

# HOUSE BILL REPORT

## E2SHB 1485

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### As Amended by the Senate

**Title:** An act relating to family medicine residencies in health professional shortage areas.

**Brief Description:** Concerning family medicine residencies in health professional shortage areas.

**Sponsors:** House Committee on Appropriations (originally sponsored by Representatives Haler, Cody, Schmick, Shea, Zeiger, Tarleton, Tharinger and Riccelli).

#### **Brief History:**

##### **Committee Activity:**

Health Care & Wellness: 2/3/15, 2/6/15 [DPS];

Appropriations: 2/25/15, 2/27/15 [DP2S(w/o sub HCW)].

##### **Floor Activity:**

Passed House: 3/9/15, 98-0.

Senate Amended.

Passed Senate: 4/13/15, 44-0.

#### **Brief Summary of Engrossed Second Substitute Bill**

- Expands the medical schools that participate in the Family Medicine Residency Network.
- Requires that family medicine residency programs submit annual information to the Department of Health (DOH).
- Requires that the DOH compile a report and deliver to the Legislature by November 1, 2016, and by November 1st every even year thereafter.
- Re-establishes the Family Practice Education Advisory Board as the Family Medicine Education Advisory Board.

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### HOUSE COMMITTEE ON HEALTH CARE & WELLNESS

**Majority Report:** The substitute bill be substituted therefor and the substitute bill do pass. Signed by 13 members: Representatives Cody, Chair; Riccelli, Vice Chair; Schmick, Ranking Minority Member; Harris, Assistant Ranking Minority Member; Caldier, DeBolt, Jinkins, Johnson, Moeller, Robinson, Short, Tharinger and Van De Wege.

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*This analysis was prepared by non-partisan legislative staff for the use of legislative members in their deliberations. This analysis is not a part of the legislation nor does it constitute a statement of legislative intent.*

**Staff:** Jim Morishima (786-7191).

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## HOUSE COMMITTEE ON APPROPRIATIONS

**Majority Report:** The second substitute bill be substituted therefor and the second substitute bill do pass and do not pass the substitute bill by Committee on Health Care & Wellness. Signed by 33 members: Representatives Hunter, Chair; Ormsby, Vice Chair; Chandler, Ranking Minority Member; Parker, Assistant Ranking Minority Member; Wilcox, Assistant Ranking Minority Member; Buys, Carlyle, Cody, Condotta, Dent, Dunshee, Fagan, Haler, Hansen, Hudgins, G. Hunt, S. Hunt, Jinkins, Kagi, Lytton, MacEwen, Magendanz, Pettigrew, Sawyer, Schmick, Senn, Springer, Stokesbary, Sullivan, Taylor, Tharinger, Van Werven and Walkinshaw.

**Staff:** Catrina Lucero (786-7192).

### **Background:**

#### The Family Medicine Residency Network.

The Family Medicine Residency Network (FMRN) was established in 1975 to help train resident physicians in family medicine. The FMRN provides financial support to residents in programs affiliated with the University of Washington (UW) School of Medicine and establishes positions for appropriate faculty to staff the programs. The dean of the UW School of Medicine is responsible to implement the development and expansion of residency programs in cooperation with the medical profession, hospitals, and clinics located throughout Washington.

The chair of the Department of Family Medicine at the UW School of Medicine determines where affiliated programs exist, giving consideration to communities in the state where the population, hospital facilities, number of physicians, and interest in medical education indicate the potential success of the residency program.

The amount of state funding for a residency program is limited to no more than 50 percent of the total cost of the program. No more than 25 percent of the state funding may be used for faculty and staff at the UW School of Medicine associated with affiliated residency programs. No funds may be used to subsidize the costs of patient care.

#### The Family Practice Education Advisory Board.

In 1975 the Family Practice Education Advisory Board (FPEAB) was created to advise the UW School of Medicine in the implementation of the FMRN, including the selection of areas where affiliated residency programs will exist, the allocation of state funds, and procedures for review and evaluation of the programs. The FPEAB consisted of the following eight members:

- the dean of the UW School of Medicine (who served as chair);
- the chair of the Department of Family Medicine;
- two public members appointed by the Governor;
- a member appointed by the Washington State Medical Association;

- a member appointed by the Washington State Academy of Family Physicians;
- a hospital administrator appointed by the Governor; and
- a director representing the directors of community based family practice residency programs, appointed by the Governor.

The dean of the UW School of Medicine and the chair of the Department of Family Medicine were permanent members of the FPEAB. The remaining initial members of the FPEAB were appointed to staggered terms. Subsequent members served four-year terms and could serve two consecutive terms.

The FPEAB was eliminated in 2010, but continues to meet informally.

#### The Health Professional Loan Repayment Program.

The Health Professional Loan Repayment Program provides conditional scholarships and loan repayment to health professionals working in shortage areas. To be eligible, a professional must commit to providing primary care in a shortage area for at least two years.

#### **Summary of Engrossed Second Substitute Bill:**

The Legislature states its intent to increase the number of family medicine physicians in shortage areas by providing a fiscal incentive for hospitals and clinics to develop or expand residency programs. The Legislature also states its intent to encourage family medicine residents to work in shortage areas by funding the Health Professional Loan Repayment and Scholarship Program.

The medical schools administering the FMRN are expanded to include the Pacific Northwest University of Health Sciences and any other medical school accredited by the Liaison Committee of Medical Education or the Commission on Osteopathic College Accreditation that locates its entire four-year medical program in Washington. The schools of medicine must support the development of high-quality, accredited, affiliated residency programs and must prioritize support for health professional shortage areas. The schools of medicine must also coordinate with the Office of Student Financial Assistance to notify prospective family medicine students and residents of their eligibility for the Health Professional Loan Repayment Program. No more than 10 percent of the state funding for the FMRN may be used for administrative or overhead costs.

Each family medicine residency program must annually report the following information to the Department of Health (DOH):

- the location of the residency program and whether the program, or any portion of the program, is located in a health professional shortage area;
- the number of residents in the program and the number who attended an in-state versus an out-of-state medical school; and
- the number of graduates of the residency program who work within health professional shortage areas.

The DOH must aggregate the information received from the family medicine programs and report it to the Legislature every two years beginning November 1, 2016. The report must

include information on how the geographic distribution of residency programs changes over time and, if the information is readily available, a comparison of the number of residents in family medicine versus specialty areas.

The FPEAB is re-established and re-named the Family Medicine Education Advisory Board (FMEAB). The FMEAB must consider and make recommendations on the selection of areas where affiliated residency programs will exist, the allocation of state funds, and procedures for review and evaluation of the programs. The FMEAB consists of the following members:

- one member of the House of Representatives appointed by the Speaker of the House;
- one member of the Senate appointed by the President of the Senate;
- one member appointed by each of the deans of the schools of medicine participating in the FMRN (who serve as co-chairs);
- two citizen members, one from east of the Cascade Mountains and one from west of the Cascade Mountains, appointed by the Governor;
- a member appointed by the Washington State Medical Association;
- a member appointed by the Washington Osteopathic Medical Association;
- a member appointed by the Washington State Academy of Family Physicians;
- a hospital administrator appointed by the Washington State Hospital Association; and
- a director representing the directors of community-based family practice residency programs, appointed by the FMRN.

The persons appointed by the deans of the schools of medicine are permanent members of the FMEAB. The remaining initial members of the FMEAB are appointed to staggered terms. Subsequent members will serve four-year terms and may serve two consecutive terms.

#### **EFFECT OF SENATE AMENDMENT(S):**

Requires the Family Medicine Residency Network, in collaboration with the University of Washington, to administer the state funds appropriated for the purposes of family medicine residencies. Requires physicians, osteopathic physicians, physician assistants, and osteopathic physician assistants to provide information about their professional practice at the time of license renewal.

**Appropriation:** None.

**Fiscal Note:** Available.

**Effective Date:** The bill takes effect 90 days after adjournment of the session in which the bill is passed.

#### **Staff Summary of Public Testimony (Health Care & Wellness):**

(In support) Physicians are retiring and need to be replaced, particularly in the rural and underserved areas of the state. There will soon be more medical school graduates than positions in residency programs, which will result in medical school graduates with no jobs. By 2020, osteopathic and allopathic physicians will all be under the same accreditation system. The role of primary care and family medicine is critical, especially as our health care

delivery system changes. Washington ranks below the median in the number of primary care residencies per capita. Post-graduate transitions are important in medical education—where a physician does his or her residency is highly correlated to where he or she will practice. Washington has an excellent residency program now, but it needs to be expanded. The development of residency programs is expensive—there are administrative and financial barriers to expanding the state's current system. The current program is located at the UW, but has always operated with a spirit of collaboration. The program does not mandate where residencies will be located, but assists programs to create residencies. This bill will improve the state's medical education system and will cultivate a primary care workforce to which everyone has access. This bill will ensure that the state's family residency system is accountable.

(Opposed) None.

**Staff Summary of Public Testimony (Appropriations):**

(In support) There are areas in this state that are underserved when it comes to access to medical care. Two-thirds of the physicians in these areas are retiring in the next five years. Seventy percent of residents stay in the area that they train. We need to get more doctors into rural areas. There are not enough residency slots. Most of the slots the state does have are located in King County, not rural areas. Where students do their graduate medical education is the greatest predictor of where they will practice. The majority of funding for residencies comes from the federal government. The bill reestablishes the Family Medicine Education Advisory Board. The board costs very little and has continued to meet informally even when it was suspended. The bill adds osteopathic physicians to the board. This is important because by 2020 the osteopathic residency programs will need to meet the same requirements as the allopathic residencies, so it is important that these two groups are working together. The University of Washington is currently allowed to retain up to 25 percent of the network funding for administration. In practice, 11 percent is retained. With \$16 million in additional funding, the state would support 75 new residencies. Primary care is very important to the health of Washington residents.

(Opposed) None.

**Persons Testifying (Health Care & Wellness):** Representative Haler, prime sponsor; Robert Sutton, Pacific Northwest University of Health Sciences; Jonathan Sieb, Washington Academy of Family Physicians; Nova Gattman, Health Workforce Council; Susie Tracey, Family Residency Medicine Network; Katie Kolan, Washington State Medical Association; and Ian Goodhew, University of Washington School of Medicine.

**Persons Testifying (Appropriations):** Representative Haler, prime sponsor; Katie Kolan, Washington State Medical Association; Ian Goodhew, University School of Medicine; Susie Tracy, Family Medicine Residency Network; Dave Knutson, Pacific Northwest University of Health Sciences; and Jonathan Seib, Washington Academy of Family Physicians.

**Persons Signed In To Testify But Not Testifying (Health Care & Wellness):** None.

**Persons Signed In To Testify But Not Testifying (Appropriations):** None.