovation Project	2,520,000
2002A-1	Kansas Board of Regents - University of Kansas Housing System Renovation Project- Ellsworth Hall	10,270,000
2002A-2	Kansas Board of Regents - University of Kansas Student Recreaction and Fitness Center Project	11,175,000
2002K	Kansas Board of Regents - University of Kansas Edwards Campus Project	5,120,000
2002P	Kansas Board of Regents - Wichita State University Housing System Renovation Project	10,265,000
2003A	Kansas Board of Regents - Pittsburg State University Overman Student Center Renovation Project	2,255,000
2003C	Kansas Board of Regents - Scientific Research & Development Facilties Project - $72,670,000	-
2003C	Kansas Board of Regents - Scientific Research & Development Facilties Project - KSU Food Safety	8,839,954
2003C	Kansas Board of Regents - Scientific Research & Development Facilties Project - KUMC Biomedical Research	13,447,616
2003C	Kansas Board of Regents - Scientific Research & Development Facilties Project - KU Biosciences Research	2,145,000
2003D-1	Kansas Board of Regents - Fort Hays State University Housing System Refunding & Renovation Project (refunds 1994E)	4,750,000
2003D-2	Kansas Board of Regents - Fort Hays State University Housing System Lewis Field Stadium Renovation Project (refunds 1993C)	915,000
2003J	State of Kansas Projects - $40,235.000	
2003J-1	Kansas Board of Regents - Energy Conservation Projects - KUMC	11,850,000
2003J-1	Kansas Board of Regents - Energy Conservation Projects - KSU	18,800,000
2004D	Kansas Board of Regents Pittsburg State University Housing System Renovation Project - Bonita Terrace Apartments	1,195,000
2005A	Kansas State University Housing System, Manhattan Campus - Jardine	43,695,000
2005D	Kansas Board of Regents - Scientific Research & Development Facilties Project - Phase II - $66,530,000	
2005D	Kansas Board of Regents - Scientific Research & Development Facilties Project - KSU	18,680,000
2005D	Kansas Board of Regents - Scientific Research & Development Facilties Project - KUMC	23,195,000
2005D	Kansas Board of Regents - Scientific Research & Development Facilties Project - Aviation Research Facility	-
2005D	Kansas Board of Regents - Scientific Research & Development Facilties Project - WSU	5,788,000
2005D	Kansas Board of Regents - Scientific Research & Development Facilties Project - PSU	3,000,000
2005E-1	Kansas Board of Regents - University of Kansas Housing System Refunding	15,750,000
2005E-2	Kansas Board of Regents - University of Kansas Medical Center - Parking Garage #3	3,210,000
2005F	Kansas Board of Regents - Emporia State University Towers Residential Complex Imprvmt. Proj.	8,930,000
2005G-1	Kansas Board of Regents - Fort Hays State University Memorial Union Renov.-(Tax-Exempt)	7,205,000
2005G-2	Kansas Board of Regents - Fort Hays State University Memorial Union Renov.-(Taxable)	585,000
2006B	Kansas Board of Regents - KU Parking Facilities Proj.	9,790,000
2007A	Kansas Board of Regents - Kansas State University Housing System, Manhattan Campus Project, Jardine Apartments	27,750,000
2007E	Kansas Board of Regents - University of Kansas Student Recreation Center	6,275,000
	total	**326,183,620**

Note: Series 2003C and 2005D are hybrid credits in that debt service for the bonds is secured partially by appropriations from the SGF and partially by university research revenue. The pro rata portion of the debt that is the responsibility of the universities' research revenues is presented on this table. The pro rata portion of the debt that is the responsibility of the SGF is presented on the Tax-Supported Debt - State General Fund Table.

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Self-Supporting Debt

Source of Repayment: Loan agreements with city and county governments in the State. None of this debt is secured by a general obligation pledge or an annual appropriation by the Legislature of State revenues.

Series	Title	Balance 6/30/07
1997 Series 1	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund State Match Bonds	820,000
1997Series 2	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund Leveraged Bonds	12,005,000
1998 Series 1	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund State Match Bonds	1,135,000
1998 Series 2	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund Leveraged Bonds	13,590,000
1998 Series II	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund Leveraged Bonds	35,515,000
2000 Series I	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund State Match Bonds	1,945,000
2000 Series II	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund Leveraged Bonds	13,265,000
2000 Series 1	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund State Match Bonds	1,115,000
2000 Series 2	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund Leveraged Bonds	20,145,000
2001 Series I	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund State Match Bonds	10,455,000
2001 Series II	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund Leveraged Bonds	115,370,000
2002 Series 1	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund State Match Bonds	3,680,000
2002 Series 2	Kansas Department of Health and Environment - Public Water Supply Revolving Loan Fund Leveraged Bonds	22,800,000
2002 Series II	Kansas Department of Health and Environment - Water Pollution Control Revenue Bonds	63,095,000
2004 Series I	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund State Match Bonds	2,000,000
2004 Series II	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund Leveraged Bonds	42,950,000
2004 Series II	Kansas Department of Health and Environment - Water Pollution Control Revolving Loan Fund Refunding	2,190,000
2004 Series 2	KDHE Drinking Water - Leveraged	93,255,000
2004 Series 2	KDHE Drinking Water - Leveraged Refunding	72,765,000
2004 Series 1	KDHE Drinking Water - State Match Refunding	6,440,000
2005 CW-I	KDHE Clean Water - State Match I (New & Refunding)	4,565,000
2005 CW-II	KDHE Clean Water - Leveraged II (New & Refunding)	109,250,000
2005 TR	Kansas Dept. of Transportation Revolving Loan Fund	32,490,000
2006 TR	Kansas Dept. of Transportation Revolving Loan Fund	24,755,000
	total	**705,595,000**

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Tax-Supported Debt		
Other		
Source of Repayment: Specific revenue fund OTHER THAN the State General Fund (SGF).		
Series	**Title**	**Balance 6/30/07**
1998L	Memorial Hall	3,990,000
1999N	DOA 7th & Harrison (partially refunded by 2002J)	1,005,000
1997G-1	Kansas Board of Regents - Comprehensive Rehabilitation and Repair Project	1,011,100
1997G-2	Kansas Board of Regents - Comprehensive Rehabilitation and Repair Project	7,000,000
1998V	Kansas Department of Commerce and Housing - IMPACT Program Project	1,505,000
1999E	Kansas Department of Commerce and Housing - IMPACT Program Project	7,965,000
2001D	JJA Larned and Topeka Juvenile Correctional Facilities	39,025,000
2001F	Kansas Board of Regents - Comprehensive Rehabilitation and Repair Project	15,790,000
2001J	JJA Juvenile Correctional Facilities (Refunds 1992H)	2,750,000
2001M	Kansas Department of Commerce and Housing - IMPACT Program Project	15,405,000
2001S	Series 2001S - State of Kansas Projects:	
2001R	Highway Patrol Training Facility (Refunding of 1992T)	470,000
2001W	Series 2001W State of Kansas Projects: (49,865,000.00)	
2001W-1	HR Acquisition & Renovation	1,445,000
2001W-2	KDHE Vital Statistics	1,410,000
2002H	DHR Acquisition & Renovation Project - 1430 Building (legally changed to DOL)	3,030,000
2002J	DOA 7th & Harrison State Office Project (Partially refunds 1999N)	31,260,000
2002N-1	SRS Larned State Hospital	42,430,000
2002N-2	KHP Fleet Operations Project	3,115,000
2004A	State of Kansas Projects - $50,730,000	
2004A-1	Dept of Social and Rehabilitation Services - Renovation & Repairs	29,995,000
2004A-3	Kansas Highway Patrol - Facility Acquisition Project	355,000
2004F	Kansas Board of Regents-Comprehensive Rehab & Renov - $44,860,000	
2004F	Comp Rehab & Renov - Crumbling Classrooms	735,000
2004F	Comp Rehab & Renov - 1997G-1 Refunding	14,770,000
2004F	Comp Rehab & Renov - 1997G-2 Refunding	27,125,000
2005H	State of Kansas Projects - $88,175,000	
2005H-2	Dept. of Human Resources (DOL) - Unemployment Benefit System	19,210,000
2005N	Kansas Dept. of Commerce-IMPACT Program Proj.	22,840,000
2007F	Kansas Department of Commerce - IMPACT Program Project	34,505,000
	total	**328,141,100**

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Tax-Supported Debt

State General Fund

Source of Repayment: State General Fund (SGF)

Series	Title	Balance 6/30/07	Final Maturity Fiscal Year	Tax Status
1993L	Energy	495,000	2009	Exempt
1996A	Energy	155,000	2008	Exempt
1996J	Energy	500,000	2010	Exempt
1999A-1	DOC El Dorado and Larned	10,840,000	2012	Exempt
1999A-2	DOC Ellsworth and Labette	2,020,000	2010	Exempt
1999H	DOC El Dorado Reception	3,780,000	2020	Exempt
2000V	DOA State Capitol Restoration Project, Phase I-A	4,100,000	2011	Exempt
2001L	DOA (PBC Digital Conversion) Redeems 2001C	4,710,000	2021	Exempt
2001O	DOA State Building Renovation Projects	7,600,000	2021	Exempt
2001P	Refund Energy - Series G, 1992	245,000	2009	Exempt
2001W	Series 2001W State of Kansas Projects: (49,865,000.00)			
2001W-3	Kansas Fairgrounds Renovation	14,945,000	2022	Exempt
2001W-4	DOA Judicial Center Improvements	795,000	2017	Exempt
2001W-5	DOA State Capitol Restoration	22,275,000	2022	Exempt
2002C	DOA State Capitol Parking	13,415,000	2022	Exempt
2003C	Kansas Board of Regents - Scientific Research & Development Facilties Project - $72,670,000			
2003C	Kansas Board of Regents - Scientific Research & Development Facilties Project - KSU Food Safety	13,645,046	2033	Exempt
2003C	Kansas Board of Regents - Scientific Research & Development Facilties Project - KUMC Biomedical Research	22,652,384	2024	Exempt
2003C	Kansas Board of Regents - Scientific Research & Development Facilties Project - KU Biosciences Research	-	2011	Exempt
2003C	Kansas Board of Regents - Scientific Research & Development Facilties Project - Aviation Research Facility	3,660,000	2010	Exempt
2003C	Kansas Board of Regents - Scientific Research & Development Facilties Project - WSU Engineering Complex	2,305,000	2024	Exempt
2003H	Kansas Public Employees Retirement System - KPERS 13th Check Group	19,030,000	2014	**Taxable**
2003H	Kansas Public Employees Retirement System - TIAA Group - Board of Regents and KU Hospital Authority	10,710,000	2014	**Taxable**
2004A	State of Kansas Projects - $50,730,000			
2004A-2	Kansas State Fairgrounds - Renovation Project	9,855,000	2024	Exempt
2004C	Kansas Public Employees Retirement System	500,000,000	2034	**Taxable**
2004G-1	DOA Capitol Restoration Project - Phase II	17,385,000	2024	Exempt
2004G-2	Dept of Admin Refunding Revenue Bond Project (KBI)	850,000	2010	Exempt
2005D	Kansas Board of Regents - Scientific Research & Development Facilties Project - Phase II - $66,530,000			
2005D	Kansas Board of Regents - Scientific Research & Development Facilties Project - Aviation Research Facility	6,185,000	2014	**Taxable**
2005D	Kansas Board of Regents - Scientific Research & Development Facilties Project - WSU	1,862,000	2024	**Taxable**
2005H	State of Kansas Projects - $88,175,000			
2005H-1	Dept. of Admin. - Capitol Restoration Phase III	27,250,000	2032	Exempt
2005H-1	Dept. of Admin. - Refunding Capitol Restoration (2000V)	7,210,000	2021	Exempt
2005H-3	Adjutant General - Refunding Armories Reonv.-BAN	5,850,000	2026	Exempt
2005H-3	Adjutant General - Refunding Armories Reonv. Phase II (2000T)	1,400,000	2016	Exempt
2005H-3	Adjutant General - Refunding Armories Reonv. Phase II (2001W-6)	1,465,000	2017	Exempt
2005H-3	Adjutant General - Refunding Armories Reonv. Phase III (2003J-2)	5,325,000	2019	Exempt
2005H-3	Adjutant General - Refunding Armories Reonv. Phase IV (2004A-4)	5,280,000	2019	Exempt
2005H-4	Dept. of Admin. - Public Broadcasting Council	1,655,000	2026	Exempt
2005H-5	Dept. of Corrections - Refunding El-Dorado Facility (1999H)	10,235,000	2020	Exempt
2006A	Kansas Dept. of Administration - Comprehensive Transportation Program (Reimbursement)	209,490,000	2027	Exempt
2006L	State of Kansas Projects - $13,210,000			
2006L-1	Dept. of Admin - Capitol Restoration Phase IV	7,475,000	2021	Exempt
2006L-2	Kansas Board of Regents - Pittsburg State University Joint Armory Proj	4,215,000	2026	Exempt
2006L-3	Adjutant General - Pittsburg State Armory Project	1,520,000	2026	Exempt
	total	**982,384,429**		

Note: Series 2003C and 2005D are hybrid credits in that debt service for the bonds is secured partially by appropriations from the SGF and partially by university research revenue. The pro rata portion of the debt that is the responsibility of the SGF is presented on this table. The pro rata portion of the debt that is the responsibility of the universities' research revenue is presented on the User-Fee Supported Table.

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Tax-Supported Debt

Highway Fund (KDOT)

Source of Repayment: motor fuel taxes, vehicle registration fees, sales taxes and federal aid reimbursements.

Series	Title	Balance 6/30/07	Final Maturity Fiscal Year
1993 A	State of Kansas - Department of Transportation - Highway Revenue Refunding Bonds	7,160,000	2008
1998	State of Kansas - Department of Transportation - Highway Revenue Refunding Bonds	75,005,000	2015
2000 B & C	State of Kansas - Department of Transportation - Adjustable Tender Highway Revenue Bonds	200,000,000	2021
2002 A	State of Kansas - Department of Transportation - Adjustable Tender Highway Revenue Bonds	103,470,000	2012
2002 B & C	State of Kansas - Department of Transportation - Highway Revenue Bonds	320,005,000	2020
2002 D	State of Kansas - Department of Transportation - Adjustable Tender Highway Revenue Bonds	88,110,000	2012
2003 A & B	State of Kansas - Department of Transportation - Highway Revenue Refunding Bonds	248,190,000	2014
2003 C	State of Kansas - Department of Transportation - Highway Revenue Refunding Bonds (Auction Rate Securities)	150,275,000	2016
2004 A	State of Kansas - Department of Transportation - Highway Revenue Bonds	250,000,000	2023
2004 B	State of Kansas - Department of Transportation - Adjustable Tender Highway Revenue Bonds	200,000,000	2025
2004 C	State of Kansas - Department of Transportation - Adjustable Tender Highway Revenue Bonds	147,000,000	2025
	total	**1,789,215,000**	

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WCGME Testimony
February 14, 2008

Dr. Don Brada, Designated Institutional Official, WCGME/Penny Vogelsang, Chief Operating Officer, WCGME

Dr. Joe Davison, West Wichita Family Physicians

Dr. Rob Freelove, Program Director of Smoky Hill Family Medicine

Ms. Rita Buurman, CEO, Sabetha Community Hospital

Dr. Rob Gibbs, WCGME Graduate, Radiologist, ~~Pratt~~ Parsons, Kansas

Dr. Justin Mills, 2nd year WCGME Pediatric Resident

Mr. Bernie Koch, VP Government Relations, Wichita Metro Chamber of Commerce

Written Testimony

Carolyn Gaughan, Executive Director, Kansas Academy of Family Physicians

Jerry Slaughter, Executive Director, Kansas Medical Society

Dr. Steen Mortensen and Dr. Dennis Ross, Medical Society of Sedgwick County

Dr. Bob Moser, WCGME Graduate, Chair Primary Care Collaborative Coordinating Committee, Greeley County Health Services

Dr. Gene Klingler, Manhattan Surgical Center

Ms. Barbara Gibson, Kansas Department of Health and Environment to answer questions only

HOUSE APPROPRIATIONS
DATE 2-14-2008
ATTACHMENT 4

The Wichita Center for Graduate Medical Education

Don Brada, MD
Designated Institutional Official
Penny Vogelsang
Chief Operating Officer

February 14, 2008

Wichita Center for Graduate Medical Education

- A CONSORTIUM formed to coordinate all the residencies in Wichita and Salina.

Residency Training Programs

- 13 separate residency programs in Wichita and 1 in Salina
- 272 residents
- Receive training in all major hospitals in Wichita and Salina

PRIMARY CARE

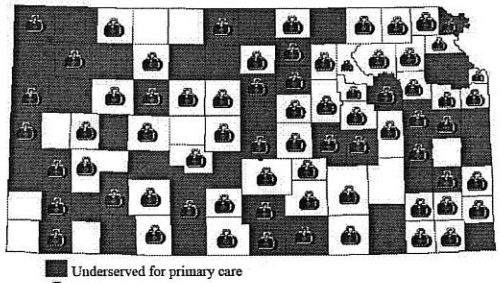
- **Family Medicine**
  - Salina
  - Via Christi
  - Wesley
- **Pediatrics**
- **General Internal Medicine**
- **Internal Medicine/Pediatrics**

"CORE" SPECIALTIES

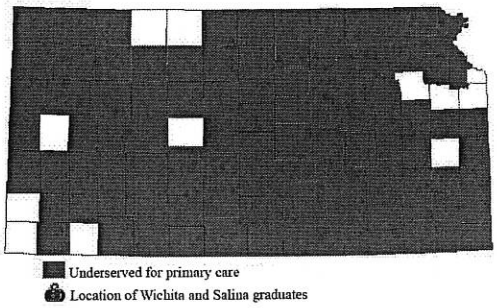
- **Anesthesiology**
- **Obstetrics/Gynecology**
- **Orthopedic Surgery**
- **Psychiatry**
- **Radiology**
- **Surgery**
- **Sports Medicine**

Wichita & Salina Residency Graduates

- Total graduates since formation of WCGME in 1989 = 1289
- Graduates last five years = 349
  - % who practice in Kansas = 55%
- Primary Care graduates last five years = 209 (60%)
  - % in Kansas = 64%



Underserved for primary care
Location of Wichita and Salina graduates



The Importance of Residency Training (GME) to Kansas

- Trains new physicians for all of Kansas, including rural areas
- Improves quality of care
- Attracts quality physicians to Kansas
- Creates positive economic impact for Kansas

The Importance of Residency Training (GME) to Kansas

- Economic impact: Annual economic impact of a family physician to a community - $878,642

The Importance of Residency Training (GME) to Kansas

- Over 134,000 patient visits annually to Wichita residency clinics of which 82% are Medicaid or uninsured
- Over 27,000 patient visits annually in the Salina residency clinic of which 74% are Medicaid or uninsured

Wichita GME Expenses 2006

Resident Salaries/Benefits	$ 13,105,347
Faculty Salaries/Benefits	$ 11,735,171
Volunteer Community Faculty	immeasurable
Hospital Residency Clinic Expenses	$ 12,422,549
Other Operating Expenses	$ 10,695,271
Total	$ 47,958,338

Wichita GME Revenue Sources 2006

Medicare GME Funding through Wesley and Via Christi	$ 27,231,982
Hospital Residency Clinic Revenue	$ 9,803,789
Medicaid GME Funding	$ 4,945,751
State Primary Care Support	$ 2,643,275
Grant Funding	$ 16,884
WCGME Operating Shortfall Subsidized by Wesley and Via Christi	$ 3,316,657
Total	$ 47,958,338

Accreditation Challenges:

To maintain accreditation and quality programs in Wichita and Salina, two funding issues must be addressed:

- The Accreditation mandates
- Reduced Medicare GME funding

The Accreditation Council for Graduate Medical Education (ACGME) has changed accreditation standards by mandating paid time for faculty research, teaching and administration.

Mandated Paid Time for Faculty

➢Administration
- Training Directors

➢Teaching
- Increasing requirements for didactic lectures, journal clubs, specific topics

➢Research

ACGME Citations or Concerns

Of our fourteen programs, seven have been cited or warned for inadequate research and scholarly activity.

Faculty and residents	– 3
Residents	– 2
Faculty	– 2

ACGME Citations or Concerns

"The institution provides inadequate resources and support for resident scholarly activity."

"There is inadequate scholarly activity by the faculty."

"There is little evidence that residents are actually involved in research and scholarly activity."

ACGME Citations or Concerns

"[The committee] identified two areas for your ongoing attention: 1.Program support for resident and faculty scholarly activity, some of which results in peer-reviewed publications and/or presentations, must be emphasized."

"The following areas must be improved at the time of the next site visit. Both program director and faculty should document improved scholarly activity."

Research

- A spectrum from basic to applied – from the test tube to clinical practice
- We are not proposing an investment in buildings or equipment – We need people
- My predecessor put it best ..."There is plenty of clinical material here in Wichita; however there are limited role models to help the residents do research."
- We're asking for an investment in those role models or teachers.

To meet our accreditation needs:

WCGME needs State funding for additional paid faculty and an infrastructure for research in Wichita and Salina.

Estimated cost - $6,752,054

WCGME also needs an increase in State funding to replace recently reduced Medicare GME reimbursement for:

- Off-site monthly rotations
- Educational leave and non-clinical educational experiences

- **Projected Medicare GME lost revenue - $1,739,292**

NEED

New Funds Needed to Meet ACGME Requirements	$6,752,054
Funding for non-covered rotations and leave	1,739,292
Current Shortfall	3,316,657
Increase residents numbers by 10	650,000
Total	$12,458,003

WCGME is requesting that the State invest in training physicians for the benefit of the citizens throughout the state.

DOCTORS IN KANSAS
WCGME ADMINISTERED PROGRAMS

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City	County
Abilene	Dickinson
Alma	Wabaunsee
Altamont	Labette
Andale	Sedgwick
Andover	Butler
Arkansas City	Cowley
Atchison	Atchison
Augusta	Butler
Baileyville	Nemaha
Baldwin City	Douglas
Baxter Springs	Cherokee
Belleville	Republic
Beloit	Mitchell
Bennington	Ottawa
Burdick	Morris
Burlington	Coffey
Chanute	Neosho
Clay Center	Clay
Coffeyville	Montgomery
Colby	Thomas
Concordia	Cloud
Council Grove	Morris
Derby	Sedgwick
Dodge City	Ford
El Dorado	Butler
Emporia	Lyon
Eureka	Greenwood
Fort Scott	Bourbon
Garden City	Finney
Girard	Crawford
Goodland	Sherman
Great Bend	Barton
Hays	Ellis
Herington	Dickinson
Hesston	Harvey
Hiawatha	Brown
Holcomb	Finney

City	County
Holton	Jackson
Hugoton	Stevens
Hutchinson	Reno
Independence	Montgomery
Ingalls	Gray
Junction City	Geary
Kansas City	Wyandotte
Kingman	Kingman
Kiowa	Kiowa
Lakin	Kearny
Larned	Pawnee
Lawrence	Douglas
Leawood	Johnson
Lenexa	Johnson
Liberal	Seward
Lindsborg	McPherson
Manhattan	Riley
Marion	Marion
McPherson	McPherson
Meade	Meade
Minneapolis	Ottawa
Minneola	Clark
Mission	Johnson
Moundridge	McPherson
Mulvane	Sumner
Neodesha	Wilson
Ness City	Ness
Newton	Harvey
North Newton	Harvey
Oakley	Logan
Olathe	Johnson
Onaga	Pottawatomie
Osawatomie	Miami
Overland Park	Johnson
Parsons	Labette
Peabody	Marion
Phillipsburg	Phillips

City	County
Pittsburg	Crawford
Prairie Village	Johnson
Pratt	Pratt
Quinter	Gove
Rose Hill	Butler
Russell	Russell
Sabetha	Nemaha
Salina	Saline
Scott City	Scott
Sedan	Chautauqua
Seneca	Nemaha
Shawnee	Shawnee
Shawnee Mission	Johnson
Silver Lake	Shawnee
Smith Center	Smith
Soldier	Jackson
St. Francis	Cheyenne
Sterling	Rice
Stilwell	Johnson
Topeka	Shawnee
Tribune	Greeley
Udall	Cowley
Ulysses	Grant
Valley Center	Sedgwick
WaKeeney	Trego
Wamego	Pottawatomie
Wellington	Sumner
Wichita	Sedgwick
Winfield	Cowley

A change in accreditation standards requires millions more dollars each year to maintain Kansas' supply of doctors

Will the doctor be in?

BY ANDI ATWATER
The Wichita Eagle

Physician training programs in Wichita may be jeopardized if the state doesn't help pay for them, but the changes causing the financial crisis aren't necessarily a bad thing, local medical officials say.

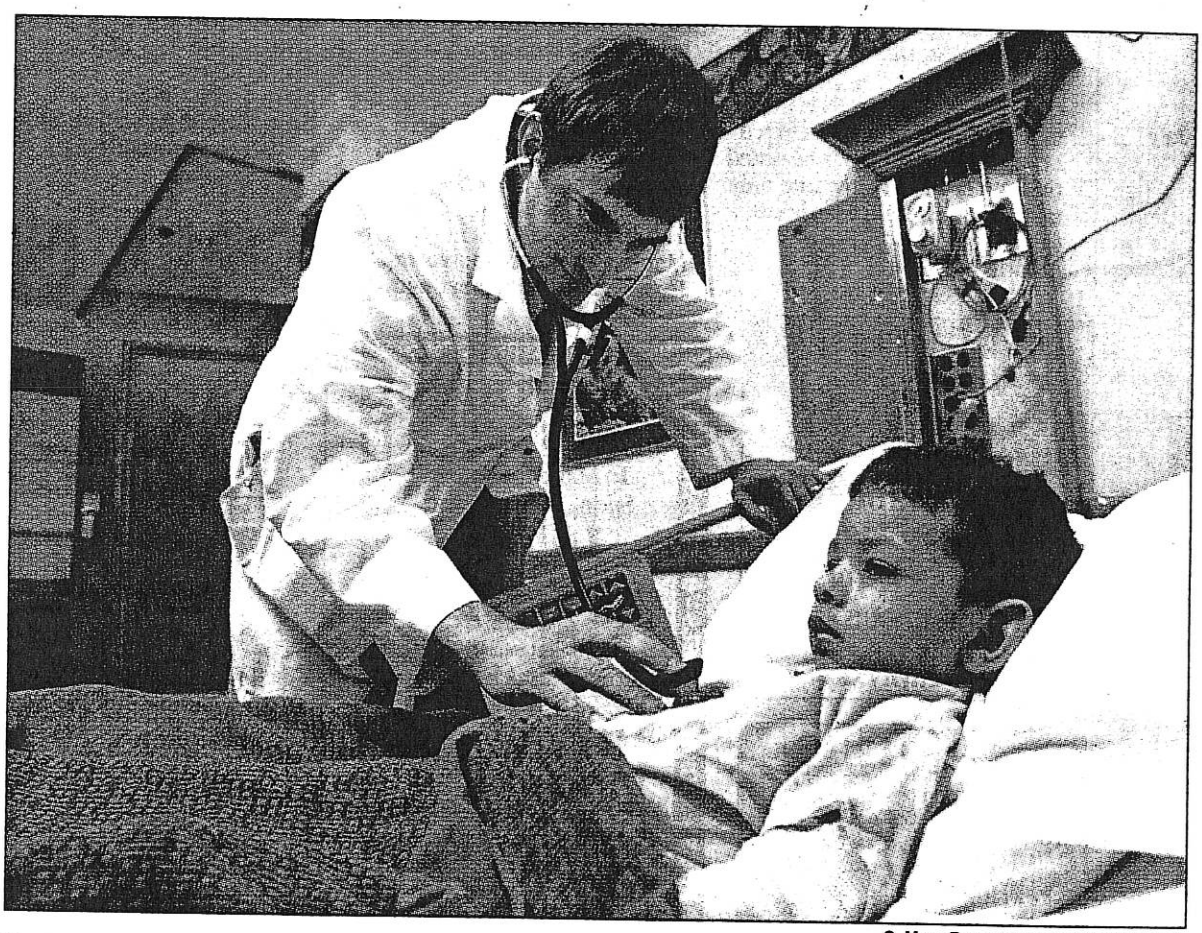
National accreditation standards mandate that resident programs — clinical training for new physicians after graduation — include paid time for faculty research and teaching, and for training administration.

This is forcing the University of Kansas School of Medicine-Wichita to find a way to fund additional faculty who will provide residents with clinical research experience and more lectures. That is a change from Wichita's focus on hands-on medical training.

"Frankly, the medical school came to Wichita with the very clear understanding that we were not to do any research," said Don Brada, associate dean for graduate medical education at the Wichita campus.

"But now there are increasing expectations and requirements.

Please see **DOCTOR,** Page **6A**



G. Marc Benavidez/The Wichita Eagle

Medical resident Jason Cheney takes the pulse of Kindrick McLead at Via Christi-St. Francis. In the past five years, 55 percent of Wichita Center for Graduate Medical Education graduates have stayed in Kansas.

INSIDE
- A map showing the 70 counties in Kansas with a former Wichita medical resident practicing
- Lawmakers worry about where the money will come from to support the residency program

GRADUATE MEDICAL EDUCATION IN WICHITA

Graduates since formation in 1989	Graduates in past five years	Percentage who practice in Kansas	Primary care graduates in past five years	Percentage who practice in Kansas
1,289	349	55	209	64

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change," he said.

The changes, coupled with reduced care funding to hospitals that provide graduate medical education, amount to a projected $9.6 million shortfall this year and $12.5 million shortfall in 2009, officials said.

Medical officials and some local legislators want the state to help with the funding. Losing the program — which has produced nearly 200 physicians in the past five years who work in Kansas — would be devastating.

"We have to have primary care physicians in the rural areas," said Rita Buurman, chief executive of Sabetha Community Hospital in northeast Kansas. "If those resident programs in Wichita cease to exist, we will truly be in a crisis."

A new model

The Wichita Center for Graduate Medical Education coordinates 272 doctors in 13 residency programs in Wichita and one in Salina. The group includes the KU School of Medicine-Wichita, Wesley Medical Center and Via Christi Regional Medical Center.

In the past few years, Wichita's residency programs — which include primary care training and specialty training such as obstetrics, surgery and anesthesiology — have been cited nine times by the Accreditation Council for Graduate Medical Education for inadequate research and scholarly activity, officials said.

Supporters don't blame the council. Wichita's resident program was based on one model when it was formed in the 1980s, and now it's time for something different, said rheumatologist Steen Mortensen, president of the Medical Society of Sedgwick County.

"Medicine changes," he said. "That's their job, to see if we have weak spots and how to make the program better. They want to optimize the program, and we want to expand."

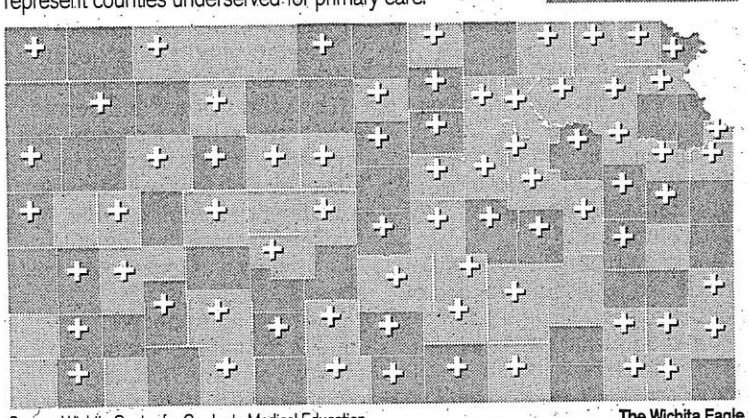
In fact, adding a research component to Wichita's graduate medical education program has been discussed for at least a year as KU has moved to enhance and expand research across the state.

But today's concern is finding the dollars just to stay in business. If the resident training programs aren't brought up to code, they risk losing accreditation.

That would be detrimental not only to attracting physicians to Wichita, but to the entire state, said Hugh Tappan, president and chief executive of Wesley Medical Center.

Where the doctors are

Resident physicians trained by the Wichita Center for Graduate Medical Education are currently practicing in 70 of 105 counties in Kansas. The crosses indicate counties where WCGME graduates are practicing. The shaded areas represent counties underserved for primary care.



Source: Wichita Center for Graduate Medical Education

The Wichita Eagle

For about 20 years, Wesley and Via Christi have shared the bulk of the cost to operate the resident program. Both receive Medicare graduate medical education funding for being teaching hospitals.

In 2006, hospital education revenue amounted to more than $27 million, which helped offset part of the program's annual $48 million cost, administrators said.

But Medicare changed the rules and now won't pay for a resident's training at a clinic or facility not owned or operated by the teaching hospital. That means Wesley and Via Christi would have to pay for training a resident who does a rotation in, for example, a rural community hospital or clinic.

In the last few years, Wesley and Via Christi have subsidized the growing shortfall, which in 2006 was about $3.3 million. While that has been manageable, the hospitals cannot sustain new shortfalls that are three and four times that much, Tappan said.

"One thing we're trying to make very clear, this is not a Wesley issue or a Via Christi issue — the issue is about education for the state and about physicians for the state," Tappan said.

"If the state wants to drive health reform, primary care access points or other initiatives around health care, there has to be physicians to do that," he said. "Seeing this program limited or even cease to exist will kill any efforts whatsoever for driving effective health care reform for the state."

Rural survival

Wichita's graduate medical education program is integral for supplying physicians to Kansas' rural communities.

Wichita-trained physicians practice in 70 of the state's 105 counties, consortium officials said. In the past five years, 55 percent of its graduates have remained in the state.

Experts agree an enhanced resident program would help attract more physicians.

"We need to be going in that direction anyway," said S. Edwards Dismuke, dean of KU's Wichita campus. "It's going to make better doctors, make this medical center better . . . and recruit even better doctors to Wichita. In the long run, it's a big economic driver."

Physicians economically impact a community by roughly $878,642 a year, officials said.

Getting doctors — especially those not from Kansas — to practice in rural communities is a challenge that would become worse without local training.

Buurman said she has struggled to find primary care physicians every one of her 29 years as Sabetha Community Hospital's administrator.

"You have to have health care," she said. "It's part of what makes rural Kansas work."

Statewide support

Gov. Kathleen Sebelius included $1 million for Wichita's graduate medical education program in her proposed budget last month.

But supporters say that's not

Now you know
PAYING FOR TRAIN...

The 2006 budget for the Wichita Center for Graduate Medical Education was about $48 million.

Expenses

- $13.1 million – resident salaries and benefits
- $11.7 million – faculty salaries and benefits
- $12.4 million – hospital residency clinic expenses
- $10.7 million – other operating expenses

Revenue

- $27.2 million – Medicare GME funding through Wesley Medical Center and Via Christi Regional Medical Center
- $9.8 million – hospital residency clinic revenue
- $4.9 million – Medicaid GME funding
- $3.3 million – operating shortfall subsidized by the hospitals
- $2.6 million – state primary care support

Source: WCGME

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enough. They are seeking permanent funding that would close the widening gap.

A failure to garner state support would ultimately cause hospitals to evaluate to what extent they could continue to operate the program. Wichita hospital administrators say they can't dig much deeper.

"We continue to see reductions in reimbursements for paying patients and an increase in patients not insured at all," said Kevin Conlin, president and chief executive of Via Christi Health System. "Our expenses continue to increase, and we're in a very unique competitive environment where a lot of favorable patients are going to competing, limited-service facilities.

"All those factors combine to put pressure on our financial performance, and we are not able to continue to fund this level of graduate medical education."

Former state Sen. Lana Oleen was hired as a lobbyist by the Wichita Center for Graduate Medical Education. She coordinated two House committee presentations last week and is working on another for a Senate committee on Thursday.

"The challenge always with legislators is having enough dollars for all the needs out there," Oleen said. "So we're competing with other very good programs. But this program is critical. It deserves support."

The push for funding is getting support from many groups, including the Kansas Medical Society and the Kansas Hospital Association, which represents Kansas' 125 community hospitals.

Tom Bell, president of the hospital association, called the residency program and its impact across the state a "core issue" for the group.

"This is a critical program, bottom line, for physician supply in this state," he said. "We don't think there are very many things more important."

Reach Andi Atwater at 316-268-6642 or aatwater@wichitaeagle.com.

State funds for medical training scant, too

BY JEANNINE KORANDA
Eagle Topeka bureau

TOPEKA — Lawmakers aren't against supporting Wichita's medical residency program, but some worry about where the money will come from.

"I have no qualms or hesitation that the program is very beneficial to the state of Kansas," said Rep. Tom Sloan, R-Lawrence, vice chairman of the Government Efficiency and Technology Committee. "My problem is there are a lot of pressures on the state general fund."

The Wichita Center for Graduate Medical Education is asking for additional money to meet increased accreditation demands and decreasing Medicare payments. The governor's proposed budget includes $1 million for the program. Supporters estimate the center needs $9.6 million this year and $12.5 million in 2009.

The Wichita program "is one where you can point to a huge benefit to the community and to the state, and you can't really do that with all the dollars that have been requested" in the state budget, said Sen. Susan Wagle, R-Wichita, chairwoman of the Senate Health Care Strategies Committee.

Not only do doctors trained in Wichita practice in underserved rural communities, but while they are training, residents care for many of Wichita's indigent and uninsured, she said. Both aspects helped accomplish some of the health care goals the Legislature was examining.

While the state might be able to send some money to the program this year, "I'm more concerned about what we do next year, the year after and in the out years," said Rep. Lee Tafanelli, R-Ozawkie, vice chairman of the House Appropriation Committee.

Part of the argument for supporting the residency program is its statewide impact. It might be time for the areas that benefit from the program to find money to help support it, some lawmakers said.

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KU THE UNIVERSITY OF KANSAS
School of Medicine
Wichita

February 11, 2008

Clinical and Health Services Research in Wichita

The KU School of Medicine-Wichita and its affiliated residencies, now Wichita Center for Graduate Medical Education (WCGME), were initially funded by the Kansas State Legislature in the 1970s. At that time, research was not considered essential to the education of good doctors, so research was deliberately not funded. Today, national education leaders believe differently, and residency programs (as well as medical schools) are required to participate in research and/or scholarly activity in order to meet accreditation standards.

Building or developing health-related research in Wichita is important for a number of reasons:

- In order to keep our 14 residency programs in Wichita and Salina accredited, we must strengthen the research productivity of our faculty as well as the involvement of our resident trainees in research and scholarly activity.
- Aside from accreditation requirements, there is much to be gained from research being part of a quality medical education.
- Health care and the resulting health of residents in Wichita, South Central Kansas, and throughout Kansas will improve through quality research and access to groundbreaking treatment options.
- The recruitment of the best physicians and health professionals to Kansas will be advanced by creating an environment of excellence and scientific inquiry.

The Accreditation Council for Graduate Medical Education (ACGME) is particularly interested in clinical or patient care research, health services research that evaluates the impact and success of health services, and any other research that can improve human health. The ACGME does not require laboratory research. Examples of acceptable research include:

- Using our OB/GYN database of 36,000 patients who delivered their babies at Wesley Hospital since 1997, we can study many conditions and health outcomes to determine predictors of good outcomes.
- We can measure or evaluate various medical practice behaviors, such as providing pre-surgical antibiotics to prevent post-operative infections or using blood thinners to prevent blood clots. We can then develop an education program or computerized standard orders to improve compliance with recommended national standards or care. And finally, we can report an assessment of actual practice behavior to see if our intervention improved the process and/or outcome of medical care.

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Office of the Dean
1010 N. Kansas | Wichita, KS 67214-3199 | (316) 293-2600 | Fax (316) 293-2628 | http://wichita.kumc.edu

- At our Clinical Research Institute, we can evaluate the mechanism of drug action or the effectiveness of drugs by performing randomized controlled trials, comparing new drugs to the best older drugs.

- We can study the best approach to critically ill trauma patients in our Level I trauma centers located at both Via Christi Regional Medical Center and Wesley Medical Center.

- We can study our effectiveness at helping patients modify their behavior, evaluating programs designed to help patients stop smoking, stop drinking alcohol or abusing drugs, change their diet and exercise in order to lose weight and achieve higher levels of fitness.

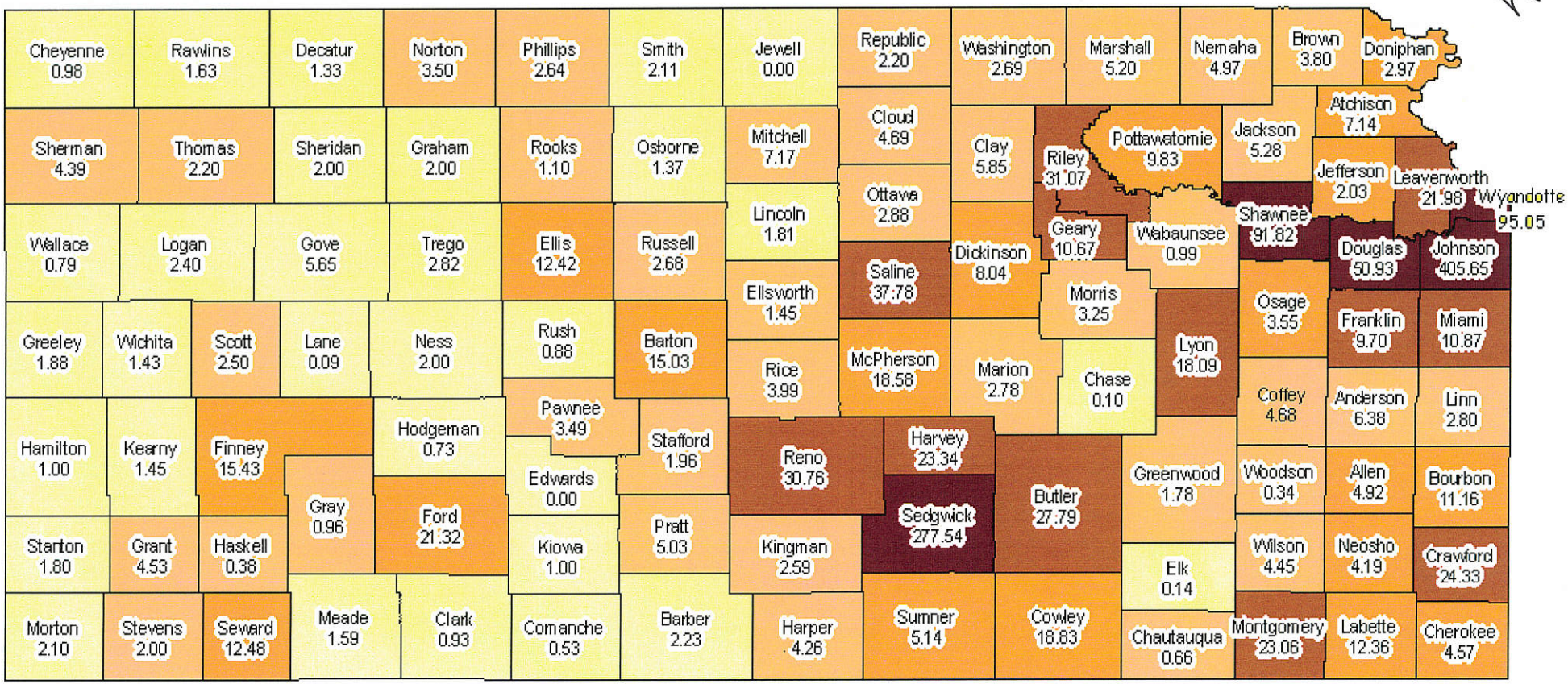
- We can study clinical approaches and treatments to best care for chronic diseases like diabetes, arthritis, coronary heart disease, heart failure, etc.

Faculty can do these studies and involve residents. As a result, faculty will publish their findings, demonstrating their expertise in research. Residents will get the research experience required by the accrediting agencies. The research can help our local hospitals improve our medical care and health outcomes. The research and scholarly activities will help attract more and better residents to our programs as well as the best doctors to practice in our communities.

We hope to partner with Wichita State University (WSU) in health care research activities, such as bio-engineering. We now have a national expert at Via Christi and WSU who studies the use of bio-materials (used in the aircraft industry) as materials for human joint replacements.

We do not plan to do laboratory research, and our residency accrediting organization does not require such research. The type of research we will do in Wichita can have immediate impact on citizens of Kansas through improved care and outcomes.

Primary Care Physician Full- Time Equivalent (FTE) by County
2006 KDHE Physician Survey



Population Density Peer Groups

Urban 5 counties
50 persons/sq.mi. and over

Semi-Urban 12 counties
40.0 149.9 persons / sq. mi.

Densely-Settled Rural 19 counties
20.0-39.9 persons / sq. mi.

Rural 38 counties
6.0 - 19.9 persons / sq. mi.

Frontier 31 counties
Fewer than 6.0 persons / sq. mi.

State Average 105 counties
33.4 persons / sq.mi.

ary Care Physician FTE Summary by County - 2006

gures for columns H and I are for 1999; Source: Population data are from the US Census Bureau.

** Adjusted Population equals the total population minus the group quarters population.

A	B	C	D	E	F	G	H	I	J	K
County	Total Physician Count (Duplicated)	Primary Care Physician Count (Duplicated)	Primary Care FTE Totals	Percent Primary Care (C/B)	2006 Est. Population	2006 Adjusted Population **	Percent Population <=100% FPL *	Percent Population <=200% FPL *	Population To FTE Physician Ratio (G/D)	Population Density Peer Group
LINN	5	5	2.8	100%	9,962	9,831	11.0	30.7	3,511	Rural
LOGAN	6	4	2.4	67%	2,675	2,618	7.3	35.4	1,091	Frontier
LYON	57	22	18.09	39%	35,369	33,756	14.5	37.2	1,866	Semi-Urban
MARION	11	4	2.78	36%	12,760	11,995	9.2	32.9	4,315	Rural
MARSHALL	29	9	5.2	31%	10,349	10,105	6.7	22.7	1,943	Rural
MCPHERSON	40	25	18.58	63%	29,380	27,743	8.3	32.0	1,493	Densely-Settled Rural
MEADE	4	1	1.59	25%	4,561	4,447	9.3	34.5	2,797	Frontier
MIAMI	50	14	10.87	28%	30,900	30,154	5.5	18.7	2,774	Semi-Urban
MITCHELL	13	10	7.17	77%	6,299	5,954	9.5	27.8	830	Rural
MONTGOMERY	62	26	23.06	42%	34,692	33,792	12.6	35.2	1,465	Semi-Urban
MORRIS	7	5	3.25	71%	6,046	5,971	9.0	33.9	1,837	Rural
MORTON	11	4	2.1	36%	3,138	3,081	10.5	30.2	1,467	Frontier
NEMAHA	16	8	4.97	50%	10,374	9,876	9.1	32.2	1,987	Rural
NEOSHO	21	8	4.19	38%	16,298	15,820	13.0	38.1	3,776	Densely-Settled Rural
NESS	2	2	2	100%	2,946	2,867	8.7	31.0	1,434	Frontier
NORTON	10	4	3.5	40%	5,584	4,794	10.5	36.2	1,370	Rural
OSAGE	5	4	3.55	80%	16,958	16,725	8.4	26.8	4,711	Densely-Settled Rural
OSBORNE	6	2	1.37	33%	3,978	3,859	10.4	37.3	2,817	Frontier
OTTAWA	4	3	2.88	75%	6,168	5,977	8.6	25.3	2,075	Rural
PAWNEE	13	7	3.49	54%	6,515	5,611	11.8	31.6	1,608	Rural
PHILLIPS	10	4	2.64	40%	5,444	5,301	10.0	30.6	2,008	Rural
POTTAWATOMIE	24	14	9.83	58%	19,220	18,938	9.8	28.3	1,927	Densely-Settled Rural
PRATT	12	7	5.03	58%	9,436	9,111	9.4	30.1	1,811	Rural
RAWLINS	9	4	1.63	44%	2,643	2,587	12.5	34.1	1,587	Frontier
RENO	104	45	30.76	43%	63,706	60,453	10.9	31.3	1,965	Semi-Urban
REPUBLIC	7	3	2.2	43%	5,033	4,893	9.1	34.9	2,224	Rural
RICE	6	5	3.99	83%	10,295	9,416	10.7	32.8	2,360	Rural
RILEY	97	42	31.07	43%	62,527	53,213	20.6	40.2	1,713	Semi-Urban
ROOKS	2	2	1.1	100%	5,290	5,093	9.8	34.9	4,630	Rural
RUSH	3	2	0.88	67%	3,317	3,229	9.7	35.7	3,669	Frontier
RUSSELL	7	6	2.68	86%	6,740	6,531	12.0	36.2	2,437	Rural
SALINE	117	53	37.78	45%	54,170	52,727	8.8	27.3	1,396	Semi-Urban
SCOTT	5	3	2.5	60%	4,643	4,557	5.1	28.4	1,823	Rural
SEDGWICK	923	448	277.54	49%	470,895	464,617	9.5	25.8	1,674	Urban
SEWARD	39	17	12.48	44%	23,404	22,990	16.9	42.1	1,842	Densely-Settled Rural
SHAWNEE	419	172	91.82	41%	172,693	167,797	9.6	25.6	1,827	Urban
SHERIDAN	2	2	2	100%	2,600	2,556	15.7	37.1	1,278	Frontier
SHERMAN	28	7	4.39	25%	5,981	5,847	12.9	35.8	1,332	Rural
SMITH	12	4	2.11	33%	4,024	3,915	10.7	36.6	1,855	Frontier
STAFFORD	3	2	1.96	67%	4,435	4,356	11.8	36.4	2,222	Rural
STANTON	2	2	1.8	100%	2,232	2,177	14.9	33.5	1,209	Frontier
STEVENS	6	2	2	33%	5,287	5,227	10.3	31.8	2,614	Rural
SUMNER	22	7	5.14	32%	24,441	24,033	9.5	28.5	4,676	Densely-Settled Rural
THOMAS	24	3	2.2	13%	7,468	7,187	9.7	27.1	3,267	Rural
TREGO	3	3	2.82	100%	2,993	2,884	12.3	30.8	1,023	Frontier
WABAUNSEE	2	2	0.99	100%	6,895	6,783	7.3	23.5	6,852	Rural
WALLACE	4	3	0.79	75%	1,557	1,532	16.1	36.2	1,939	Frontier
WASHINGTON	6	6	2.69	100%	5,944	5,740	10.1	35.5	2,134	Rural
WICHITA	3	2	1.43	67%	2,288	2,263	14.8	40.3	1,583	Frontier
WILSON	13	6	4.45	46%	9,889	9,651	11.3	41.1	2,169	Rural
WOODSON	1	1	0.34	100%	3,507	3,393	13.2	39.4	9,979	Rural
WYANDOTTE	587	181	95.05	31%	155,509	153,917	16.5	38.2	1,619	Urban
STATEWIDE	*5,676*	*2,423*	*1,547.68*	*43%*	*2,764,075*	*2,682,125*	*10.9*	*32.8*	*1,733*	*STATEWIDE*

* Year 1999 — Source: U.S. Census Bureau

** Subject to the effects of rounding

ary Care Physician FTE Summary by County - 2006

* Figures for columns H and I are for 1999; Source: Population data are from the US Census Bureau.

** Adjusted Population equals the total population minus the group quarters population.

A	B	C	D	E	F	G	H	I	J	K
County	Total Physician Count (Duplicated)	Primary Care Physician Count (Duplicated)	Primary Care FTE Totals	Percent Primary Care (C/B)	2006 Est. Population	2006 Adjusted Population **	Percent Population <=100% FPL *	Percent Population <=200% FPL *	Population To FTE Physician Ratio (G/D)	Population Density Peer Group
ALLEN	15	8	4.92	53%	13,677	13,320	14.9	37.4	2,707	Densely-Settled Rural
ANDERSON	10	7	6.38	70%	8,051	7,924	12.8	34.9	1,242	Rural
ATCHISON	43	13	7.14	30%	16,745	15,692	13.3	34.5	2,198	Densely-Settled Rural
BARBER	5	3	2.23	60%	4,974	4,909	10.1	30.7	2,201	Frontier
BARTON	55	20	15.03	36%	27,511	26,739	12.9	36.5	1,779	Densely-Settled Rural
BOURBON	36	15	11.16	42%	14,950	14,626	13.6	34.6	1,311	Densely-Settled Rural
BROWN	19	6	3.8	32%	10,236	10,034	12.9	35.6	2,641	Rural
BUTLER	52	36	27.79	69%	63,147	61,137	7.3	23.2	2,200	Semi-Urban
CHASE	1	1	0.1	100%	3,070	2,957	8.6	33.6	29,570	Frontier
CHAUTAUQUA	3	2	0.66	67%	3,953	3,799	12.2	40.3	5,756	Rural
CHEROKEE	13	5	4.57	38%	21,451	21,116	14.3	37.6	4,621	Densely-Settled Rural
CHEYENNE	5	2	0.98	40%	2,911	2,857	9.4	37.1	2,915	Frontier
CLARK	3	3	0.93	100%	2,206	2,160	12.7	34.0	2,323	Frontier
CLAY	13	8	5.85	62%	8,625	8,460	10.2	30.7	1,446	Rural
CLOUD	13	9	4.69	69%	9,594	8,932	10.8	32.7	1,904	Rural
COFFEY	15	7	4.68	47%	8,701	8,531	6.6	27.9	1,823	Rural
COMANCHE	2	2	0.53	100%	1,884	1,814	10.2	34.7	3,423	Frontier
COWLEY	37	23	18.83	62%	34,931	33,123	12.9	33.6	1,759	Densely-Settled Rural
CRAWFORD	77	35	24.33	45%	38,059	36,245	16.0	38.1	1,490	Semi-Urban
DECATUR	12	3	1.33	25%	3,120	2,999	11.6	38.6	2,255	Frontier
DICKINSON	20	10	8.04	50%	19,322	18,984	7.5	28.3	2,361	Densely-Settled Rural
DONIPHAN	4	4	2.97	100%	7,865	7,474	11.9	35.8	2,516	Densely-Settled Rural
DOUGLAS	152	76	50.93	50%	112,123	103,409	15.9	32.0	2,030	Urban
EDWARDS	3	0	0.0	0%	3,138	3,077	10.4	36.3	—	Frontier
ELK	3	2	0.14	67%	3,077	2,991	13.8	39.3	21,364	Frontier
ELLIS	76	21	12.42	28%	26,926	25,667	12.9	31.8	2,067	Densely-Settled Rural
ELLSWORTH	6	4	1.45	67%	6,332	5,506	7.2	24.3	3,797	Rural
FINNEY	51	19	15.43	37%	39,097	38,525	14.2	39.9	2,497	Densely-Settled Rural
FORD	59	27	21.32	46%	33,783	33,001	12.4	37.4	1,548	Densely-Settled Rural
FRANKLIN	38	11	9.7	29%	26,513	25,921	7.7	26.7	2,672	Semi-Urban
GEARY	40	12	10.67	30%	24,174	23,563	12.1	40.2	2,208	Semi-Urban
GOVE	7	7	5.65	100%	2,721	2,668	10.3	33.3	472	Frontier
GRAHAM	3	3	2	100%	2,677	2,608	11.5	36.8	1,304	Frontier
GRANT	12	5	4.53	42%	7,552	7,481	10.1	32.8	1,651	Rural
GRAY	1	1	0.96	100%	5,852	5,711	9.1	30.1	5,949	Rural
GREELEY	4	3	1.88	75%	1,331	1,304	11.6	35.1	694	Frontier
GREENWOOD	7	2	1.78	29%	7,067	6,876	12.5	35.9	3,863	Rural
HAMILTON	2	1	1	50%	2,594	2,551	15.7	39.9	2,551	Frontier
HARPER	8	6	4.26	75%	5,952	5,784	11.6	34.4	1,358	Rural
HARVEY	69	30	23.34	43%	33,643	32,203	6.4	24.1	1,380	Semi-Urban
HASKELL	2	1	0.38	50%	4,171	4,136	11.6	37.5	10,884	Rural
HODGEMAN	1	1	0.73	100%	2,071	2,036	11.5	30.8	2,789	Frontier
JACKSON	11	9	5.28	82%	13,500	13,269	8.8	26.3	2,513	Rural
JEFFERSON	6	1	2.03	17%	18,848	18,589	6.7	21.9	9,157	Densely-Settled Rural
JEWELL	3	0	0.0	0%	3,324	3,279	11.7	37.3	—	Frontier
JOHNSON	1,584	668	405.65	42%	516,731	511,753	3.4	10.8	1,262	Urban
KEARNY	4	4	1.45	100%	4,469	4,424	11.7	35.9	3,051	Frontier
KINGMAN	8	3	2.59	38%	7,975	7,777	10.6	28.7	3,003	Rural
KIOWA	1	1	1	100%	2,969	2,861	10.8	33.6	2,861	Frontier
LABETTE	50	15	12.36	30%	22,203	21,346	12.7	36.2	1,727	Densely-Settled Rural
LANE	2	1	0.09	50%	1,797	1,774	8.2	31.1	19,711	Frontier
LEAVENWORTH	134	38	21.98	28%	73,628	66,993	6.7	19.8	3,048	Semi-Urban
LINCOLN	2	2	1.81	100%	3,396	3,320	9.7	36.4	1,834	Frontier

* Year 1999 — Source: U.S. Census Bureau

** Subject to the effects of rounding

4-14

WEST WICHITA FAMILY PHYSICIANS, P.A.

Kirk R. Bliss, D.O.
Joe D. Davison, M.D.
Larry A. Derksen, D.O.
Rick W. Friesen, M.D.
Robert Gonzalez, M.D.
Kris L. Goodnight, M.D.
Rebecca L. Green, M.D.
Mark A. Hilger, M.D.
D. Scott Kardatzke, M.D.
Kimberly D. Kenas, D.O.
David K. Lauer, M.D.
William C. Loewen, M.D.
Michael G. Ludlow, M.D.
Stan A. Messner, M.D.
Todd A. Miller, M.D.
Tobie R. Morrow, D.O.
Ronald J. Reichenberger, M.D.
Gary W. Reiswig, M.D.
Jeffrey S. Reiswig, M.D.
David A. Robl, M.D.
Edward J. Weippert, M.D.
Yao Y. Yang, M.D.

Submitted by: Dr. Joe Davison
Address: 8200 W. Central
Wichita, Ks 67212

Submitted to: Members of the Kansas State Legislature

I appreciate this opportunity to express my support for the funding request of the Wichita Center for Graduate Medical Education (WCGME). WCGME is the organization formed by the University of Kansas School of Medicine-Wichita and hospitals to share joint responsibility for graduate medical education. They are responsible for the training of more than 1,289 physicians since their inception with 55% of these doctors currently practicing in our state. Despite this outstanding record of training and placing physicians in the state of Kansas, there continues to be a great need within our state for primary care physicians. The Kansas Physician Workforce Report clearly shows that Kansas is below the national average for physicians per 100,0000 population.

As a past President of the Kansas Academy of Family Physicians and a volunteer physician- teacher, I am strongly aware of this critical healthcare problem. KAFP has long worked to promote rural medicine and advocate for family medicine throughout Kansas. As a practicing physician, I have faced patients who must endure incredible hardship because of poor access to medical care. These hardships have directly affected their well being. Kansas's rural health dilemma is not unique, but it is a crisis! WCGME and its medical residency programs in the Wichita area and Salina are essential to meeting needs. The irony of this is that the Kansas University School of Medicine-Wichita through WCGME has an outstanding record of training and placing primary care physicians in our state. This record has been achieved by several factors:

*First, the Wichita branch of KU School of Medicine was originally founded to prepare physicians for clinical practice. This is not to say that research is being neglected in Wichita, but more correctly the original intent was for the "hands on" training of physicians for a medical practice.

*Second, WCGME coordinates 13 separate residency programs and one in Salina. Over 270 residents receive their training in all the major hospitals. In addition, we have three nationally recognized family medicine residencies with an excellent track record of training and retaining family physicians for our state.

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*Third, we have outstanding medical education environment supported by the entire community. The medical residency programs include a large number of volunteer physician-teachers. It is clear that the administration is directly responsible for their success.

The Wichita branch of KU School of Medicine is having a financial crisis. The federal government has always been a major funder for medical education, but over the past several years, the portion of funding supported by the federal government has dropped dramatically. This situation is not unique for Kansas, but unfortunately the cost of training a family medicine physician is one of the highest of all specialties. As I just mentioned, it is a major focus of the Wichita branch of the School of Medicine and a separate line-item for WCGME is needed.

In addition to the funding crisis, the national accrediting agency for graduate medical education has expanded its requirements. They have mandated a requirement for scholarly research in order to maintain accreditation. This new accreditation requirement will need to be implemented in the training programs.

Let me close by summarizing my concerns. Kansas is a rural state and like many rural states, it has a healthcare workforce shortage. This frequently is addressed as a rural access problem, but clearly this could include any area that has a healthcare access problem including inner cities. Through the success of KU School of Medicine and specifically the Wichita branch, our state has a wonderful opportunity to rectify this crisis. Unfortunately, the cost of training the very physicians needed the most is high and the federal funding has decreased.

A logical course of action for the state would be to close the funding gap of the Wichita Branch of KU School of Medicine through WCGME. This will insure efficient utilization of taxpayer dollars for the continued success of all of our nationally-recognized primary care physician training programs. Ultimately, it will allow the people of Kansas to keep our homegrown physicians at home in Kansas meeting the healthcare needs of Kansas.

Sincerely,

Joe D. Davison, M.D.
West Wichita Family Physicians

Salina Health Education Foundation

Smoky Hill Family Medicine Residency Program

651 E. Prescott
Salina, Kansas 67401

Phone
(785)825-7251

Facsimile
(785)825-1605

Residency Email
cbachman@salinahealth.org

Robert Freelove, M.D.
Program Director

Robert Kraft, M.D.
Associate Director

C. Scott Owings, M.D.
Associate Director

Charles Allred, M.D.
Associate Director

Caren Bachman
Residency Coordinator

February 14, 2008

Members of the Legislature:

Thank you for allowing me to share my perspective and voice my support for the request for funding being made by the Wichita Center for Graduate Medical Education (WCGME). I am currently the Program Director of the University of Kansas School of Medicine – Wichita Family Medicine Residency Program at Smoky Hill in Salina (Smoky Hill). Smoky Hill's relationship to WCGME is through our affiliation with the University. As a result of that affiliation, WCGME provides administrative oversight for continued accreditation.

Smoky Hill first opened in 1979 as a result of a State legislative mandate in 1977. Since that time, we have graduated 92 family physicians with 71 practicing in Kansas and 67 practicing in non-urban settings in Kansas. We have the highest percentage of graduates staying in Kansas to practice Family Medicine, and the highest percentage of graduates practicing rural Family Medicine in the nation. We have experienced much success, and yet we are still on the verge of a crisis.

Impending cuts in Medicare reimbursement forces our teaching hospitals to tighten their belts. Federal funding specifically for graduate medical education is threatened with stays or cuts every year; not only the funding through Medicare, but also federal grant programs that many residencies could not operate without.

Making matters worse, residency programs are limited in their ability to generate clinical revenue. Faculty can not see patients continuously to generate their salaries and still provide required teaching and supervision functions. Recently, the Accreditation Council for Graduate Medical Education (ACGME) enacted new accreditation standards requiring more faculty time be devoted to scholarly activity, research and administration; all things that have not only a fiscal note, but also a time requirement that removes faculty from teaching and seeing patients.

In addition, the face of medicine is changing and residency education must change with it. Recently, the Department of Family and Community Medicine at Wichita and each of the three WCGME Family Medicine residency programs met collaboratively with a consultant to re-evaluate not only what but also how we are teaching our residents and future doctors for the State of Kansas. This effort culminated in several recommendations for the Department and the residency programs; including practice redesign, electronic health record implementation, adding faculty to meet additional accreditation requirements, and developing centers for research support and faculty development. All of these elements are crucial to maintaining our position as one of the best places in the nation for training Family Physicians.

All of this impacts the state of Kansas in two ways. The more immediate challenge is meeting current accreditation standards to stay open and continue providing physicians for the State of Kansas. The long term challenge is making sure those physicians have been well trained to practice today's and tomorrow's medicine. The funding requested by WCGME will help us to overcome those challenges. Thank you for your time and your careful consideration.

Sincerely,

Rob Freelove, MD
Program Director
Smoky Hill Family Medicine Residency Program

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Abilene
Alma
Arkansas City
Atchison
Burlington
Clay Center
Concordia
Council Grove
Eureka
Fort Scott
Garden City
Goodland
Greensburg
Hays
Hiawatha
Holton
Junction City
Lakin
Lindsborg
Manhattan
McPherson
Ness City
Newton
Oakley
Oberlin
Olathe
Phillipsburg
Quinter
Sabetha
Salina
Seneca
Smith Center
Sterling
St. Francis
Tribune
Wamego
Wichita
Ulysses

Sabetha, KS 66534

Sabetha
Community
Hospital, Inc.

To Members of the 2008 Legislature

Please allow me to offer this written comment of support for the Wichita Center for Graduate Medical Education (WCGME).

I have served as the CEO at the Sabetha Community Hospital, located in NE Kansas for 29 years. Over that period of time physician recruitment and retention has always been on my list of major concerns.

We have a hospital owned, hospital based practice at this time with five employed Family Practice physicians. The most recent recruit joined our practice in August, 2007. The practice is now fully staffed, but it has taken years to reach this point. We now can offer our young Doctors the quality of life they are looking for in relationship to the call issue, as well as the knowledge support they feel in a multiple Physician practice.

All of our Physicians are American Academy members and Trauma Certified, which allows them to provide top notch primary care to our community. All 5 of them are native Kansans, 4 of 5 did undergrad at KSU, and all attended Medical school in Wichita or Kansas City. One of our physicians was a Smoky Hills Salina program Resident.

Four of five of our Doctors did Residencies out of state, but while out of state we remained in contact with them as part of our ongoing recruitment process, and were able to entice them to return to Kansas. Without the solid relationships they built in Medical school, that recruitment would not have been possible.

I understand the financial situation the legislature has to consider as they look at funding for this program, but I do think it does require everyone to look at the long term implications if the program is not funded.

We are in a location in the State that should make it easy to recruit. We are 90 miles from Kansas City and a Metro airport, 60 miles from Topeka, 58 miles from St. Joseph, Mo., 110 miles from Omaha, Nebraska. However, that is not the case. Rural is rural, and if we find difficulty in finding doctors to practice in our community, I can only venture to guess the hardship for those communities west of Hiway 81.

P.O. Box 229 • Sabetha, KS 66534 • (785) 284-2121 • Fa
www.sabethahospital.com

Access to primary care is a problem nationally, but in my estimation, if we allow the Wichita program to close its doors, we in Kansas outside of the metro areas will be in crisis.

We are fortunate to have several large employers in our small community. In fact, there are more paychecks written than the population of the town itself. The draw for labor is obviously from around the region. This does contribute to economic development for this region and ultimately the State. This growth and development would not continue if healthcare were not of good quality and available locally.

I ask that you consider the access for all Kansans in the future. The program in Wichita as one of my Doctors said to me this morning "is the real future of rural healthcare in Kansas." We all join in asking your continued support the Wichita Center for Graduate Medical Education.

Respectfully,

Rita Buurman, CEO
Sabetha Community hospital,Inc.
PO Box 229
Sabetha, KS 66534

rbuurman@sabethahospital.com
785-284-2121- Ext. 521

LABETTE HEALTH
We Center Around You.

1. Robert Gibbs, MD

2. Biographical information
Hometown: Coffeyville, KS
College : KU
Medical School: KUMC - last 2 years in Wichita
Residency: Diagnostic Radiology - UKSM-Wichita
Current Position: Solo, private practice Radiology in Parsons, KS

3. Wife - Vicki Rawdon, MD - Pediatrics
Spent many years in Kansas City

4. Personal experience of the strengths of the Wichita Residency Programs

5. View of the Wichita Residency Programs as a physician in practice in rural Kansas.

6. Importance of need for specialists in rural Kansas can't be overlooked.

7. Example of the Radiologist outlook for Southeast Kansas

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Testimony for Kansas Legislature
February 14, 2008

I come to you as one of the 250+ medical residents working and learning through the WCGME programs. I am also proud to be a 4th generation Kansan. My mother was born and raised in Kansas City, KS. My father came here from Washington, D.C. to attend medical school and has maintained a practice in Lansing for the last 27 years. I am myself a graduate of Lansing High School. I hold both a bachelor and medical degree from the University of Kansas and served as Student Body President at KU in 2001-2002. During medical school I completed my clinical training in Wichita. After graduation I took a position as a pediatric resident though the WCGME program. Currently I am in my second year of residency.

I have come here today to speak with you about an issue that is of the utmost importance to myself, my fellow residents in Wichita, and I believe, the healthcare of many Kansans. Due to new requirements and cutbacks in healthcare spending, WCGME faces a budget shortfall of close to $9 million with a projected need of up to $13 million in the next two years. I know that this is a tight budget year and we are asking for a considerable amount of money. But, it is my belief that funding our organization is, and should be, a priority for the State of Kansas this year.

In the last few weeks you have heard testimony from two other residents, Richard Moberly and Jennifer Koontz. They both talked to you about their experiences, the structuring of medical residency and their reasons for choosing a WCGME residency. Today I would like to speak about the importance of resident education in the healthcare system. It is important to remember that not only do WCGME programs provide training to the residents in Wichita, but they also provide a valuable service to the people of Wichita and to a large portion of Kansas. I believe the Pediatrics program demonstrates this well.

The residents in our program staff the Wesley Pediatrics Clinic. Each day our clinic sees between 50-80 patients and does nearly 500 well-child exams each month. In our clinic the overwhelming majority of our patients are low-income families whose children receive some form of state assistance. While I believe that we provide excellent care and employ the most current pediatric knowledge, I know that many of our patients come to our clinic because they simply have no place else to receive healthcare. This is mainly because nearly all other Wichita pediatrics clinics will only see limited numbers of Medicaid patients or refuse to see these patients altogether. Additionally, as "safety net" clinics in the community close and as more physicians cap or refuse Medicaid patients, our clinic is forced to absorb this population. Because of this, the need for our clinic in this community is greater than it has ever been.

Without adequate funding I feel that we cannot continue to provide the current level of care to the children of Wichita. Additionally, our general pediatrics service, Neonatal ICU and Pediatric ICU serve not only the Wichita area, but also large parts of Kansas. On any given day I may take care of patients from Liberal, Quinter, Salina or Arkansas City. The hospitals of Wichita are a critical part of the health care system in Kansas and these hospitals would not function without quality resident physicians.

The residents that graduate from this program come away with quality training and a good understanding of both urban and rural medicine. Many of the graduates of my program plan on starting or joining practices in Kansas now or after finishing further studies. For myself, I am planning on returning to school to earn a Masters in Public Health. My hope is to teach health policy and pediatrics to future medical students at my alma mater, The University of Kansas.

Resident medical education plays a significant role in the Kansas health care system. I cannot stress enough that the failure of the legislature to act on this issue will have dramatic and long-term affects on the health of many Kansans.

Let me leave you with one thought. The strength of any community is based on the health of its people. I think the committee will agree that quality healthcare should be a priority for the people of Kansas. Please help us to continue to provide the quality that Kansans have grown to depend on.

Sincerely,

Justin A. Mills, M.D.
Pediatrics PGY-2
5623 E. 49th St. North
Bel Aire, KS 67220

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ATTACHMENT 9

WICHITA METRO
CHAMBER OF COMMERCE

Testimony to House Appropriations Committee
February 14, 2008
Bernie Koch, VP/Government Relations
Wichita Metro Chamber of Commerce
350 W. Douglas, Wichita, Kansas 67202

Testimony on graduate medical education

Members of the committee, I'm Bernie Koch with the Wichita Metro Chamber of Commerce. We have about 1,900 business members. Those members employ about 60% of the workforce in the four-county Wichita Metropolitan Area of Sedgwick, Harvey, Butler, and Sumner Counties.

Thank you for the opportunity to appear before you today in support of the request by the Wichita Center for Graduate Medical Education (WCGME) for $9.6 million to fund additional faculty and research staff.

Wichita has long been a major health care center in the Midwest. Although we are known as the Air Capital of the World, you might be surprised by the number of jobs in health care. For example, Via Christi Health Care Systems has over 47-hundred employees, which is more than Boeing, Bombardier Learjet, the State of Kansas, the City of Wichita, or Sedgwick County. It's the 6th largest employer in the region.

Wesley Medical Center employs over 17-hundred people, making it 13th on the list, ahead of Wichita State, the Coleman Company or Cargill Meat Solutions.

Information from the U.S. Census Bureau indicates that 20% of the Health care and social assistance establishments in Kansas are located in the Wichita four-county metropolitan area. Their receipts are over 25% of the state health care receipts collected ($2.8 billion) and their annual payroll is $1.1 billion, or almost 24% of the state payroll for health care.

It's vitally important to the health care needs of our area, as well as the rest of Kansas, to keep the supply of physicians coming into this system. It's also vitally important to this critical part of the economy of Kansas, which provides jobs and helps keep our economy stable and healthy.

For these reasons, the Wichita Chamber supports the appropriation request and we urge your favorable consideration of it.

KANSAS ACADEMY OF FAMILY PHYSICIANS
CARING FOR KANSANS

February 14, 2008

To: Members of House Appropriations
Re: Request from WCGME

Dear Chairwoman Schwartz and Members of the House Appropriations Committee:

Thank you for this opportunity to present testimony about WCGME's request on behalf of the Kansas Academy of Family Physicians (KAFP). Our organization has over 1,500 members across the state. The roots of family medicine go back to the historical generalist tradition. The specialty is three dimensional, combining knowledge and skill with a unique process. The patient-physician relationship in the context of the family is central to this process and distinguishes family medicine from other specialties. Family physicians are the only physician specialty whose members are distributed across the state of Kansas in the same manner as the general population. They currently provide by far the majority of primary care to Kansans.

The Kansas Academy of Family Physicians supports the request by WCGME for the funds to support non-reimbursable resident time, additional faculty positions, research infrastructure and to recover GME funding shortfalls. The Wichita campus has traditionally been regarded as being primary care friendly, and indeed is the home of three of the state's four distinguished family medicine residency programs. Kansas needs more family physicians. Support for this request by WCGME will sustain that key issue.

Defining the medical home and moving towards implementing it for Kansas are among the health recommendations of the Kansas Health Policy Authority. The research on the medical home is all based upon a primary care physician- led team to provide the medical home. A recent study shows that if every American had a medical home, health care costs would likely decrease by 5.6 percent, resulting in national savings of $67 billion dollars per year, with an improvement in the quality of the health care provided. [9] Primary care is essential for the effective and efficient functioning of America's health care delivery system. The value of primary care to reduce overall healthcare spending while improving quality and patient outcomes has been consistently proven.[1-7]

Further, the Commonwealth Fund 2006 Health Care Quality Survey [8] found that when adults have health insurance coverage and a medical home—defined as a health care setting that provides patients with timely, well-organized care, and enhanced access to providers—racial and ethnic disparities in access and quality are reduced or even eliminated. When adults have a medical home, their access to needed care, receipt of routine preventive screenings, and management of chronic conditions improve substantially.

7570 W. 21st St. N. Bldg. 1046, Suite C | Wichita, KS 67205 | 316.721.9005 | 1.800.658.1749 | F

Graduates of the three Family Medicine residency programs associated with the Wichita campus, Smoky Hill, Via Christi and Wesley, practice high quality, cost effective family medicine in communities throughout the state. Without them many more communities would be critically underserved. Without more of them in the future, we will not be able to effectively provide the medical home that every citizen of the state needs.

The contribution of WCGME graduates to the medical community of the state and to the health of Kansans cannot be measured. Kansas needs WCGME. WCGME needs Kansas.

We earnestly urge you to act favorably upon this request.

Sincerely,

Carolyn Gaughan, CAE
Executive Director

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KANSAS MEDICAL SOCIETY
KMS

623 SW 10th Avenue
Topeka KS 66612-1627
785.235.2383
800.332.0156
fax 785.235.5114

www.KMSonline.org

To: Members of the Legislature

From: Jerry Slaughter
Executive Director

Date: February 13, 2008

Subject: Support for WCGME appropriation request

The Kansas Medical Society would like to take this opportunity to express our strong support for additional state funding for the Wichita Center for Graduate Medical Education (WCGME). WCGME has submitted a funding request that totals $9.6 million for the coming fiscal year.

As you know, WCGME conducts physician graduate medical education programs (medical residency training programs) in Wichita and Salina. Its record of placing physician graduates in Kansas is exemplary, particularly in the primary care specialties. Over the past five years, for example, nearly two-thirds of its primary care graduates have entered medical practice in the state of Kansas, with many practicing in medically underserved, rural areas.

However, the combination of declining federal financial support and enhanced program accreditation requirements are jeopardizing WCGME's ability to continue to be a major producer of physicians for our state. In order to maintain, and improve upon, its record of success, WCGME needs additional, sustained funding to insure that it continues to meet program accreditation requirements involving research, teaching and administration, as well as adequate funding for resident physician rotations not funded by Medicare.

We recognize that you must make difficult funding decisions with limited state resources. The investment you make in supporting these medical residency training programs will produce well trained physicians for rural and underserved communities all across our state. Assuring an adequate supply of physicians is a very clear, tangible return on that investment. We urge your support of WCGME's request, and thank you for your consideration.

MEDICAL SOCIETY *of* SEDGWICK COUNTY
1102 S. Hillside • Wichita, Kansas 67211 • Phone (316) 683-7557 • Fax (316) 683-1606 • www.mssconline.org

January 25, 2008

Dear Members of the Kansas Legislature:

The Medical Society of Sedgwick County (MSSC) is a 105-year-old professional organization representing nearly 1,200 physicians who serve the medical needs of individuals from across the state of Kansas. Over the course of the past year, MSSC has sponsored a community-wide effort entitled MERIT (Medical Education Research Improvement Taskforce) designed to understand, support and ultimately expand the community's ability to produce physicians for Kansas. The taskforce is comprised of leaders from the south central Kansas region who represent various organizations and institutions impacted by health care.

Throughout the past year, MERIT has endeavored to gain a clear understanding of the process required to train physicians for the practice of medicine, as well as the costs and institutional supports needed to effectively complete that training. Additionally, we have come to realize the vital impact that our residency training programs have on both the health of our community and the entire state of Kansas.

Unfortunately, we have also discovered the inadequate funding for graduate medical education programs – specifically the Wichita Center for Graduate Medical Education (WCGME). This critical program is in the classic dilemma – shrinking revenues primarily from federal sources and rising program accreditation requirements. The end result is that without significant added funding, the largest producer of physicians for the state of Kansas is at risk, thus placing Kansas communities also at risk.

As a result of this year-long study, the members of MERIT would like to express strong support for the creation of a sustained line-item funding for the Wichita Center for Graduate Medical Education. Additional funding of $9.6 million for 2008 is needed in order to meet the basic needs of the program. These funds will be used to expand faculty research and teaching time in order to fulfill the accreditation requirements now facing WCGME medical residency programs.

We would like to thank you for your leadership in improving the health and well-being of all Kansans. We hope that you and your committee agree with us in the importance of physician training as an important step to accomplishing those goals.

Sincerely,

Steen Mortensen, M.D.
President

Dennis L. Ross, M.D.
Chair - MERIT
Past President - MSSC

MSSC *A Century of Care*

HOUSE APPROPRIATIONS

DATE 2-14-2008
ATTACHMENT 13

Greeley/Wallace/Hamilton County Family Practice Clinics

321 E Harper
Tribune 67879
620-376-4251

104 E 4th
Sharon Springs 67758
785-852-4230

102 East Avenue B
Syracuse, KS 67878
620-384-6907

Date: 2/14/2008

Submitted by: Bob Moser, M.D.
Address: 321 E Harper
Tribune, Kansas 67879

Submitted to: Members of the Kansas State Legislature,

I am writing this letter to support the request for funding from The Wichita Center for Graduate Medical Education (WCGME). I am asking you to invest in the WCGME program at a level of $9.6 million in 2008 in training doctors for the good of the citizens of Kansas

I represent part of the successful efforts the Wichita Center for Graduate Medical Education has had in providing physicians for Kansas communities. I attended the University of Kansas School of Medicine and did my residency at the Smoky Hill Family Medicine program, one of the programs WCGME supports in training physicians for Kansas. My wife and I returned to our hometown of Tribune in 1988 to fulfill my Kansas Medical Student Scholarship obligations. I have been in practice here ever since and what was a single provider medical system has grown to a successful multi-county health care system with four family physicians and two mid-level providers. We have a clinic in Sharon Springs that is staffed 5 days a week, a clinic in Tribune where our primary critical access hospital is located and a clinic in Syracuse. The Greeley County Hospital in county owned and in 1992, 24% of its gross revenues came from county tax dollars. With the same numbers of mills that we have had since 1990, last year our county tax dollars represented only 3% of gross revenues as they grew from $800,000 in 1992 to $11 million last year.

Two of the four family physicians in our practice graduated from the Smoky Hill residency. Three out of the four family physicians attended the University of Kansas School of Medicine. One of these physicians was part of the first class of students to go to the University of Kansas School of Medicine-Wichita to complete their third and four years of clerkship rotations.

The efforts and programs that WCGME fund have definitely had a significant hand in contributing to our success and without these programs, 70 more counties would be critically underserved. The average age of many of our family physicians is approaching a point where we could see a large number retiring in the next 10 years. The length of time for physicians in the pipeline from college through medical school and residency often takes at least 7 years. If we do not increase the number of students selecting primary care, support the training programs that are producing physicians for Kansas and physicians selecting sites to practice in Kansas, the physician workforce shortage could lead to a serious crisis for Kansans accessing healthcare.

Family medicine's traditions of training in ambulatory and hospital care, caring for adults and children of either sex, and providing maternity and newborn care means that these training programs are often more expensive than others. Unfortunately, even though it has been well shown that family physicians distribute themselves in proportion to the population more than any other type of specialty, training programs are facing funding shortfalls. Most federal funding for physician residency programs comes through Medicare direct and indirect graduate medical education funds. These federal funds have been decreasing and more cuts are expected even with the increased need for more physicians as the baby boomer population continues to age.

Medical education requirements for residents includes scholarly and research activities which causes some funding losses as it takes them out of the revenue production activity of clinical practice. Many of the Wichita residents have required off-site rotations to fulfill their training requirements and the programs are not reimbursed by Medicare for the time residents are off-site, contributing to further financial strains on the program. These programs get students and residents out across our state where they can learn first hand the health care needs of Kansans and how many other successful health care systems are providing that care.

I am currently serving as the Chair for the Kansas Primary Care Collaborative Coordinating Committee that was convened by the University of Kansas School of Medicine to help develop strategies to make sure we have adequate numbers of primary care physicians for Kansas. One of our committee goals is to determine how the physician workforce can be aligned with state and local community needs. Expansion of medical school admissions without consideration of physician distribution will likely perpetuate the concentration of physicians in urban areas and near major medical centers. Policies and programs aimed at selecting students most likely to practice in rural and underserved areas could assist in securing an adequate supply of well-trained primary care physicians. Many of the programs WCGME supports should help address many of the Kansas healthcare workforce needs now and in the future. I urge you to support WCGME's funding request.

Sincerely,

Bob Moser, M.D.
Chair, Kansas Primary Care Collaborative Coordinating Committee
Greeley County Health Services

MANHATTAN
SURGICAL CENTER
1829 College Avenue
Manhattan, KS 66502-3381

Jan. 26, 2008

Hon. Members, Kansas State Legislature
State Capital
Topeka, Kansas

Thank you for the opportunity to offer my written remarks to the issue of the Wichita branch of the University of Kansas School of Medicine and the Wichita Centers for Graduate Medical Education. (WCGHE):

I graduated from the University of Kansas School of Medicine in 1962. I interned at Menorah Medical Center in Kansas City Mo., and then returned to KUMC for four years of General Surgery training, followed by a year as a pediatric surgery resident. I moved to Manhattan in 1968 and joined another Board Certified Surgeon and retired from active patient care in 2000. I am now director of the Manhattan Surgical Hospital. I have had an appointment as a clinical professor at both branches of the Medical School. I have given grand rounds, and for approximately 20 years I was privileged to have Senior Students as Preceptees.

I stayed in Kansas City for my training because I couldn't afford to move my family. Our graduating class was about 96 and at least 10 members of it went to Wichita where St Francis and Wesley were already well known for their post graduate education opportunities.

The opportunity to spend the last two undergraduate clinical years in Wichita had not been enacted by the legislature. In 1982, 1993 and 1997 Surgeons were added to our practice. All were the product of the training program of the now established Wichita Branch of the University of Kansas School of Medicine. They passed their surgical Board Exams on the first try and have become valuable assets to our community, both as highly skilled Surgeons and as good active participating citizens. They certainly are a credit to their training program.

When our son graduated from the Kansas City branch of the Medical School, in1997, he had his plans for surgery training lined up and followed through. He had spent time, while in Pre-med. working as a scrub tech in a local hospital, and in so doing had

Office: (785) 776-5100 Fax: (785) 776-5101

developed considerable insight into what he wanted to do. While in medical school he never got to see an appendectomy, a gall bladder operation, a breast biopsy, a hernia repair, a hemorrhoid operation, a heart attack, pulmonary edema, a diabetic coma, etc.! He got to see a lot of neurosurgery, liver, kidney and heart transplants and some exotic diseases, but none of the "bread and butter" diseases. The reasons for this are many and are not the purpose of this letter.

When my daughter, Becky , entered medical school both her brother and I urged her to look to the Wichita Campus for her last two years of undergraduate clinical training. She took our advice and was fortunate enough to be accepted there. I was amazed at the number and variety of cases that she participated in. When it came time to look for residency positions she traveled all over the country and decided that the pediatric program in Wichita was a very highly regarded program. She talked to people in practice who had been through there and she was satisfied that she should continue her post graduate education there. She has been in practice in Manhattan for over a year, associated with five other pediatricians. They serve an area from Lecompton on the east to Salina on the west as well as the area from the Nebraska border to Emporia.

In talking to graduates of both the Medical School and the Graduate School the one weakness of the Wichita program is that they depend way too heavily on their very dedicated, but relatively uncompensated, clinical staff. This is a staff that has the same spirit of mission to provide medical care to not only the surrounding area, but, indeed, to the entire state of Kansas, particularly to the rural areas, a staff that, while dedicated to medical education, is primarily focused on providing patient care, both in the hospital and in their offices. They have also bought into, and have been recognized for, being involved in the non-medical roles of community activity. The net result seems to be that there are not enough hours in the day to organize the very important conferences, the journal clubs, the morbidity/ mortality conferences, infectious disease conferences, etc. that are such a vital part of medical education, (both pre and post graduate), on a regular basis in all departments. Unfortunately, there is little time for these Physicians to do research, or organize meetings on a regular basis.

One of the best investments in medical care and training is the Wichita Branch of the Medical School. To ensure that the facility is able to meet the ever increasing needs of our state I strongly urge you to increase the funding for full time academic faculty in order to meet the accreditation standards for the WCGHE program.

Sincerely

Gene Klingler, MD, Fellow of the American College of Surgeons
KU. Med '62

15-2

Dear Members of the 2008 Kansas Legislative Session:

My name is Jennifer Koontz, MD and I am a 3rd-year resident in family medicine in Wichita. I grew up in Hutchinson, attended college in Newton and went to medical school at the University of Kansas. I am writing to you today to explain the important impact that medical education in Wichita has had in my life and why I feel it is critical to the well-being of Kansas. Through support from the Wichita Center for Graduate Medical Education (WCGME), I have become well-versed and prepared to be an effective physician for the state of Kansas.

My first exposure to medical education in Wichita came during my 3rd and 4th years of medical school during my clinical rotations. The community hospitals in Wichita have a strong reputation of providing a robust hands-on experience for medical students and I enjoyed learning clinical medicine in this environment. The residents and attending physicians in Wichita were strong role models for me as I developed into a physician and decided to pursue a career in family medicine. When it was time for me to choose a residency, I needed to look no further than Wichita, which has arguably the best family medicine residency in the country.

The Wichita area provides a fertile training ground for obstetrics, adult medicine, pediatrics, surgery, and endoscopy. I feel quite fortunate that state-of-the-art training is provided in my home state, not more than an hour from my family and the town where I was raised. Because staying in Kansas to work as a physician has always been my goal, training in my home state has proven rewarding. I have had the opportunity to do rotations in both Salina and Manhattan, which have introduced me to new parts of our state. I have also been able to get to know the vast network of specialists in the central Kansas area, have been able to be involved in our specialty's state academy, and have spent much time working in rural Kansas while getting to know primary care doctors across the state.

There are three important ways that Wichita residents contribute to the state of Kansas that I would like to highlight today. First, residents are more likely to find jobs near where they did their residency training. It is very important that we continue to support and expand residency training in Wichita and Salina so we can continue to supply Kansas with an adequate number of physicians. Residents from Wichita training programs currently work across the state in over 75 communities, from Colby and Tribune to Belleville and Chanute.

Second, residents provide indigent care to a vast number of patients. At my family medicine residency clinic, we see greater than 70% Medicaid patients and many uninsured. We also have regular clinics to provide general and obstetrical care at three local indigent clinics. All of the residency programs have similar clinics and we also take care of all hospital patients who do not have a regular doctor or are uninsured. Residents have taken care of this population for years and will continue to do so.

The last point I would like to highlight is our role in providing medical care to rural Kansas. More than 90% of our resident physicians work in rural communities during nights and weekends to offer relief to the local physicians who are serving those communities. I have worked in Onaga, Marion, Harper, McPherson, Eureka, and Wellington. Other communities that our residents serve include Lakin, Plainville, Medicine Lodge, Russell, Lindsborg, and Council Grove. In total, the resident physicians work in more than 60 different counties across the state of Kansas.

In summary, I am proud to say that the state of Kansas has provided my medical education for me. I take great pride in our state and look forward to a long career of helping support the health of our communities. I firmly believe that supporting graduate medical education in central Kansas is a worthwhile cause that will continue to benefit the state of Kansas for years to come.

Sincerely,

Jennifer Scott Koontz, MD, MPH
5903 E. Parkview Drive
Park City, KS 67219
jkoontz@kumc.edu

HOUSE APPROPRIATIONS

DATE 2-14-2008
ATTACHMENT 16

Newton Medical Center

To Members of the 2008 Legislature:

Thank you for the opportunity to urge your support for the Wichita Center for Graduate Medical Education (WCGME).

I have served as a CEO of hospitals for more than twenty years with most of those dedicated to community and rural hospitals. One of the challenges that are faced in meeting community health care needs is the availability of qualified physicians of all disciplines, but especially those in Family Practice. The Wichita Center for Graduate Medical Education has been essential in meeting these challenges and making sure that quality health care is accessible and available to all Kansans. Understanding the difficulty in physician recruitment, I shutter to think of the number of areas in the southern and western part of our state who would possibly not have a physician had it not been for the WCGME program.

At Newton Medical Center in Newton Kansas, we have been blessed as the recipient of many physicians educated through the Wichita program. Not only are these excellent health care providers, but many are Kansans who are a natural match for our area. Without the Wichita program, I am confident that we would not have the quality medical staff that we currently enjoy.

Many studies predict physician shortages in the future. Kansans should not experience many of these problems because of the forward thinking our state has had in the development of the Wichita Center for Medical Education. Now is not the time to undercut a program that has more than met its goals and promises to continue to be essential in meeting the medical needs of Kansans.

Thanking you for your leadership,

Steven G. Kelly, DHA, FACHE
President & CEO
Newton Medical Center
Newton, KS

16-2

600 Medical Center Drive, P.O. Box 308, Newton, Kansas 67114-0308 PHONE 316 • 283 • 2700 FAX 316 • 804 • 6260

MERCY
MERCY HEALTH SYSTEM
OF KANSAS

February 4, 2008

To Members of the 2008 Legislature

As CEO of two rural Kansas hospitals I offer support for the Wichita Center for Graduate Medical Education (WCGME).

Mercy Health System of Kansas is located in southeast Kansas with hospitals in Fort Scott and Independence. Currently our hospital based physician group employs 31 physicians with full practices and recruitment is underway for additional coverage in family practice, internal medicine, orthopedic and cardiology services to meet the needs of our communities.

Recruitment of physicians to a rural area is a difficult and costly project and one that will be made even more difficult if funding for training is cut. The shortage of physicians affects basic healthcare access for rural communities, when there simply are not enough physicians to provide care.

WCGME has an established success rate in providing physicians for Kansas. Please consider the impact on thousands of Kansans if the number of physicians continues to decline. The future of rural Kansas healthcare is being decided today and your support for WCGME will be a positive step in assuring our communities have this basic healthcare access.

Respectfully,

John T. Woodrich

John T. Woodrich
President/CEO

16-3

MERCY HEALTH CENTER
401 WOODLAND HILLS BLVD ■ FORT SCOTT, KS 66701 8797
620-223-2200 ph ■ 620-223-5327 fax

MERCY HOSPITAL
800 W. MYRTLE ■ INDEPENDENCE, KS 67301-3240
620-331-2200 ph. ■ 620-332-3270 fax

MERCY PHYSICIAN GROUP
FORT SCOTT, KS ■ INDEPENDENCE, KS

Bob Wilson Memorial Grant County Hospital

February 4, 2008

Senator Stephen Morris
State Capitol
300 SW 10th
Room 371E
Topeka, Kansas 66612-1704

Dear Senator Morris,

Please allow us to offer this written consent of support for the Wichita Center for Graduate Medical Education (WCGME).

The WCGME is not a Wichita issue but a Kansas issue. Many rural parts of Kansas benefit from the program because they are able to recruit WCGME trained physicians. Without the WCGME trained physicians, the pool of available physicians would be much smaller thus making it nearly impossible to recruit physicians to rural Kansas. More than 70% of Kansas counties depend on physicians who graduated from the WCGME.

All of our physicians are Trauma Certified and members of their respective national academy, which allows them to provide quality primary care to our community.

Two of five of our physicians attended Medical School in Kansas City. Two of our physicians were Smoky Hill Salina Program Residents.

We understand the financial situation the legislation has to consider as they look at funding for this program, but we do think it does require everyone to look at the long term implications if the program is not funded.

Access to primary care is a problem nationally, but in our estimation, if we allow the Wichita Program to close its doors, we in Kansas outside of the metro areas will be in crisis. Our State's ability to recruit and train new physicians is very important to the quality of care available to Kansans.

We ask that you consider the access to care for Resident's in Southwest Kansas. We are asking your continued support for the Wichita Center for Graduate Medical Education.

Respectfully,

Robert Ohlen
Chief Executive Officer

Mike Brewer
President

16-4

CLARA BARTON
HOSPITAL

February 6, 2008

The Honorable Senator Jay Emler
Kansas State Senate
State Capitol
300 SW 10th Street
Topeka, KS 66612-1504

Dear Senator Emler:

I am writing to request your support for the Wichita Center for Graduate Medical Education and to vote in favor of fully funding the WCGME program in 2008. It is vitally important a continuing pool of newly trained Kansas physicians be available to Kansas communities and especially rural communities. Data from the Kansas Hospital Association reveals more than seventy percent (70%) of Kansas counties depend on physicians who graduated from the Wichita Center for Graduate Medical Education.

Support for this program is obviously not a Wichita issue. Without WCGME trained physicians, the pool of available physicians would be much smaller and would certainly make it even more difficult than it already is to recruit physicians for our clinics and hospitals. Thank you for your support.

Sincerely,

W. Charles Waters
President & CEO

250 WEST NINTH • HOISINGTON, KANSAS 67544
620-653-2114

16-5

PRATT • REGIONAL MEDICAL • CENTER
200 COMMODORE • PRATT, KS 67124 • www.prmc.org • (620) 672-7451 • Fax: (620) 672-2113

February 1, 2008

Senator Ruth Teichman
434 E. Old Hwy. 50
Stafford, KS 67578

Dear Senator Teichman: Ruth

I am writing this letter requesting your support to fully fund the Wichita Center for Graduate Medical Education. As you know, this request is for $9.6 million in funding in 2008 which is a lot of money, but the long-term ramifications of not fully funding WCGME could mean limiting or possibly even the closure of the program, which would be devastating for Kansas hospitals and communities. More than 70% of Kansas counties depend on physicians who graduated from the Wichita Center for Graduate Medical Education. Pratt Regional Medical Center absolutely depends on WCGME. Four of the last six physicians we have recruited to PRMC came from either the Smoky Hills residency program or the Wichita program. Eighty-two percent of our active medical staff obtained their medical degree from the University of Kansas.

Physician and professional staff recruitment and retention is my number 1 strategic initiative and has been for many years. We have found that over the years, physicians from this state/region are much more likely to stay long-term. Being successful with this initiative is in large part directly due to WCGME and the great medical school we have in Kansas. WCGME is NOT a Wichita issue – it is a KANSAS issue. Thanks Senator for your consideration of this very important matter!

Susan Page

Susan

President and CEO
Pratt Regional Medical Center

16-6

LABETTE HEALTH
We Center Around You.

To: Senate Ways and Members Committee

From: William K. Mahoney, CEO
Labette Health

Re: Wichita Center for Graduate Medical Education

Date: February 4, 2008

Labette Health is a 109 bed rural hospital located in Parsons, KS. We are one of the top employers in Southeast Kansas with 465 full time employees and a payroll of over 18 million dollars per year.

The ability of our hospital to positively operate and offer high quality healthcare depends highly on our ability to recruit in needed physicians. Rural Kansas as you may know already struggles with recruiting in physicians.

A good share of the physicians we recruit into our area come from the Wichita Graduate Medical Education program. Without this feeder program, we would be unable to have enough physicians to meet the need of the communities we serve.

I urge you to adequately fund the Wichita Center for Graduate Medical Education. If you have any questions I can be reached at 620-820-5372 or wmahoney@labettehealth.com.

Respectfully,

William K. Mahoney, CEO
Labette Health

16-7

Medicine Lodge Memorial Hospital

710 North Walnut
Medicine Lodge, Kansas 67104
(620) 886-3771

Kevin A. White
Administrator

February 1, 2008

To: Senate Ways & Means Committee

From: Kevin A. White, Administrator
Medicine Lodge Memorial Hospital
710 N. Walnut
Medicine Lodge, KS 67104

Re: Wichita Center for Graduate Medical Education

I am writing this letter to you in support of the Wichita Center for Graduate Medical Education. I believe that it is imperative that the WCGME is funded fully. Having graduate medical education in Wichita is absolutely necessary if we are going to be able to recruit and retain physicians in rural Kansas. Expanding and improving the WCGME program will be a very large step in improving the physician shortage issue, without the program it will be nearly impossible to meet the physician needs in rural Kansas.

I appreciate your help on this serious matter.

Sincerely,

Kevin A. White

Kevin A. White, Administrator

16-8

Jewell County Hospital
Mankato, Kansas 66956

To: Members of the Kansas Legislature

From: Doyle L. McKimmy, FACHE
CEO, Jewell County Hospital

Re: Wichita Center for Graduate Medical Education

I am writing to express my deep concern related to the potential of the Wichita Center not receiving "full funding". As the CEO of a rural CAH facility with no permanent physician at this time, I know first hand how difficult it is to find let alone attract a physician to this area. The Wichita Center has been a wonderful source of leads and we need this valued program to be fully funded.

I would ask that you emphasis to the Senate Ways and Means Committee members that rural is clearly different from the metropolitan practice of health care where many physicians are available. This is a Kansas issue, not a Wichita issue. If all of the Committee members could "live in my shoes" for a month, they would gain a quick idea of how difficult it is on the physician recruiting side as well as the reimbursement side. Having been in large health systems in Michigan, this job is by far the most challenging that I have experienced due to the afore mentioned sentence..

Again, I am advocating full funding support for this program.

Sincerely,

Doyle L. McKimmy, FACHE

16-9

KANSAS HOSPITAL ASSOCIATION

Thomas L. Bell
President

February 14, 2008

To: Members of the Kansas Legislature

From: Chad Austin
Vice President, Government Relations

Subject: Wichita Center for Graduate Medical Education Funding

The Kansas Hospital Association expresses our support for the Wichita Center for Graduate Medical Education program that provides residency training for physicians in Wichita and Salina (Smokey Hills Residency program). These programs have played a pivotal role in the preparation and training of numerous primary care physicians across the entire State of Kansas.

Across the nation and in Kansas, urban and rural communities continue to experience difficulty recruiting and retaining physicians. As reported in 2007 by the U.S. Department of Health and Human Services, more than 80 Kansas counties are designated with some type of health professional shortage area. The challenge to recruit and retain physicians in Kansas does not appear to show any signs of relief in the foreseeable future. Kansas is fortunate to have very successful and thriving graduate medical education programs. Nearly 1,300 residents have graduated from the program in Wichita and Salina since its inception in 1989 and over 50% of the graduates within the past five years have remained in Kansas. Thus, supporting these vibrant programs will only benefit Kansas more since these trained physicians are more likely to stay in Kansas.

The future responsibility of maintaining an adequate supply of physicians in Kansas should be a responsibility of the entire state. The Wichita Center for Graduate Medical Education deserves the necessary financial support to continue its efforts to train as many physicians as possible for Kansas. It is difficult to imagine the statewide health care crisis that would develop if the Wichita Center for Graduate Medical Education program was diminished, or worst yet closed.

The Kansas health care system depends on the availability of properly educated and trained physicians. KHA and its members urge the Legislature to provide the needed financial support to the Wichita Center for Graduate Medical Education.

16-10

Kansas Hospital Association
215 SE 8th Ave. • P.O. Box 2308 • Topeka, KS • 66601 • 785/233-7436 • Fax: 785/233-6955 • www.kha-net.org

Dear Kansas Legislators:

My name is Rick Moberly, and I am a resident physician at the Wichita Center for Graduate Medical Education (WCGME). I was raised in a small town in Colorado. I earned a bachelor's degree in biology from Wichita State University. Next, I graduated from medical school at the University of Kansas.

After medical students graduate from 4 years of medical school, they are conferred the title of doctor. These new doctors now must choose a specialty and decide where they would like to go to residency for the next three to five years. This is often a difficult decision to make. Residencies, like medical schools, are not all created equal.

There are two basic types of residencies. The first is what is commonly called an "academic" program. Residents who choose this type of residency usually have a desire for further training beyond initial residency training into programs called fellowships. Fellows go on to be sub-specialists like cardiologists and plastic surgeons. Residents training at academic programs often work closely with fellows and have less contact with the attending physicians. Often, the more complicated cases are handled by the fellows and not necessarily by the residents. However, residents at academic centers usually have more opportunities to be involved in research. Having research experience is beneficial when applying to fellowship programs.

The second type of residency is referred to as a "community" program. Residents who choose to go to community programs are less concerned with becoming specialists and more often become primary care physicians. Fellows are usually rare or not present in community programs. Residents learn directly from the attending physicians; this results in better hands on experience. Community programs often rely on volunteer physicians to teach the residents. Volunteer physicians have less time available to devote to research than paid faculty at academic residencies.

When I graduated medical school from KU, I knew that I wanted to be a family physician. I also want to eventually practice in a rural area, so a community based residency with a lot of hands on experience is very important to me. My clinical training in medical school was based at the Wichita branch of KU School of Medicine. I was very familiar with the quality of training at WCGME. However, I am also from Colorado and I wanted a residency program in closer proximity to a ski slope. I interviewed in many community based programs in Colorado. The grass was not greener in Colorado.

The residencies at WCGME have a great reputation across the country. I took for granted the training available at WCGME programs, but I soon realized what we have in Wichita is special. WCGME trained physicians are trained to be autonomous in rural communities. They also have the advantage of seeing difficult and rare medical cases because of the size of Wichita hospitals. This create a unique learning environment that is unparalleled in the country.

Although my plans for skiing failed, I am completely satisfied with my training here in Wichita. In one day, I can care for a sick child, save a man with a heart attack, and deliver a baby. WCGME is one of the shining jewels of Kansas and needs to be protected. Forty years from now when I retire in western Kansas, I want to hand my practice over to a graduate of WCGME, because I know exactly what I'll get.

Thank you for your time,

Richard W. Moberly II MD
505 N Rock Road, Apt 1037
Wichita, KS 67206
rmoberly@kumc.edu

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REAP of South Central Kansas
REGIONAL ECONOMIC AREA PARTNERSHIP

ANDOVER, ARKANSAS CITY, AUGUSTA, BEL AIRE, BENTLEY, BENTON, BUTLER COUNTY, CHENEY, CLEARWATER, COLWICH, CONWAY SPRINGS, DERBY, EL DORADO, HALSTEAD, HARVEY COUNTY, HAYSVILLE, HESSTON, HUTCHINSON, KECHI, KINGMAN COUNTY, MAIZE, MCPHERSON COUNTY, MULVANE, NEWTON, PARK CITY, RENO COUNTY, ROSE HILL, SEDGWICK, SEDGWICK COUNTY, SUMNER COUNTY, VALLEY CENTER, WELLINGTON, WICHITA, WINFIELD

Date: February 14, 2008
From: John Waltner, Mayor of Hesston and Chairman of the REAP Legislative Committee

Good morning, my name is John Waltner, I am the Mayor of Hesston and chair the Legislative Committee of the Regional Economic Area Partnership. Thank you for allowing me to submit testimony in support of funding for the Wichita Center for Graduate Medical Education on behalf of REAP.

REAP is a coalition of 34 cities and counties in South Central Kansas, formed in 1997 to work together on issues of common concern. Our mission is to help guide state and national actions that affect economic development in the region, and to adopt joint actions among member governments that enhance the regional economy.

REAP recognizes the importance to recruit, train and place physicians in Kansas and the positive impact on the economy in South Central Kansas, as well as the state as a whole. The region is in need of educated physicians to provide quality health care services that help to promote and foster economic activity.

Over 60 percent of the physicians practicing in south central Kansas received some or all of their training through the now WCGME administered residency programs. In fact, without this program and the residencies the majority of the counties in Kansas including the south central region would be underserved for primary care.

In addition, the WCGME program has a direct economic impact of over $48 million in South Central Kansas. Studies show that family physicians are significant generators of economic activity in local communities. In fact, it is estimated that in Kansas, family physicians have an economic impact of nearly $880,000 per doctor, per year.

Although this has a significant impact on our region, REAP also recognizes the impact that the Center has for the entire state, with 55 percent of WCGME educated physicians practicing in Kansas. That translates into an estimated $730 million economic impact to the state.

The local government officials of REAP urge legislators to recognize and acknowledge that this funding would maintain the core activities needed to strengthen and encourage the recruitment, production, and retention of physicians for the state of Kansas.

I respectfully request that the Kansas Legislature support funding for the Wichita Center for Graduate Medical Education to promote continued quality medical care and economic stimulus for the citizens of South Central Kansas, and the State of Kansas.

Thank you again for the opportunity to appear before you today.

KU THE UNIVERSITY OF KANSAS
School of Medicine
Wichita

January 31, 2008

Senator Dwayne Umbarger
State Capitol, Room 120-S
300 S.W. Tenth Avenue
Topeka, KS 66612

Representative Sharon Schwartz
State Capitol, Room 517-S
300 S.W. Tenth Avenue
Topeka, KS 66612

Dear Senator Umbarger and Representative Schwartz:

During the 2007 Kansas Legislative session, two provisos were added to two bills that require follow-up in regard to the School of Medicine-Wichita campus. Dr. Barbara Atkinson has asked me to respond directly regarding the two provisos.

The first proviso related to the Wichita campus is found in Senate Bill 357 – Omnibus Budget Bill, dated May 4, 2007. It is found in section 26(a) on page 21. It requires "a report to the House of Representatives Committee on Appropriations and the Senate Committee on Ways and Means on or before February 1, 2008, with a plan to add 25 residents at the University of Kansas Medical School affiliated hospitals in Wichita, Kansas." The other proviso is found in House Bill 2386 section 136(h) page 123. That proviso reads, "That the University of Kansas Medical Center and the University of Kansas School of Medicine-Wichita shall investigate expanding the scope of the current affiliations with the Via Christi Medical Center and the Wesley Medical Center in Wichita, Kansas, to include evaluation of opportunities to provide more physicians for Kansas, enhanced educational opportunities for current and future medical students, and the acceleration of the discovery of new cures and treatments for the benefit of Kansas patients: Provided further, that the University of Kansas Medical Center and the University of Kansas School of Medicine-Wichita shall prepare and submit a report of such investigation and the findings thereof to the Legislature."

Senate Bill 357 Proviso

As stated above, this proviso asks for a plan to add 25 resident slots in Wichita. As you will see detailed later in this response, the Wichita Center for Graduate Medical Education (WCGME) is currently seeking additional funding from the legislature to primarily **bolster existing graduate medical education programs** in Wichita. It is imperative that we shore up the existing programs prior to adding any additional resident slots. We are hopeful, however, that we can achieve this

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important goal in the near future and, in fact, anticipate that we could add 10 more resident slots with additional funds from the state. With a looming physician shortage, we recognize the need to train more physicians, and we are hopeful we will be able to do just that in the next few years. More regarding WCGME and their specific funding request follows.

House Bill 2386 Proviso

Part I of the proviso states that KU "shall investigate expanding the scope of the current affiliations with the Via Christi Medical Center and the Wesley Medical Center in Wichita to include evaluation of opportunities to provide more physicians for Kansas."

WCGME is actually a partnership between two large, Wichita community hospitals and the KU School of Medicine-Wichita. The Executive Committee of WCGME, which consists of the two hospital CEOs and myself, Dean of the KU School of Medicine-Wichita, hopes to enhance our graduate medical education (GME) (or residency) programs for the benefit of the state. A copy of our Statement of Shared Commitment is attached.

WCGME is seeking additional funds from the state during the 2008 legislative session to strengthen our residency programs. A copy of WCGME's legislative budget request for FY09 and FY10 is attached. As you will see, the majority of the requested funds are to support existing residency programs. For instance, funds are requested to cover residents' off-site rotations and educational leave. In addition, our teaching hospitals, which fund the majority of GME in the Wichita area, estimate a $3 million loss due to operating costs that exceed Medicare and Medicaid GME funding. Our teaching faculty as currently configured cannot meet the requirements of the Accreditation Committee on Graduate Medical Education (ACGME.) Therefore, we seek to add a half-time equivalent faculty member to each of our 14 programs to devote additional time to administrative and teaching functions and add one full-time equivalent (FTE) faculty member to each residency program to focus on research (21 additional faculty positions total). It is only after this bolstering of our existing residency programs that we intend to add 10 new resident slots in 2009. As long as our programs can accommodate additional growth and the funds are identified, we would welcome the opportunity to increase the size of these programs and train even more physicians in Wichita.

Part II of the proviso relates to "enhanced educational opportunities for current and future medical students, and the acceleration of the discovery of new cures and treatments for the benefit of Kansas patients." We have taken a number of steps to enhance our educational opportunities for not just current and future students, but also residents and faculty. We are also committed to improving the quality and quantity of medical research in Wichita and have taken a number of steps to achieve this goal, many of which are listed below.

In fiscal year 2008, the medical campus in Wichita received $325,437 in new funds to be used for education and research programs. A detailed, three-year plan of fund allocations is attached.

Education Steps

- During FY07, the Wichita Department of Family and Community Medicine lost significant federal funding from Health Resources and Services Administration (HRSA)

which would have resulted in the loss of a faculty member who spent a significant amount of time devoted to medical student education. The KU Medical Center replaced those lost funds in the amount of $104,000.

- To enhance the education of undergraduate medical students in Wichita, we purchased subscriptions for two electronic medical databases - *Up To Date* and *MD Consult*.

- We will partner with Wichita State University (WSU), the Medical Society of Sedgwick County and our teaching hospitals to convene a citywide conference regarding the use of simulators (similar to what's used in the aviation industry to train pilots) in healthcare education and practice with the goal of creating a joint Center for Healthcare Simulation as a shared community resource.

- We will add $5,000 to the budget to explore future participation of our students and residents in the national CLARION Interprofessional Case Competition at the University of Minnesota's academic health center. CLARION goals are the development of understanding and appreciation of the skills each health profession brings to the health care team and expansion of understanding of the current health care system challenges. This will be a collaborative initiative in partnership with WSU and our teaching hospitals' quality departments.

- We plan to implement a new faculty development program to train them to be even better teachers and leaders in medical education. Cost estimates could reach $30,000 the first year depending upon subscription by the faculty.

- We will also spend $20,000 to develop and conduct a new workshop to teach residents to be even better teachers of medical students.

- We have added a new faculty member, Dr. Paul Uhlig, who will focus on improving quality of care and educating medical students and residents about health care team development and quality improvement. He will provide leadership of the regional simulation and CLARION initiatives.

- We will add part-time neurology faculty members to the Department of Internal Medicine as we enhance the rotation in neuro sciences during the 3rd and 4th years of medical school.

- We have added $12,000 for operating expenses in the Masters in Public Health program in Wichita.

- We are upgrading a staff position in Academic and Student Affairs to support "The Portfolio Project," where students are mentored by faculty three times during their clinical years of medical school to ensure they truly understand their medical education goals and objectives as well as their various medical education competencies.

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Research Steps

- We are pleased to have recruited Doug Bradham, PhD, DrPH, as chair of the Department of Preventive Medicine and Public Health. He is a successful researcher and I'm confident he will play a key role in the expansion of research on our campus. As part of Dr. Bradham's recruitment terms, we will also recruit a biostatistician in FY09 to further enhance our ability to conduct research.

- When we hired Dr. Russell Scheffer as our new chair of psychiatry and behavioral sciences, I was able to assign Dr. Sheldon Preskorn to develop strategic plans in partnership with Dr. David Grainger for the expansion of research on the Wichita campus.

- In October, Dr. David Grainger received a permanent appointment as associate dean for research, increasing his FTE to 75%, with the charge to work with Dr. Preskorn in the strategic expansion of research on the Wichita campus.

- As requested by the WCGME Residency committee, a fund for scholarly activities is being established for the benefit of residents and medical students.

- In support of the strategic plan to expand research locally, the staff in the Office of Research is being expanded and upgraded.

As you can see, we are actively working to improve our education and research in Wichita as well as ensure an adequate physician workforce through our GME programs.

Thank you for the opportunity to share more about the KU School of Medicine-Wichita. Should you have any questions, please do not hesitate to call me at (316) 293-2600.

Sincerely,

S. Edwards Dismuke, MD, MSPH
Professor and Dean

cc: Ed Phillips
Jan Arbuckle

Attachments: WCGME Statement of Shared Commitment
WCGME Legislative Request FY09 FY10
KUSM-W Plan of Allocation for Education Research

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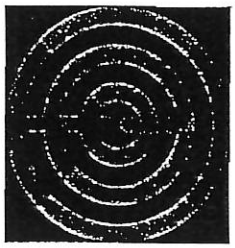
WICHITA CENTER FOR
GRADUATE
MEDICAL
EDUCATION



Wichita Center for Graduate Medical Education

Statement of Shared Commitment to the
Pursuit of Excellence in Graduate Medical Education
February 2007

Background

Graduate medical education (GME) in Wichita has a long history and a distinguished track record of enriching the community's medical practice environment, promoting the dissemination of new medical knowledge, and contributing significantly to the training of physicians for practice in Wichita, Sedgwick County, the State of Kansas and the region. The presence of residency programs in the local hospitals and the involvement of many Wichita area physicians in the education of residents has been an asset to the community, as has the partnership that has been developed between Via Christi Regional Medical Center, Wesley Medical Center, and the University of Kansas School of Medicine-Wichita in the form of the Wichita Center for Graduate Medical Education (WCGME). The entire health care community can take justifiable pride in the accomplishments of the residency programs and their record of success in maintaining accreditation and preparing young physicians for independent professional practice.

While the community's record of success in GME is impressive, the broader health care environment in Kansas and the nation is evolving rapidly, with growth of specialty hospitals, a growing uninsured and underinsured population, aggressive competition for patients and market share between hospitals, an aging population bringing with it a growth in chronic medical conditions, and continuing financial pressures on hospitals and medical practices. All of these forces have implications for resident education, either directly or through their effect on the institutions that sponsor and finance residency programs in Wichita. At the same time, there has been an evolution in expectations for GME program structure and performance at the national level, primarily through changes in the standards promulgated by the Accreditation Council for Graduate Medical Education (ACGME). Specifically, over the past decade, there has been:

- a strong movement to re-balance the educational and service components of GME, with a significantly increased emphasis on didactics, clinical supervision / teaching, implementation of General Competencies across all specialties, heightened emphasis on evaluation processes and outcome measures, and a general focus on the educational infrastructure supporting resident education;

- a greatly increased emphasis on ensuring that resident education occurs in an "environment of inquiry", characterized by ongoing involvement in research and other scholarly activities on the part of both teaching faculty and residents; and

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- a pronounced shift toward stronger and more centralized institutional accountability for educational quality and administrative/accreditation performance, as shown by ACGME's adoption of broader and more explicitly defined responsibilities for the Designated Institutional Official and GME Committee, the adoption of Common Program Requirements and enhanced Institutional Requirements, and the development of progressively more demanding expectations for internal review processes, monitoring of resident work hours, integration of the General Competencies into program curricula, etc.

In response to all of the above factors, and motivated by a desire to assure that Wichita-based GME remains as strong in the future as it has been in the past, the Executive Committee of the WCGME Board of Directors has met extensively over the past several months to consider our institutional commitments to graduate medical education and assess the adequacy of the community's existing GME structures and processes. This document summarizes the results of those deliberations.

Commitment to GME Excellence

All of the WCGME member institutions, as represented by the undersigned, are wholeheartedly committed to a) fostering an environment that promotes excellence in graduate medical education, and b) providing the structures, resources and leadership necessary to achieve that goal. We collectively view graduate medical education as a community asset, and as such, are committed to collaboration in the pursuit of educational excellence, using WCGME as the organizational vehicle through which we will work together in GME, making all decisions in our WCGME capacities based on what is best for the residency programs, the community and the State of Kansas.

Guiding Principles

In support of the above commitment, we have endorsed the following "guiding principles" and believe them to be essential to our pursuit of excellence in graduate medical education:

- Collaboration: All WCGME member institutions are committed to working together with our partners in the pursuit of excellence in GME.

- Openness: All WCGME member institutions agree that effective collaboration depends upon openness, honesty and the free flow of information on all aspects of GME.

- Adaptability: All WCGME member institutions recognize that the attainment and maintenance of educational excellence in the face of a rapidly evolving environment requires a willingness on the part of all parties to make periodic adjustments in GME program structures, processes and strategic direction.

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- Innovation: All WCGME member institutions recognize that in order to attain distinction as a regional and national leader in community-based GME, all parties must be willing to reward creativity and support the introduction of new ideas into Wichita-based GME programs.

- Accountability: All WCGME member institutions recognize that the pursuit of excellence in GME requires the articulation of clear performance expectations at all levels, appropriate delegation of authority and responsibility for carrying out GME functions, and the continuing review of individual, institutional and program-specific performance relative to the established expectations.

Conclusion

In summary, those of us who represent the institutional members of WCGME and comprise the Executive Committee of the WCGME Board of Directors have reviewed the existing approach to oversight of GME in Wichita and concluded that WCGME is and will continue to be the most appropriate organizational vehicle for community-wide collaboration in the pursuit of excellence in GME. We are united in our belief in the importance of GME excellence for the community and for each of our organizations and believe that a renewed commitment to the pursuit of excellence in GME, guided by the principles listed above, will allow us to build on the foundation of past accomplishments to assure that Wichita continues to be a vibrant health care and medical education community.

Larry P. Schumacher
President and CEO
Via Christi Regional
Medical Center

Hugh C. Tappan
President and CEO
Wesley Medical Center

S. Edwards Dismuke, M.D.
Dean and Professor
University of Kansas
School of Medicine - Wichita

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KU School of Medicine-Wichita
Plan of Allocation for Education Research
FY 2008

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	Amount
FY 08 Funds	
New discretionary funds after pay plan, longevity ($8,340) and cl bonus ($35,141)	
Permanent	$ 192,234
One-time	$ 133,203
Dean's discretionary seasonal account	$ 285,677
KUMC Title VII Replacement Funds	$ 104,000
Total	$ 715,114

E=Education, R=Research

	Funding Allocations	**One Time $**	**Permanent $**	**Total $**
FY 07 budget base carry forward				
E	Title VII Funds replacement for faculty in Family Medicine		$ 104,000	$ 104,000
R	Dr. Sheldon Preskorn, special asst for research		$ 64,516	$ 64,516
	FY 07 Total		$ 168,516	$ 168,516
FY 08 new funds allocation				
E	Up to Date	$ 39,865		$ 39,865
E	MD Consult	$ 31,194		$ 31,194
E	New faculty development program	$ 30,000		$ 30,000
E	Wichita Simulation Initiative	$ 20,000		$ 20,000
E	CLARION Competition	$ 5,000		$ 5,000
E	Residents as Teachers workshop	$ 20,000		$ 20,000
E	Dr. Paul Uhlig, special assistant to the Dean		$ 96,000	$ 96,000
E	Neurology faculty (s&f)		$ 80,000	$ 80,000
E	OOE for Masters in Public Health Program		$ 12,000	$ 12,000
E	Staff upgrade in ASA to support Portfolio project		$ 3,840	$ 3,840
R	Add FTE for Assoc. Dean of Research Dr. David Grainger		$ 65,393	$ 65,393
R	Seed grant fund for students & residents		$ 20,000	$ 20,000
R	Staff upgrade in Office of Research (s&f)		$ 28,800	$ 28,800
	FY 08 Total	$ 146,059	$ 306,033	$ 452,092
FY 09 Anticipated Allocations				
R	Biostatistician		$ 153,600	$ 153,600
	Total Allocations	$ 146,059	$ 628,149	$ 774,208

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WCGME Legislative Request
FY 09 FY 10

	2008 (FY 09)	2009 (FY 10)
New funds to meet ACGME requirements	$ 4,559,703	$ 6,752,054
Funds for educational leave and off-site rotations	$ 1,739,292	$ 1,739,292
Current hospital net loss	$ 3,316,657	$ 3,316,657
New resident slots in 2009(FY 10)	$ -	$ 650,000
Total	$ 9,615,652	$ 12,458,003

8/13/2007

February 11, 2008

Clinical and Health Services Research in Wichita

The KU School of Medicine-Wichita and its affiliated residencies, now Wichita Center for Graduate Medical Education (WCGME), were initially funded by the Kansas State Legislature in the 1970s. At that time, research was not considered essential to the education of good doctors, so research was deliberately not funded. Today, national education leaders believe differently, and residency programs (as well as medical schools) are required to participate in research and/or scholarly activity in order to meet accreditation standards.

Building or developing health-related research in Wichita is important for a number of reasons:

- In order to keep our 14 residency programs in Wichita and Salina accredited, we must strengthen the research productivity of our faculty as well as the involvement of our resident trainees in research and scholarly activity.
- Aside from accreditation requirements, there is much to be gained from research being part of a quality medical education.
- Health care and the resulting health of residents in Wichita, South Central Kansas, and throughout Kansas will improve through quality research and access to groundbreaking treatment options.
- The recruitment of the best physicians and health professionals to Kansas will be advanced by creating an environment of excellence and scientific inquiry.

The Accreditation Council for Graduate Medical Education (ACGME) is particularly interested in clinical or patient care research, health services research that evaluates the impact and success of health services, and any other research that can improve human health. The ACGME does not require laboratory research. Examples of acceptable research include:

- Using our OB/GYN database of 36,000 patients who delivered their babies at Wesley Hospital since 1997, we can study many conditions and health outcomes to determine predictors of good outcomes.
- We can measure or evaluate various medical practice behaviors, such as providing pre-surgical antibiotics to prevent post-operative infections or using blood thinners to prevent blood clots. We can then develop an education program or computerized standard orders to improve compliance with recommended national standards or care. And finally, we can report an assessment of actual practice behavior to see if our intervention improved the process and/or outcome of medical care.

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- At our Clinical Research Institute, we can evaluate the mechanism of drug action or the effectiveness of drugs by performing randomized controlled trials, comparing new drugs to the best older drugs.

- We can study the best approach to critically ill trauma patients in our Level I trauma centers located at both Via Christi Regional Medical Center and Wesley Medical Center.

- We can study our effectiveness at helping patients modify their behavior, evaluating programs designed to help patients stop smoking, stop drinking alcohol or abusing drugs, change their diet and exercise in order to lose weight and achieve higher levels of fitness.

- We can study clinical approaches and treatments to best care for chronic diseases like diabetes, arthritis, coronary heart disease, heart failure, etc.

Faculty can do these studies and involve residents. As a result, faculty will publish their findings, demonstrating their expertise in research. Residents will get the research experience required by the accrediting agencies. The research can help our local hospitals improve our medical care and health outcomes. The research and scholarly activities will help attract more and better residents to our programs as well as the best doctors to practice in our communities.

We hope to partner with Wichita State University (WSU) in health care research activities, such as bio-engineering. We now have a national expert at Via Christi and WSU who studies the use of bio-materials (used in the aircraft industry) as materials for human joint replacements.

We do not plan to do laboratory research, and our residency accrediting organization does not require such research. The type of research we will do in Wichita can have immediate impact on citizens of Kansas through improved care and outcomes.

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