



MEDICAL COLLEGE OF WISCONSIN, INC.

FY 2013-2015 BIENNIAL BUDGET SUPPLEMENTAL BUDGET SUBMISSION

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• Restore capitation tuition assistance to pre-2003 levels to encourage more Wisconsin students to stay in state for medical school. Build in capacity for an increase in the tuition assistance appropriation to accommodate students enrolled in the new MCW Community Medical Education Program.	
• Rename line-item “Medical Student Tuition Assistance” and appropriate it within the Higher Educational Aids Board to be consistent with tuition assistance funds for students at the Marquette University School of Dentistry.	
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INTRODUCTION

The Medical College of Wisconsin (MCW) respectfully includes a *Supplemental Budget Submission* addressing key biennium considerations related to medical student tuition assistance and family medicine residency training with the launch of MCW’s Community Medical Education Program.

Historically, the State of Wisconsin has been a foundational partner in MCW’s efforts to prepare generations of our Wisconsin physicians through financial assistance to Wisconsin medical students and family medicine residency programs. This supplemental request presents opportunity for this strong partnership between MCW and Wisconsin to expand to meet the needs of our state through a Community Medical Education Program.



BACKGROUND: COMMUNITY MEDICAL EDUCATION PROGRAM

Recent reports from prominent state and national medical organizations (Association of American Medical Colleges, Wisconsin Council on Medical Education and Workforce, Wisconsin Hospital Association, Wisconsin Medical Society) have projected significant national shortages of physicians in the coming decades – particularly in the primary care fields and in rural and underserved urban areas.

MCW has assessed its capacity to contribute to mitigating the physician shortfall and maldistribution in Wisconsin – particularly as they relate to increasing access to primary care practitioners and to preparing medical students for the future state of healthcare.

MCW believes it should make every reasonable effort to expand its role in the physician training health care continuum. MCW is developing an expanded medical education program that addresses the need for providers in underserved communities across Wisconsin and employs an immersive teaching model that will reduce student debt and allow students quicker entry into practice.

MCW is well-positioned to lead this crucial effort to meet Wisconsin’s need to additional physicians. As Wisconsin’s largest medical school, MCW possesses a fully-accredited medical education program with more than 200 students matriculating annually. MCW enjoys the largest multi-specialty clinical practice in Wisconsin, thriving research programs, and world-class basic science and clinical faculty.

MCW is proud of its statewide leadership to build community partnerships – all of which position it well to establish a sustainable and robust community medical education program. The expanded medical education program will be structured as an “immersive model” wherein students live and learn in Wisconsin communities in which they eventually might complete their residency training and begin their practice serving Wisconsin citizens.

The community medical education program will be created on a partnership model engaging local health care systems, colleges and universities, technical colleges, and government and local business communities. An important factor is the commitment of health care systems statewide to create new primary care residency training positions within their hospitals.

The first two community medical education program sites are expected to be launched in the Green Bay and Central Wisconsin areas, as well as additional community campuses within the decade. It is anticipated that up to 25 students will be enrolled each year, per site, as early as July 2015.

This community medical education program will be designed specifically to recruit Wisconsin students into medical school.



STUDENT TUITION ASSISTANCE (CAPITATION) GENERAL PURPOSE REVENUE

REQUESTED ACTION

The Medical College of Wisconsin respectfully requests restoration of capitation payments to the pre-2003 level or \$10,091 per year, per Wisconsin student. This restored tuition assistance will not only encourage more Wisconsin students to stay in Wisconsin for medical school, but will also help MCW recruit new Wisconsin students into the community medical education program in Fall 2015.

BUDGET IMPACT

\$2,178,500 GPR over current annual base funding (current annual base funding is \$1,926,600).

More than thirty years ago, the State of Wisconsin recognized the importance of ensuring an adequate physician supply to care for the state's citizens and the need to develop a strong health care economy. In an effort to encourage as many Wisconsin students as possible to attend medical school in state, the Governor and the Legislature created the capitation program to equalize tuition payments for medical students seeking their education at either the University of Wisconsin School of Medicine and Public Health or MCW.

The State of Wisconsin statutorily provides these tuition assistance funds annually for Wisconsin residents attending medical school at MCW. These funds are appropriated to MCW as general program operations and MCW distributes 100% of these dollars directly to Wisconsin medical students as tuition assistance (divided equally among all Wisconsin enrollees each year). MCW encumbers no fees for administering this program and views this tuition assistance from the State critical to its Wisconsin enrollment.

MCW is requesting the increase in capitation funds because, as MCW invests in increasing its Wisconsin enrollment through the community medical education program and the existing Milwaukee campus, the tuition assistance provided to each of its Wisconsin students will decline. Before the 2003 biennium, each Wisconsin enrollee received \$10,091 of tuition assistance per year. The 2003-2005 state budget reduced capitation payments to Wisconsin medical students at MCW by 50%, and it was further reduced in the 2009-2011 biennium. Currently, each Wisconsin student receives approximately \$5,045 annually (depending on Wisconsin student enrollment numbers).

Statewide success of MCW's expansion hinges significantly on recruiting high-quality students from the regions in which new campuses are established. By 2018, it is anticipated that approximately 200 new students will be enrolled in the community medical education program. When these enrollment numbers are added to Wisconsin student enrollment at MCW's existing Milwaukee campus, the total capitation appropriation is distributed amongst more students and each student receives less tuition assistance.

Coupled with increasing education and inflationary costs, Wisconsin students are finding it less affordable to attend medical school. This will continue to hinder Wisconsin's ability to positively impact the physician shortage and mal-distribution in the coming years. Therefore, in

the next biennium, the appropriation may need to be adjusted to reflect the increase in enrollment.

With a promise of increased capitation, Wisconsin students will be more encouraged to stay in our state for medical education. They will then be more likely to establish practices in their communities to care for Wisconsin citizens and, as future civic leaders with significant income potential, they will positively impact the local economies.



REQUESTED ACTION

The Medical College of Wisconsin respectfully requests the capitation GPR line-item be renamed “Medical Student Tuition Assistance” and appropriated within the Higher Educational Aids Board (HEAB) to be consistent with tuition assistance funds for students at the Marquette University School of Dentistry (MCW has discussed this with HEAB and received support for the change).

BUDGET IMPACT

\$0 GPR over current annual base funding.

The Wisconsin Higher Educational Aids Board (HEAB) administers both the MCW and Marquette University School of Dentistry student capitation as financial aid programs. The appropriation for MCW capitation, however, remains a general program revenue line item in the State Budget while Marquette University tuition assistance resides under HEAB.

The MCW capitation appropriation is included in budget documents as general program operations. This classification does not reflect the appropriation’s intent and increases its vulnerability to agency budget reductions because there is a lack of clarity that those funds are specifically for student tuition assistance. Currently, the appropriation is perceived as an operational benefit to MCW as an agency, which does not represent the nature of the appropriation as being one of tuition assistance directly for the benefit of students.

Tuition assistance for medical and dental education should be administered equitably and comparably. This can be accomplished by relocating the GPR line-item appropriation for MCW’s capitation program and renaming it “Medical Student Tuition Assistance” to accurately reflect use of the funds.



FAMILY MEDICINE RESIDENCY TRAINING GENERAL PURPOSE REVENUE

REQUESTED ACTION

The Medical College of Wisconsin respectfully requests state support to expand existing Family Medicine Residency sites to train 12 additional physicians per biennium to help address immediate physician shortages in primary care.

BUDGET IMPACT

\$582,500 GPR over current annual base funding (current annual base funding is \$2,848,500).

The new MCW community medical education program is only component of the solution to address Wisconsin's impending physician shortages and maldistribution. Physicians undergo two critical professional stages before seeing patients: medical school and graduate medical education (also known as 'residency'). Newly minted physicians from medical school must be able to obtain residency specialty training to practice medicine. To accommodate the increasing number of medical students, new residency programs must be simultaneously created for their professional training. MCW will be working directly with area health systems to increase residency programs as part of the new community medical education program.

For more immediate impact, MCW can make a difference through its existing strong family medicine residency program in partnership with the state. Currently, the MCW Department of Family and Community Medicine operates three family medicine residencies in southeast Wisconsin in a partnership model utilizing community hospital funding, federal GME funds, state dollars and practice generated clinical revenue. Ten years ago, MCW Family Medicine residency programs graduated 35 new family physicians per year, two-thirds of whom then remained in Wisconsin to practice. Reduced state, federal and hospital resources have strained this success and, in 2010, MCW Family Medicine residency programs graduated only 21 new family physicians, **representing a 40% decrease in the number of graduates per year.**

With supplemental support from the state in this biennium, 12 additional fully trained Family Medicine physicians can help meet the primary care needs of Wisconsin citizens at a marginal incremental cost.



REQUESTED ACTION

The Medical College of Wisconsin respectfully requests state support for planning and development related to new Family Medicine graduate medical education programs (residencies) in Northeast Wisconsin.

BUDGET IMPACT

\$292,500 GPR over current annual base funding (current annual base funding is \$2,848,500).

There are no Family Medicine residency programs in Green Bay, one of the communities identified for the new community medical education program. Ensuring that medical students have ample Northeast Wisconsin-area hospitals in which to conduct their graduate medical training will be critical for Wisconsin as it addresses its physician access and mal-distribution problems.

This supplemental state support will be used for planning to expand a Family Medicine residency program in the greater Northeast Wisconsin area. After successful development, the MCW Department of Family and Community Medicine would eventually administer this new Family Medicine residency program, bringing national accreditation and institutional requirements needed for successful implementation.

While this planning proposal will not address all of the graduate medical education training needs in the Northeast Wisconsin area, it will serve as a catalyst for expanded residency infrastructure and provide a foundation upon which future collaborations will occur with MCW and its community medical education program partners.



SUMMARY: FY 2013-2015 BIENNIAL BUDGET SUPPLEMENTAL SUBMISSION

<u>Program</u>	<u>FY 13 Base</u>	<u>FY 14</u>	<u>FY 15</u>
Capitation	\$1,926,600	\$4,105,100	\$4,105,100
Family Medicine	\$2,848,500	\$3,723,500	\$3,723,500
Debt Service	TBD	TBD	TBD
Totals	\$4,775,100	\$7,828,600	\$7,828,600

