



### *Family Medicine Residency Programs Are Critical in Training Texas' Physician Workforce*

The most effective way to increase the number of primary care physicians practicing in our communities is to train them right here in Texas. Our state's 29 family medicine residency programs are the lifeblood of the state's primary care physician workforce, preparing more than 200 new family physicians for practice each year. More than 70% of family doctors completing residency in Texas remain in the state.

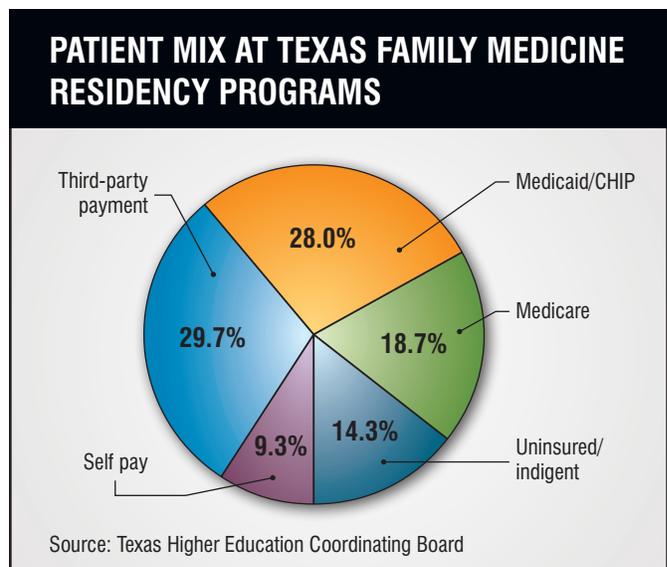
Family medicine residency programs deliver well-coordinated, cost-effective care to communities that need it. A significant portion of the care they provide is for Medicaid and CHIP patients, Medicare patients, and the uninsured.

Since most funding for residency training comes from Medicare and goes to teaching hospitals, family medicine residency programs often suffer from a lack of institutional support.

- Medicare only reimburses teaching hospitals for the time residents are treating patients in the hospital, however most family medicine training happens in outpatient clinics.
- Because procedural residencies generate more clinical revenue than family medicine residencies do, teaching hospitals have a financial disincentive to support family medicine residencies.
- Family medicine residency training occurs mostly in ambulatory medical clinics, which have higher overhead costs per resident compared to teaching hospitals where subspecialty residents are trained.
- Robust subspecialty residency programs present academic medical institutions greater opportunities to receive substantial research grants, while primary care residencies do not.

Since Medicare capped GME funding in 1997, increases in residency training positions have occurred almost exclusively in subspecialty training. The Medicare Payment Advisory Committee, the Council on Graduate Medical Education, and numerous researchers have observed that teaching hospitals and academic health centers have built GME training programs that serve their institutional goals ahead of serving the physician workforce needs of their communities.

- From 2000 to 2012, the number of first-year residency positions offered in Texas through the National Residency Matching Program increased from 1,231 positions to 1,473.
- Over that same period, the number of first-year family medicine residency positions offered in Texas through NRMP fell from 247 to 211.
- 70 family medicine residency programs around the country have closed since 2001.
- Since 2002, three family medicine residency programs have closed in Texas.



# The Texas Primary Care Two-step:

## *Support existing family medicine residency programs and increase the amount of training positions offered*

If Texas wants more primary care residency training positions, the state is going to have to pay for them. In 2002-2003, Texas spent \$51.7 million on a number of programs administered by the Texas Higher Education Coordinating Board that were designed to increase our primary care physician workforce by supporting residency training. Today, most of those programs have been defunded. All that remains is the Family Practice Residency Program fund, which was budgeted for \$5.6 million in 2012-2013.

### Step 1: Fund family medicine residency training programs at \$25 million for 2014-2015

Today there are 716 family medicine residents training in Texas. \$25 million would provide almost \$17,500 per resident per year, helping to stabilize our state's existing programs and repair damage done by the 74% cut they sustained last session.

### Step 2: Invest in new family medicine residency positions

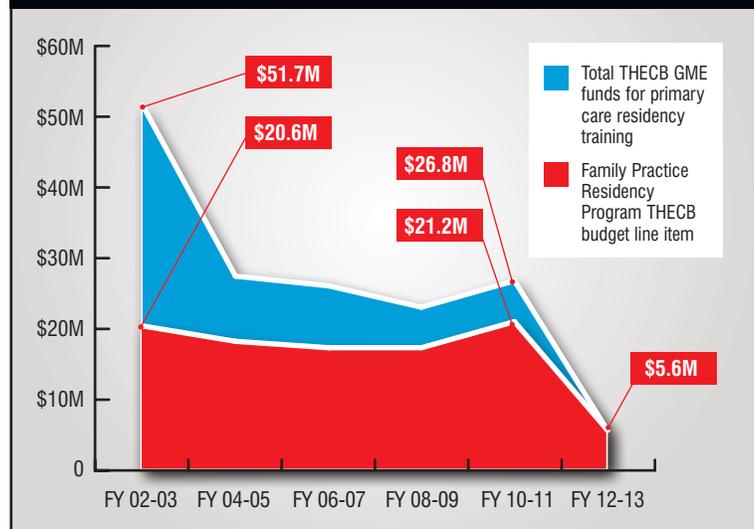
TAFP believes that with adequate funding, there is capacity to increase training positions in existing residency programs by 20 percent. That is 47 new positions each year.

To achieve this goal, the state should establish an incentive program for family medicine residencies that add training positions. The program should provide sufficient funding to cover the salary and benefits of the new residents—\$68,500 each—and one quarter of their faculty cost—\$50,000 each. With 47 new positions each year funded at \$118,500 apiece, the program would cost \$5.5 million in 2014, and \$11.2 in 2015.

Texas' 29 family medicine residency programs have succeeded for years at producing the core of our state's primary care physician workforce. As patient-centered medical homes, heavy users of health information technology, and early adopters of computerized simulation for training, these programs are laboratories for innovation in the provision of high-quality, cost-effective care.

By restoring support for these programs and offering meaningful incentives for those programs that expand training capacity, we can repair and strengthen our state's primary care infrastructure, ensuring access to care for our growing population.

### FUNDING FOR PRIMARY CARE RESIDENCY TRAINING ADMINISTERED BY THE TEXAS HIGHER EDUCATION COORDINATING BOARD



### STEP 2 FUNDING STRATEGY

2013: 47 positions x \$118,500 = \$5,546,000

2014: 94 positions x \$118,500 = \$11,139,000

Step 2 total, FY 2013-2014 = \$16,685,000

*NOTE: If the percentage of care the programs provide for the uninsured decreases or if potential revenue from Medicaid, CHIP, or Medicare increases, these residency expansion incentives should be adjusted.*