

## Consensus Group Members

Baylor College of Medicine

Texas A&M Health Science Center:  
College Station, Temple, Bryan,  
Dallas, and Round Rock

Texas Tech University Health Sciences  
Center: Lubbock, Amarillo, and  
Odessa; and Paul L. Foster Medical  
School in El Paso

The University of Texas System

The University of Texas Health  
Science Center at Houston

The University of Texas Health  
Science Center at San Antonio; and  
Lower Rio Grande Valley Regional  
Academic Health Center in Harlingen  
and Edinburg

The University of Texas Health  
Science Center at Tyler

The University of Texas M.D.  
Anderson Cancer Center at Houston

The University of Texas Medical  
Branch at Galveston

The University of Texas Southwestern  
Medical Center at Dallas and Austin

University of North Texas Health  
Science Center at Ft. Worth

Teaching Hospitals of Texas

Texas Medical Association

## CONSENSUS STATEMENT

83rd Texas Legislature

### *Executive Summary*



**All Texas medical schools, teaching hospitals, and the 47,000+ members of the Texas Medical Association agree:**

- ✓ **Texas has a shortage of physicians.**
- ✓ **The shortage *will* get worse.**
- ✓ **Texans — whether in rural or urban areas — will be adversely affected, in varying degrees, by the shortage.**
- ✓ **Having insurance coverage will not necessarily ensure access to a physician.**

**The future health of Texans is dependent on our ability to educate and train more physicians NOW.**



## CONSENSUS

All nine Texas medical schools, all regional medical school campuses, other health-related institutions in Texas joined by the state's largest professional associations for teaching hospitals and physicians as listed on the first page, offer our state's leaders this 2013 consensus statement on medical education and the physician workforce.

### **We agree:**

- ✓ **The lack of adequate graduate medical education (GME) funding prevents the state from achieving the needed numbers of GME training positions. GME training is a lengthy and costly process, and funding is required for the full duration of the training, three to seven years depending on the specialty, to qualify a physician for practice.**
- ✓ **The state's ability to retain Texas medical school graduates for training, and ultimately for entry into practice, is seriously jeopardized by recent cuts in state support for GME programs and expansions.**
- ✓ **How successful the state will be in further building the physician workforce to meet growing demands is largely dependent on continued success in recruiting a strong influx of new physicians from outside the state, as well as a stable and adequately resourced medical education and GME pipeline.**

Texas continues to be overly dependent on other states and countries for supplying new physicians to our workforce. Three of four of the newly licensed Texas physicians in the past fiscal year graduated from medical schools outside of Texas. This places the state in a vulnerable position for meeting workforce needs, subject to external forces beyond the state's control that can adversely affect future numbers available for possible recruitment to the state.

We must educate and train sufficient numbers of new doctors. And, we must have adequate numbers of GME slots to keep young doctors in the state for residency training. Physicians who complete both medical school and GME in Texas are three times more likely to remain in the state to practice than those who are educated or trained elsewhere.<sup>1</sup>

## Will There Be Enough Physicians for Texans?

In evaluating the state's physician workforce, there is good news, but several factors are likely to serve as barriers to improving access to care.

### **The Good News: RECORD HIGH NUMBERS OF NEWLY LICENSED PHYSICIANS**

The Texas Medical Board licensed the highest-ever number of new licensees in FY 2012. This followed several years of new peaks in the number of newly licensed physicians.

### **The Barriers to Improving Access to Care**

Multiple complicating factors have prevented greater improvement in access to health care in many areas of the state, despite the growth in physician numbers. These factors are not expected to improve in the near future, as discussed below.

### **GRADUATE MEDICAL EDUCATION "BOTTLENECK"**

With the help of Texas legislators, medical schools are doing their part to grow admissions; however, medical school graduates are not qualified to enter medical practice upon graduation. Three to seven years of GME in a particular specialty are required for graduates to qualify for practice.

Texas does a good job of keeping young physicians in the state for residency training, in comparison with other states. In fact, our state ranks No. 2 in the country. But when medical graduates have to leave the state for GME due to a shortage of available positions in their chosen specialty, those physicians are less likely to practice in Texas than a home-trained physician. Further, when they leave Texas for

GME and stay away, they take with them the state's investment of more than \$170,000 for their four years as a medical student.

Medical school graduates in Texas are projected to peak at more than 1,700 around 2015. This increase will mean an even greater demand for GME to enable graduates to remain in the state for residency training. The Texas Higher Education Coordinating Board recommends a ratio of 1.1 to 1 for entry-level GME positions to number of medical school graduates. To achieve the 110 percent goal after enrollments reach their peak of 1,700, an additional 400 entry-level GME positions will be needed to accommodate graduates. This growth will be even more difficult to achieve with the recent 41-percent reduction in overall state support for residency training.

Medicare provides the largest amount of direct GME funding to teaching hospitals, but Congress capped these funds at 1996 levels. Teaching hospitals that received Medicare GME funding in 1996 generally cannot expand this funding to include additional GME positions. Another disadvantage is deep cuts to state Medicaid GME funding after 2005.<sup>ii</sup> As a result, hospitals with Medicare GME caps have to cover the full cost of newly added GME positions, without GME funding from Medicare or Medicaid for these positions.

Medical education and GME are considered a public good. Not only do medical schools, GME programs, and teaching hospitals prepare the next generation of physicians, but also residents provide medical care for the sickest and poorest among us as they train in their individual specialties. Teaching facilities typically treat the most complex and challenging diseases and medical conditions. Our academic health centers are among our state's major employers and a tremendous economic asset to their communities. Health-related institutions generate an estimated \$1.30 in economic activity for every dollar spent, on average.<sup>iii</sup>

## STATE MEDICAL STUDENT FORMULA FUNDING

Support for medical students through state formula funding peaked in the 2002-03 biennium. The per-capita amount for the 2012-13 biennium is the lowest level since formula funding was instituted in 1999, dropping 25 percent from the previous biennium. The Texas Higher Education Coordinating Board recommends restoration of the state formula-funding base rates for medical education and other formulas for the health-related institutions over three biennia (six years) to the levels in FY 2000-01.

## STATE GME FORMULA FUNDING

Medical schools have received some state support for a portion of faculty costs or the development of new slots from Texas legislators for the past seven years. This was reduced by 30 percent to \$4,682 per resident per year for FY 2012-13. This funding level represents about one-fourth of the \$18,000 in estimated annual faculty costs per resident. Further, this does not provide for the actual stipends for residents, which average about \$50,000 a year or the other training-related costs at teaching hospitals which together are estimated to be more than \$100,000 per resident. Adequate state GME formula funding is key to the state's ability to maintain, and in some cases, grow the number of GME positions.

## JOINT ADMISSION MEDICAL PROGRAM

The Joint Admission Medical Program (JAMP) was developed by Texas legislators to help economically disadvantaged students achieve success in a medical career. All nine Texas medical schools work in collaboration with state colleges and universities to provide the additional resources these students need to obtain a medical education. JAMP student admissions have two times more underrepresented minorities than other medical school admissions. The Texas Higher Education Coordinating Board awarded this program the Star Award in 2010 for exceptional contributions toward the agency's initiative, *Closing the Gaps by 2015*.



## Will There Be Enough Physicians for Texans?

### CONSENSUS PRIORITY ISSUES FOR TEXAS

- ✓ **Preserve the state's investment in medical education by:**
  - **Funding sufficient GME positions to meet the goal of 1.1 entry-level GME positions for each medical school graduate in the state, and**
  - **Supporting Texas medical schools in their efforts to secure sufficient clinical clerkship space to enable medical students to remain in Texas for this training.**
- ✓ **Reverse cuts to state formula funding base rates for medical education and other formulas for the health-related institutions over three biennia (six years); restore funding to FY 2000-01 levels, as recommended by the Texas Higher Education Coordinating Board.**
- ✓ **Provide state GME formula funding at the highest per-resident levels possible.**
- ✓ **Restore adequate support for the state's Physician Education Loan Repayment Program as an effective tool for addressing physician shortages in underserved areas.**
- ✓ **Restore support for the state's Joint Admission Medical Program as an effective program for promoting diversity among the state's physician workforce.**



Physicians Caring for Texans

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- <sup>i</sup> TMA annual surveys of graduating medical students.
  - <sup>ii</sup> Since 2005, only the five state-owned teaching hospitals have received Medicaid GME funding at the exclusion of other teaching hospitals.
  - <sup>iii</sup> Association of American Medical Colleges. The Economic Impact of AAMC Medical Schools and Teaching Hospitals. [www.aamc.org/economicimpact](http://www.aamc.org/economicimpact).