



Graduate Medical Education in Arizona: *Growing the Physician Pipeline*

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Understanding GME



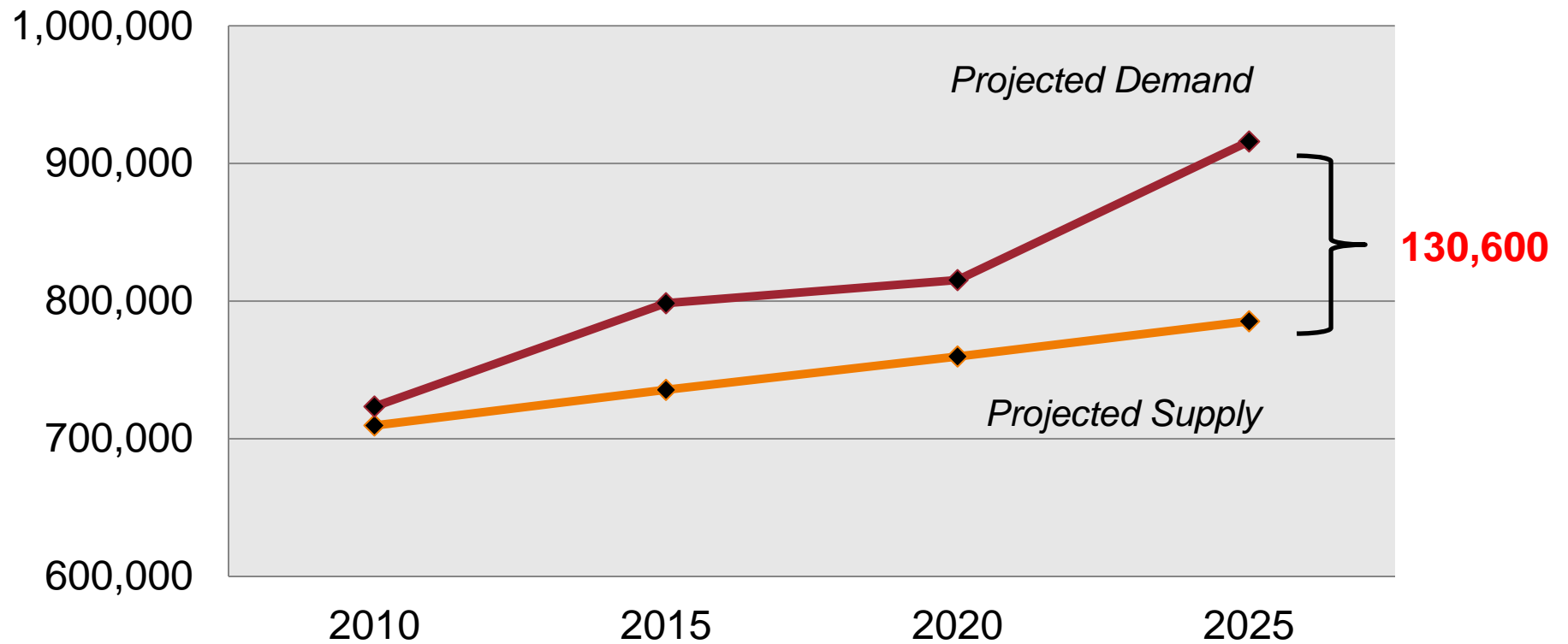
- What is Graduate Medical Education? And why should we care?
- What is our vision?
 - › Assure access to care by having enough doctors to meet patient needs
 - › Build a world-class center of excellence in medical research and innovation and patient care
- How do we pay for it?
 - › Federal, state and private financing
 - › Existing and new programs



Physician Shortage



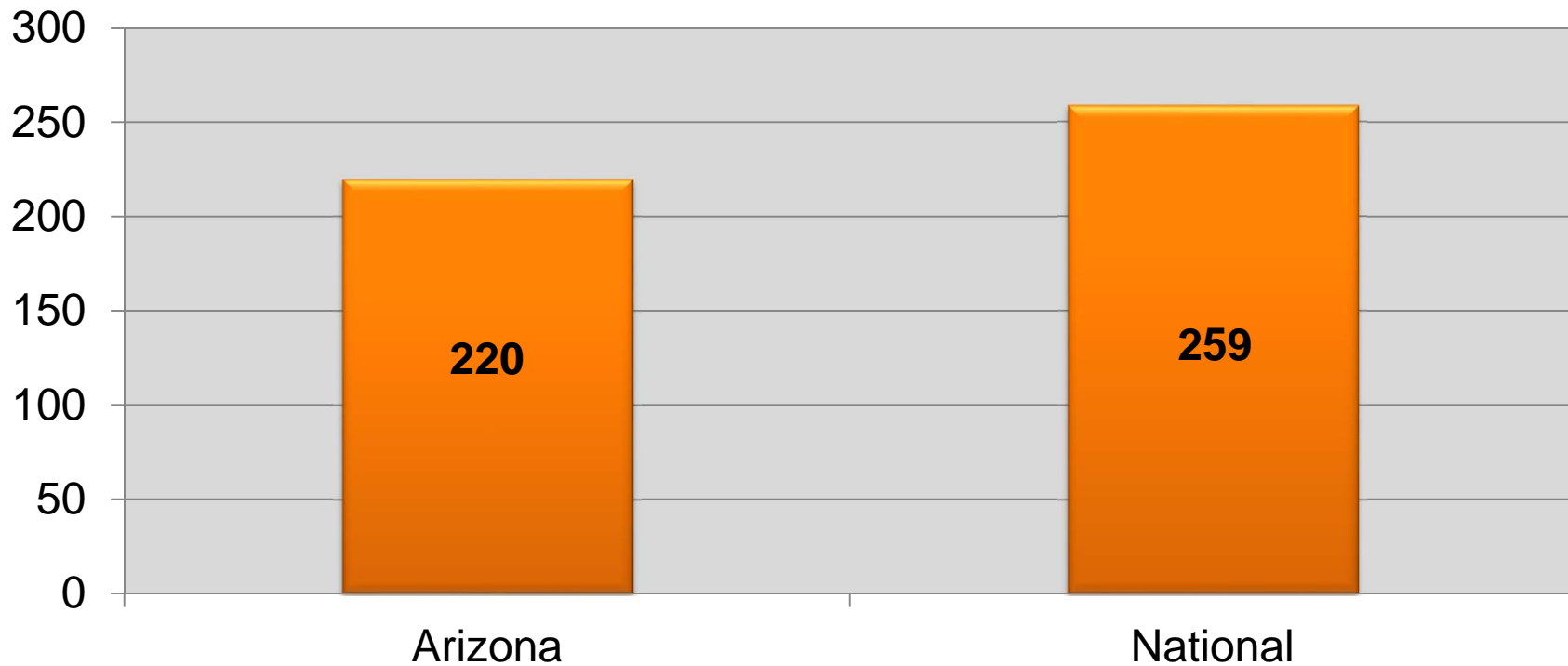
Projected National Physician Shortage



Physician Shortage



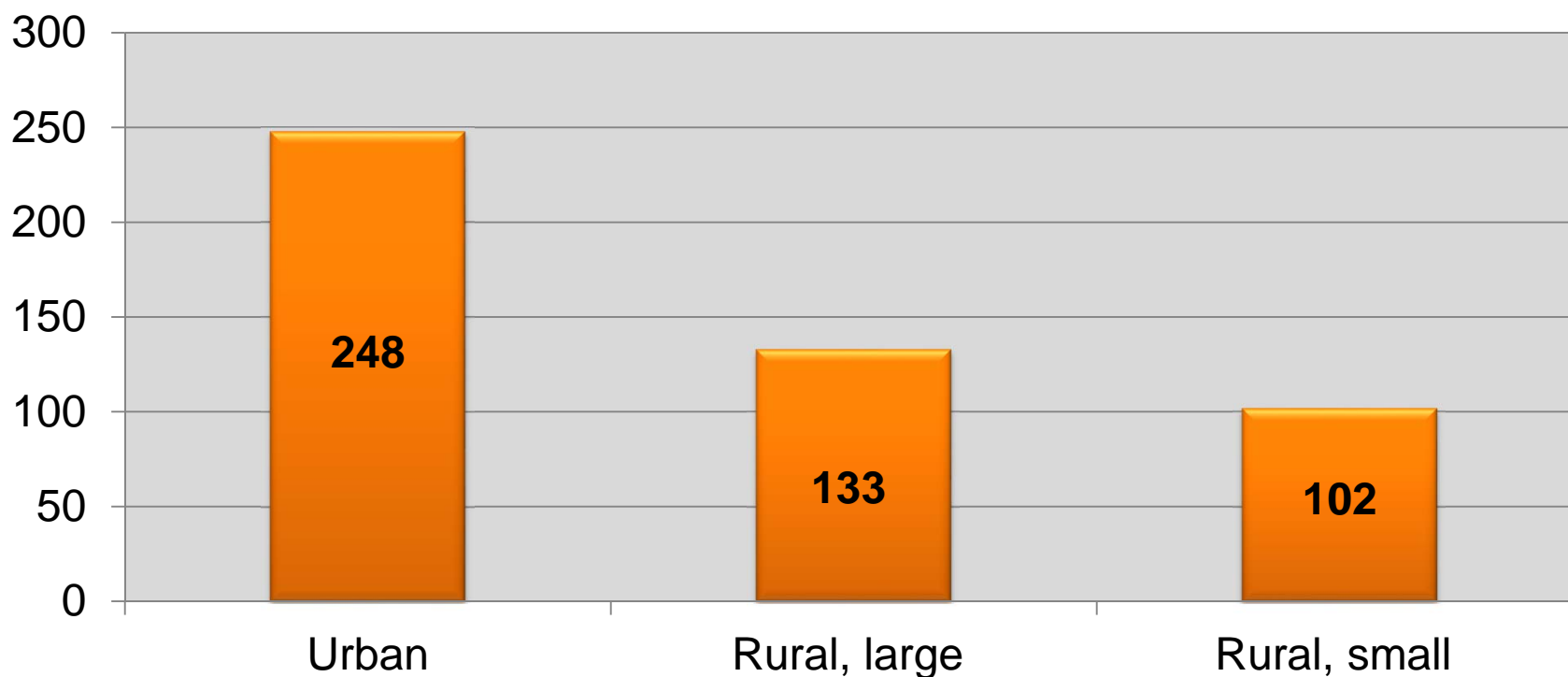
Physicians per 100,000 of Population



Arizona Physician Shortage



Physicians per 100,000 of Population

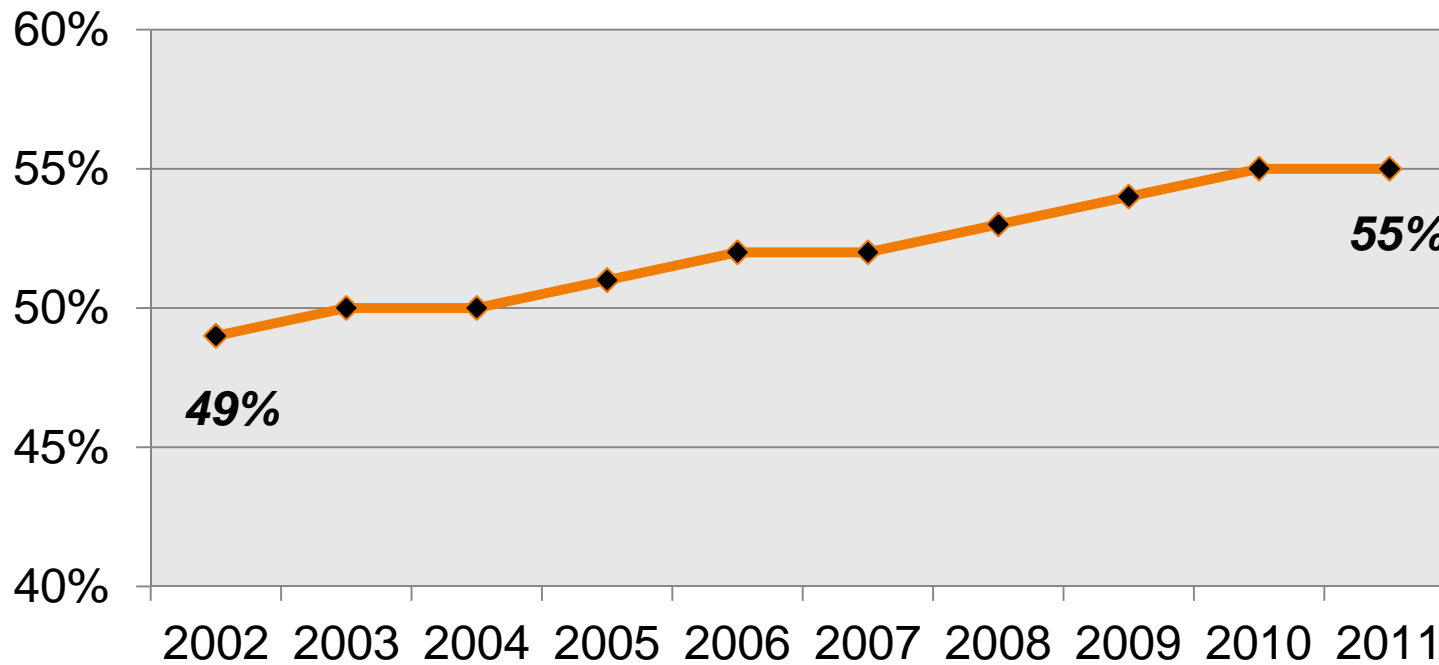


Focus on Primary Care



Specialization

Subspecialty Programs as Percentage of All Residencies



Population and Health Status Dynamics



Rise of Chronic Disease

Heart disease

Cancer

Pulmonary Disease

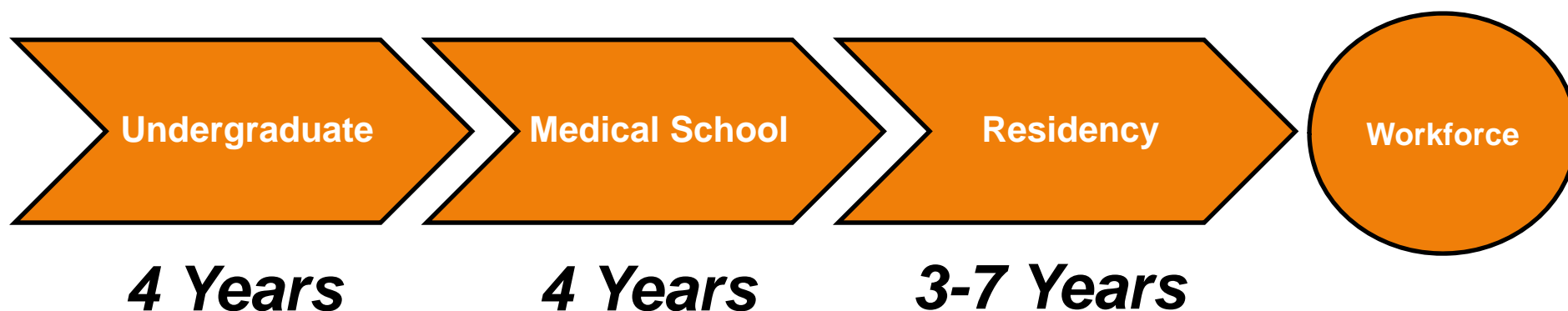
Stroke

Diabetes

Arthritis

- Almost half of all Americans have at least one chronic condition - *and growing*
- Chronic disease accounts for 75% of all health care spending - *and growing*
- 25% obesity rate in AZ – *projected at 59% by 2030*
- Aging population and longer lifespans mean greater demand for care

Physician Pipeline

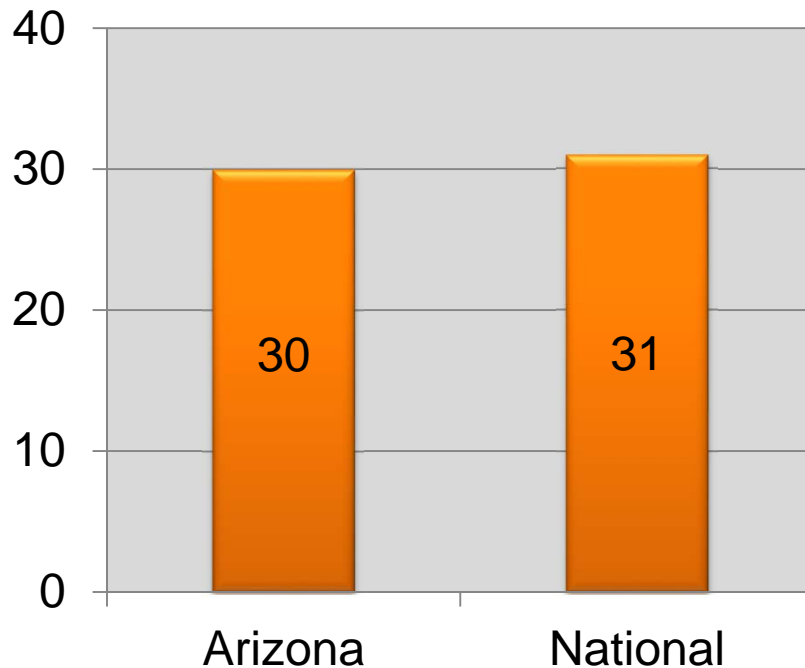


During a residency program, physicians acquire the knowledge and develop the skills required to practice independently in one of the 26 recognized medical specialties or 100 subspecialties.

Physician Pipeline: 1,972 Medical Students



**Medical Students per
100,000 of Population**



Arizona Rank

*TOTAL Medical
Students per 100,000
of population*

#20

*Osteopathic (DO)
Students per 100,000 of
population*

#4

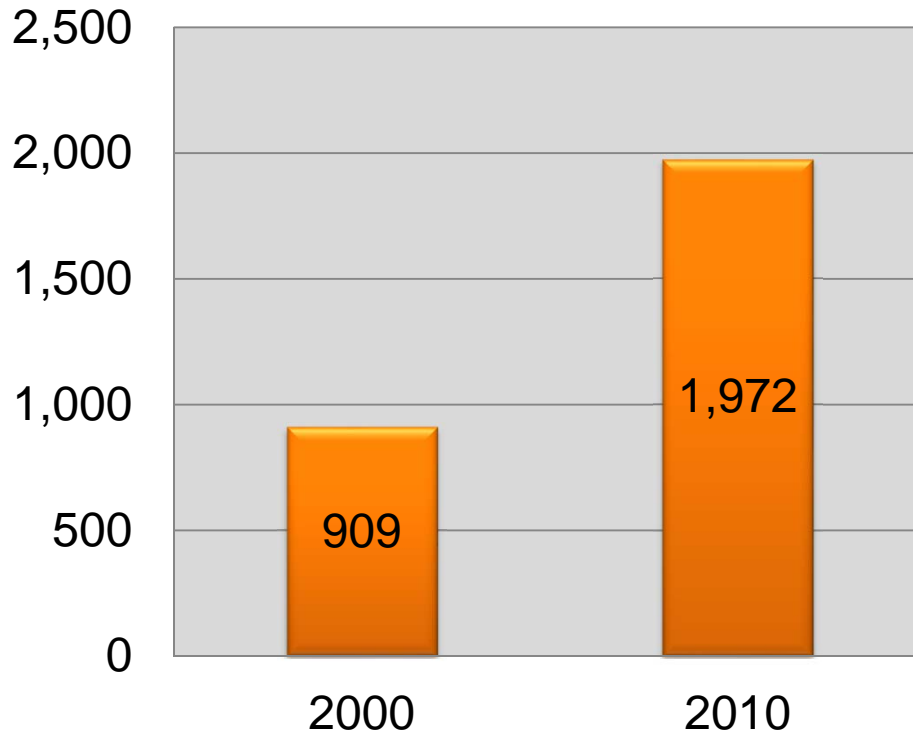
*Allopathic (MD)
Students per 100,000 of
population*

#45

Physician Pipeline: Medical Student Growth



Arizona Medical Students



Growth Rate

117%

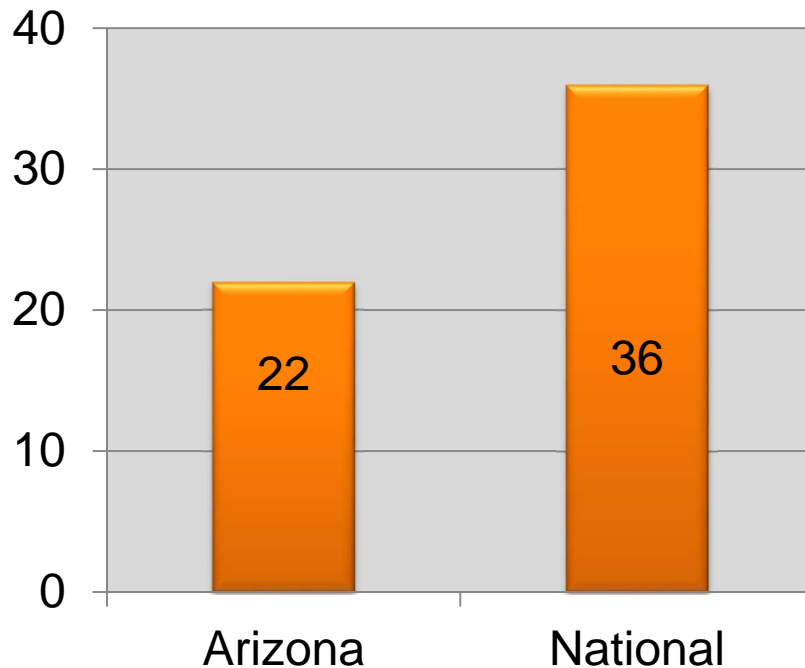
National Rank

#2

Physician Pipeline: 1,430 Residents



Residents per 100,000 of Population



Arizona Rank

Residents per 100,000 of population

#38

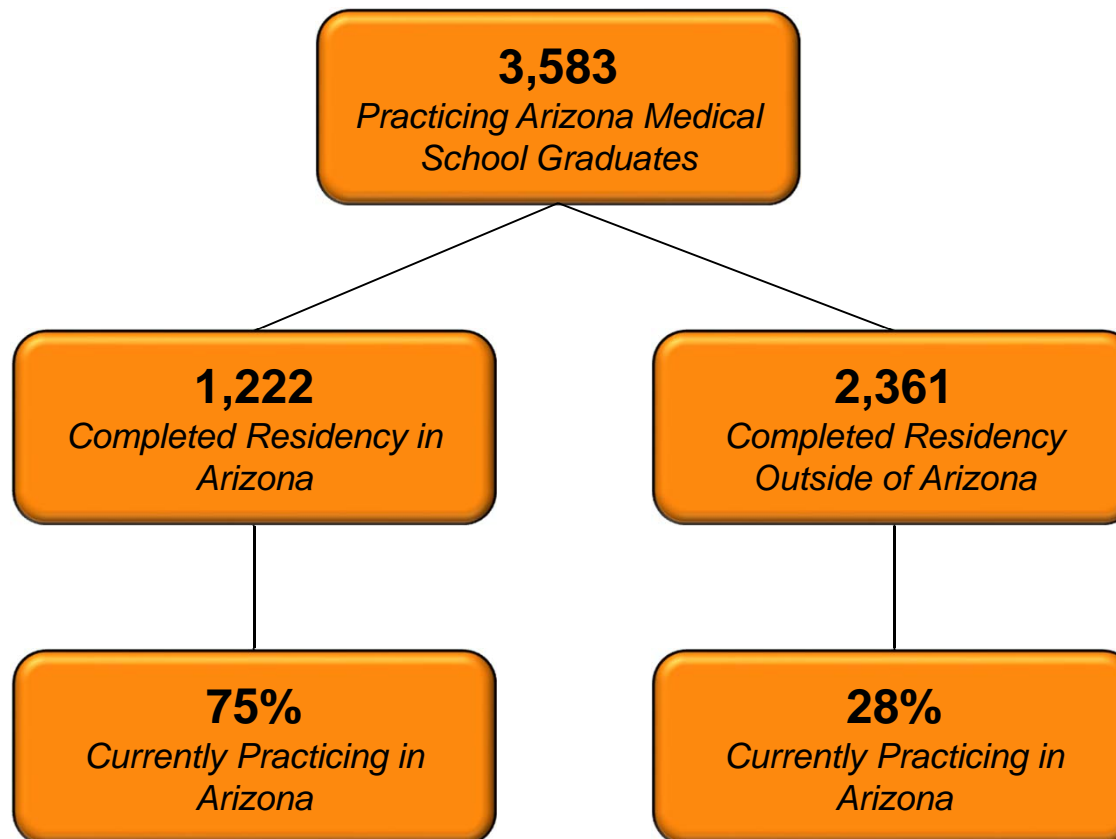
Osteopathic Residents per 100,000 of population

#19

Allopathic Residents per 100,000 of population

#40

Residencies Help Retain Medical School Graduates



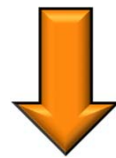
Closing the Gap

+ 850 Residency Positions



36

Residents per 100,000 of population



36

Residents per 100,000 of population

Economic Advancement Opportunities



- Continue excellent progress that is underway in biosciences, medical research and innovation. Private, philanthropic and public sector collaborations.
- Maximize potential of new College of Medicine
- Attract the best talent nationwide
- Foster economic development through private-sector job creation
- Advance emerging areas of research, i.e. personalized medicine



Funding for Graduate Medical Education



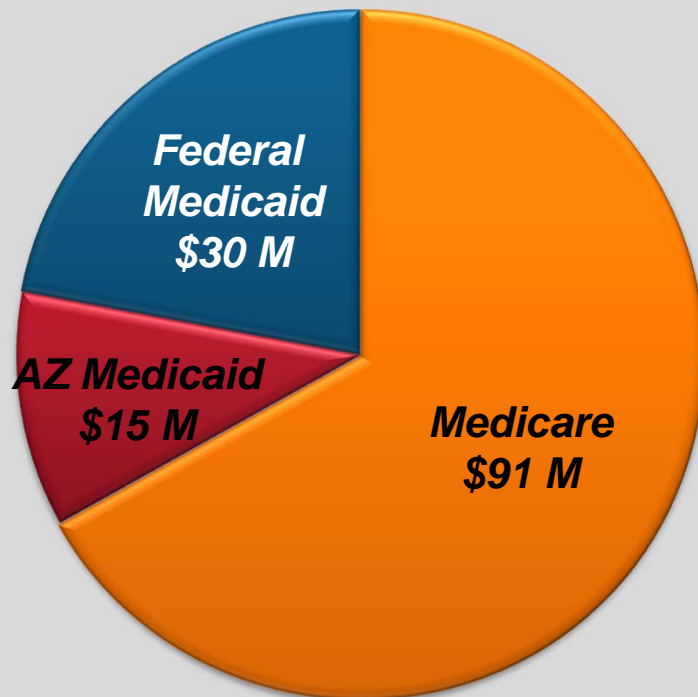
Public	Private
<p>Medicare (\$9.5 billion) <i>Direct and Indirect</i></p> <p>Medicaid (\$3.8 billion) <i>State and Federal</i></p> <p>Other Federal Agencies <i>VA, DOD, HRSA. Including \$300 million for Children's Hospitals</i></p>	<p>Teaching Hospitals <i>Hospitals with residency programs invest their own resources into the program.</i></p> <p><i>However, there are no reliable data on the total amount spent by hospitals or the average amount per resident.</i></p>

Public Funding Portion

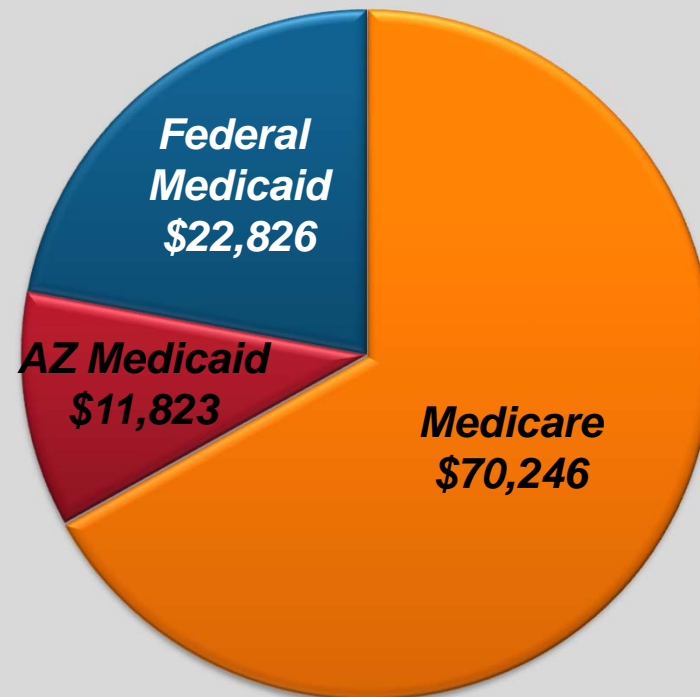


Medicare and Medicaid Payments to GME in Arizona, 2009

\$136 M, Total Funding



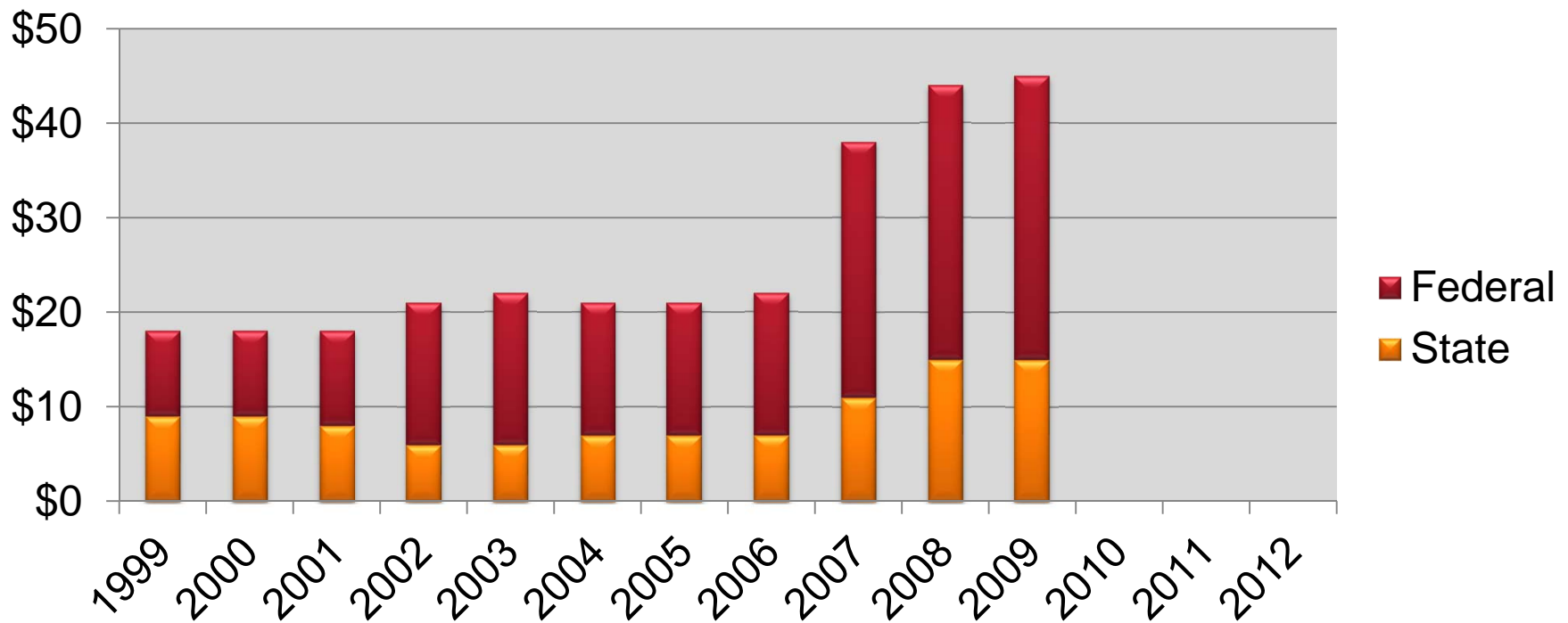
\$105,000 Per Resident



Funding Graduate Medical Education



**AHCCCS Funding for GME in Arizona, 1999-2012
(millions)**

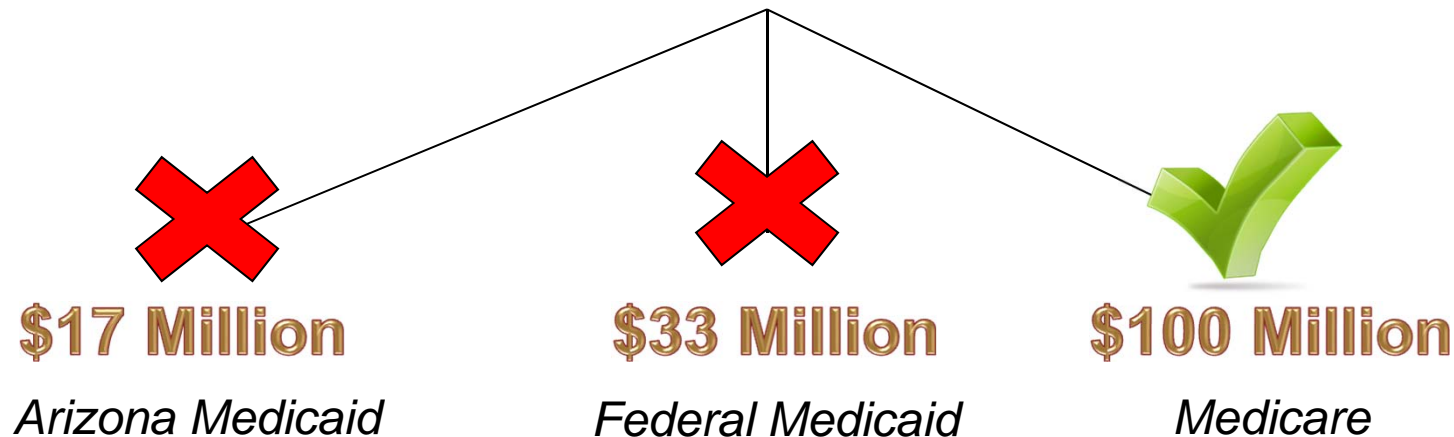


Funding Graduate Medical Education



Support for 1,452 Current Residencies at 2009 Levels

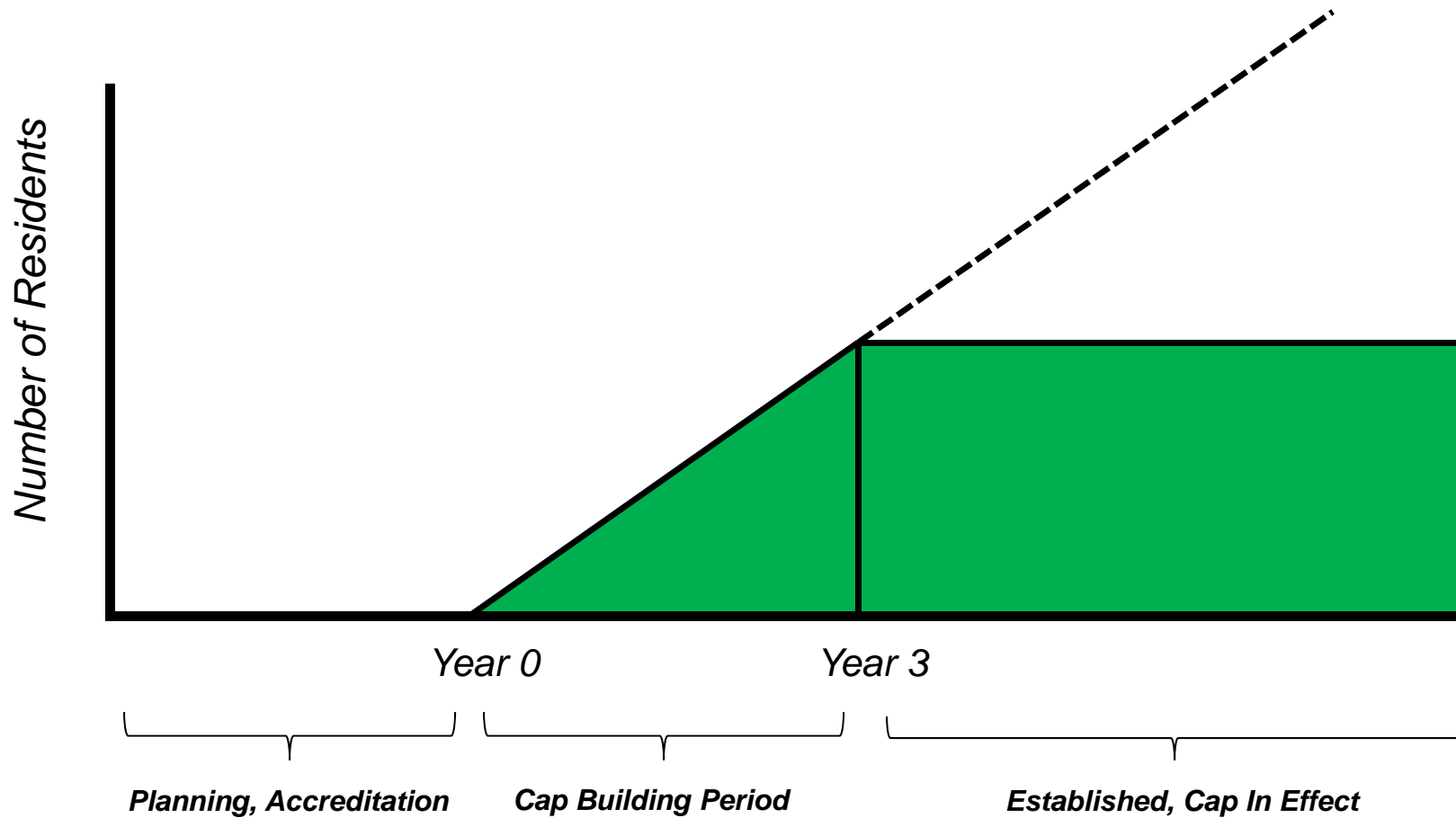
\$150 Million



\$50 Million Shortfall

Note: Some hospitals have been able to utilize an intergovernmental transfer mechanism to receive some funding.

Medicare Funding for New Programs



New Residency Program Establishment Loans



Arizona Hospital Loan Residency Program

- Interest free loan up to \$500,000 per year to hospitals that:
 - Establish a new residency of at least 6 residents.
 - Add a new specialty to an existing program with at least 4 new residents.
- Limited to one hospital per county per year.
- Priority given to hospitals in rural counties.

UNFUNDED SINCE 2008



Recommendations

Immediate Term – 2013 legislative session

- Restore funds to maintain current residencies with updated, fairer allocation method (\$10-15M state appropriation)
- Tweak and fund start-up loan program (\$1M state appropriation)

Longer Term

- Seek additional funds to meet full need for residencies
- Make Arizona a center of excellence in medical research and innovation and world-class patient care
- Focus on primary care physicians and underserved communities

Potential Opportunities for Foundations



- Assist with start-up costs and resource needs for new programs, especially in under-served communities.
- Deepen linkages between physician training and the Bioscience Roadmap. Assist in building a research, innovation and treatment hub/center of excellence.
- Create a vision for the entire health care workforce in light of systemic transformations. Explore enhanced roles for non-physician healthcare workers.
- Explore new models of care that emphasize wellness, prevention, and culturally appropriate community care.