

STORAGE NAME: h4175s1.ei

DATE: April 3, 1998

**HOUSE OF REPRESENTATIVES
COMMITTEE ON
EDUCATION INNOVATION
BILL RESEARCH & ECONOMIC IMPACT STATEMENT**

BILL #: CS/HB 4175

RELATING TO: Postsecondary Education and Establishing a Medical School at FSU

SPONSOR(S): Committee on Education Innovation and Representatives Peaden, Thrasher, King, and others

COMPANION BILL(S): SB 2022 (Similar)

ORIGINATING COMMITTEE(S)/COMMITTEE(S) OF REFERENCE:

- (1) EDUCATION INNOVATION YEAS 6 NAYS 2
- (2) EDUCATION APPROPRIATIONS
- (3)
- (4)
- (5)

I. SUMMARY:

CS/HB 4175 will increase the size and scope of the Program in Medical Science (PIMS) at FSU. The committee substitute establishes a 2-year medical school by extending the existing 1-year medical school academic program to a 2-year academic program and providing training through rotation at area hospitals. That initial 2 years will be followed by 2 years of off-site hospital training in coordination with the University of Florida and Mayo Clinic in Jacksonville. The medical degree will be from the University of Florida. Additionally, the committee substitute provides that a medical faculty certificate can be issued without examination to individuals who accept a full-time faculty appointment to teach at the FSU program of medicine.

The committee substitute provides that students will be actively recruited from underserved rural and urban areas of Florida, and that all training will emphasize the unique medical needs of Florida's elder citizens. The extended medical school program could be useful in producing more doctors to care for the state's growing elderly population and to service those rural and urban areas where there is more need, such as rural northwest Florida.

Opponents generally have 3 concerns: (1) the Board of Regents, not lawmakers, should decide when and where a new medical school might be opened; (2) accreditation issues could arise; and (3) the state cannot afford new programs in the face of increasing enrollment during the next decade.

Proponents of the medical school at FSU think that the university officials, Florida regents and medical schools have had at least 8 years (since the Pepper Commission discussed the issue) to consider the need for increased knowledge and education about geriatric care for primary care physicians in Florida, yet no solutions have been put in place. The medical school at FSU will produce doctors, but not necessarily specialty doctors; however, because the intent is to recruit medical students from rural and inner-city areas, they could be more likely to return to these areas to practice.

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The amount in the House budget for the extended FSU program is \$1.45 million for the first year start-up costs to expand the PIMS program to a 2-year program. The money will be used mostly to hire instructors to expand the current program at FSU.

II. SUBSTANTIVE RESEARCH:

A. PRESENT SITUATION:

The State University System (SUS) consists of the Board of Regents of the Division of Universities of the Department of Education and the following 10 universities: University of Florida, Florida State University, Florida Agricultural and Mechanical University, University of South Florida, Florida Atlantic University, University of West Florida, University of Central Florida, University of North Florida, Florida International University, and Florida Gulf Coast University, pursuant to s. 240.2011, F.S. The 10 schools currently enroll 220,000 students.

Pursuant to s. 240.209(1), F.S., the primary responsibilities of the Board of Regents include planning for the future needs of the State University System; planning the programmatic, financial, and physical development of the system; reviewing and evaluating the instructional, research, and service programs at the universities; and coordinating program development among the universities. Subsection (3) specifies that the board shall develop a plan for future expansion and approve new degree programs for all state universities. Although the board is charged to be mindful of the differentiated missions of the several universities, specific legislative approval is required, as indicated in paragraph (c) of subsection (3).

New colleges, schools, or functional equivalents of any program leading to a degree which is offered as a credential for a specific license granted under the Florida Statutes or the State Constitution shall not be established without the specific approval of the Legislature.

Existing Medical Programs

Florida has 2 public medical schools, at the University of Florida and the University of South Florida, and 2 private schools, at the University of Miami and Nova-Southeastern, which offers a program in osteopathy medicine. Approximately 2,000 medical students are enrolled at these 4 in-state institutions. About 525 slots open each year as students graduate.

The Program of Medical Science (PIMS) at FSU enables students to take their first year of medical school courses at Florida State University before transferring to the University of Florida medical school in Gainesville for the final 3 years. The 1-year FSU program now has 30 students, is housed on the FSU campus and paid for by FSU. It is in actuality part of the University of Florida College of Medicine. It is accredited as part of the UF medical school, which is responsible for the quality of the instruction. The original idea behind the PIMS program was to increase the number of doctors practicing in the underserved Florida Panhandle. Providing students with first-year basic medical science courses at FSU is also said to be less expensive than educating them in their first year at UF's Health Science Center.

Residency programs are usually located at large urban hospitals due to the cost of operations for training physicians and the need for a larger patient base to provide a variety of medical experiences. Physicians pick what kind of medicine to pursue during their residencies. Some later become board-certified in a specialty, such as geriatrics, but they are not required to do so. The state licenses physicians to practice medicine,

not any particular specialty. The state licenses 2,000 to 3,000 physicians annually. This includes approximately 500 Florida medical school graduates. Most Florida medical school graduates do stay in-state.

Currently, medical training programs include approximately 16 hours of training in elder health care; this is out of 5,000 hours of total training. Nova-Southeastern's osteopathy program offers more extensive elder-oriented health education in its basic curriculum.

According to an August 22, 196 document entitled, *University of Florida College of Medicine Curriculum - Teaching of Geriatrics*, topics relating to geriatrics are integrated into the courses. Additionally, they have developed a focused clinical experience in a new third year clerkship, MAGNA (Medicine, Anesthesiology, Geriatrics, Neurology, and Advanced Cardiac Life Support [ACLS]). In the fourth year, there are two lectures specifically addressing the gerontological problems in the elderly and three elective courses on geriatrics and aging are offered.

Need for Physicians in Florida

Two areas of need have been identified: lack of an adequate supply of physicians in rural areas of Florida, and an under supply of primary care physicians who have adequate training in geriatrics.

Need in Rural Areas

Statistics from the U.S. Department of Health and Human Services and the American Medical Association show that the number of physicians per 100,000 population has surged by 82 percent during the last 30 years, from 147 in 1970 to 268 at present. Projections indicate that there will be 291 physicians per 100,000 population by the year 2020. The federal Balanced Budget Act calls for the federal government to pay teaching hospitals to train fewer physicians.

However, Florida, with 201.8 doctors per 100,000 people, ranks 17th in the number of physicians per people.¹ The physician/resident ratio is unequally distributed throughout the state; in 1994, areas with medical schools and large retiree populations had from 2.6 to 7.8 physicians per 1,000 residents while 11 rural counties had only 0.2 to 0.4 physicians per 1,000 residents. In metropolitan areas, there are approximately 250 doctors per 100,000 people. Since north Florida consists primarily of rural counties, especially in the Panhandle, the need is perceived to be greater in this geographic area.

A 1988 report by the Postsecondary Education Planning Commission (PEPC) entitled *Comprehensive Health Professions Plan Review for Florida* reported that access to physicians was inadequate for "thousands of citizens - especially those in rural and urban low-income areas and the indigent."

Need for Specialists

¹Calculated by Brian R. Klepper, Ph.D, President of Healthcare Performance Inc., Jacksonville, Florida. Calculations based on data from Department of Health and Human Services and U.S. Census.

The same report specifies that besides the lack of an adequate supply of physicians in certain geographic and economic situations, specialty mix was a second problem. An undersupply existed in primary care and other specialties.

Florida has a growing elderly population; in fact, according to the Department of Elder Affairs, Florida has the highest proportion of older people of any state. Reasons for the higher proportion of elderly are the influx of people retiring from other states to Florida and the increased life expectancy. In 1900, the average life expectancy was about 45 years; today it is about 80 years. The state's 85-plus population grew three times as fast as the state's overall population between 1990 and 1995. Projections are that by 2010, there will be one million Floridians age 80 and above, up from about 290,000 in 1980.

As Florida's senior population grows, Florida will need more doctors, especially those specializing in geriatrics. According to a 1996 report, *Eve on the Market, Health Care in the Sunshine State*, by the Florida Hospital Association, only 29 percent of Florida's physicians are primary care physicians. The report does not list the number of physicians in geriatrics.

The realization that a need existed for physicians trained in geriatrics was acknowledged as early as 1990 during the deliberations of the Florida Pepper Commission on Aging. The *Master Plan on Aging for Florida* by the Pepper Commission on Aging identified the need to support geriatric health care education to improve the availability and quality of care for the elderly and recommended earmarking funds for that objective. There were substantial discussions on the shortage of professionals trained to meet the health and human needs of the state's growing elderly population.

Of critical importance to the Commission was the area of geriatric education. The Commission identified, in particular, the need for training of a variety of health care professionals, including physicians specializing in geriatrics to provide routine medical care; geriatric psychiatrists to diagnose and treat various mental disorders, and geriatric nurse practitioners. The members of the Commission expressed concern that the degree and depth of geriatric instruction appeared to be limited.

Medical Faculty Certificate

Section 458.3145, F.S., allows a medical faculty certificate to be issued without examination to an individual who meets the following criteria.

- Graduated from accredited medical school or its equivalent, or a graduate of a foreign medical school listed with the World Health Organization
- Holds a valid, current license to practice medicine in another jurisdiction
- Completed application form and remitted nonrefundable application fee
- Completed an approved residency or fellowship of at least 1 year or received equivalent training
- Is at least 21 years old
- Is of good moral character

- Has not committed any act which would constitute grounds for disciplinary action of a physician
- Graduated from medical school after October 1, 1992, and completed, before medical school, 2 academic years of preprofessional, postsecondary education, which included courses in anatomy, biology, and chemistry, and applied for the medical faculty certificate
- Is offered and accepted a full-time faculty appointment to teach in a program of medicine at the University of Florida, University of Miami, University of South Florida, or the Mayo Clinic Jacksonville, Florida.

The University of Florida, the University of Miami, the University of South Florida, and the H. Lee Moffitt Cancer Center and Research Institute may each have not more than 15 persons holding a medical faculty certificate and practicing in conjunction with their faculty position. The Mayo Clinic in Jacksonville is limited to 5 persons.

The certificate expires in 2 years or when the holder's relationship with the facility is terminated. It may be renewed every 2 years by application to the board and certification by the medical school. The deans of Florida's accredited 4-year medical schools annually review the certificate holders and report to the Board of Medicine.

Except for the holders of the medical faculty certificates, any physician may provide medical care or treatment in connection with the education of students, residents, or faculty at the request of the dean of an accredited medical school in Florida or the medical director of a teaching hospital, which is any hospital formally affiliated with an accredited medical school that exhibits activity in the area of medical education as reflected by at least seven different resident physician specialties and the presence of 100 or more resident physicians, as defined in s. 408.07, F.S. However, the physician must meet the following conditions: register with the board, pay a board-set registration fee of no more than \$300, and demonstrate financial responsibility, pursuant to s. 458.320(1) or (2), F.S., unless practicing medicine as a federal or state officer, employee, or agent, pursuant to s. 458.320(5)(a), F.S. Only 3 physicians per year per institution may be registered, and an exemption can only be granted to a physician once in any given 5-year period.

B. EFFECT OF PROPOSED CHANGES:

CS/HB 4175 will increase the size and scope of the Program in Medical Science (PIMS) at FSU. The committee substitute establishes a 2-year medical school by extending the existing 1-year medical school program to a 2-year academic program. During the first 2 years, training will be provided through rotation at area hospitals. That initial 2 years will be followed by 2 years of off-site hospital training in coordination with the University of Florida and Mayo Clinic in Jacksonville. The medical degree will be deferred by the University of Florida. Additionally, the committee substitute provides that a medical faculty certificate can be issued without examination to individuals who accept a full-time faculty appointment to teach at the FSU program of medicine.

The committee substitute provides that students will be actively recruited from underserved rural and urban areas of Florida, and that all training will emphasize the unique medical needs of Florida's elder citizens. The extended medical school program

could be useful in producing more doctors to care for the state's growing elderly population and to service those rural and urban areas where there is more need, such as rural northwest Florida.

The amount in the House budget extending the FSU program to a 2-year program is \$1.45 million. The money will be used mostly to hire instructors to expand the current program at FSU.

Opponents think that the Board of Regents, not lawmakers, should decide when and where a new medical school might be opened. A second concern is that accreditation could be problematic. The accrediting agency for most U.S. medical schools is the Liaison Committee on Medical Education (LCME). Accreditation is necessary for medical school graduates to be eligible for state licensure. According to a letter from the LCME to the Dean of the UF College of Medicine:

significant changes in an educational program can trigger a reassessment of a school's term of accreditation. The LCME may require some type of on-site data collection, such as a visit by the Secretariat or by a survey team, in order to assure that there are adequate resources at Tallahassee to support such a change.

Third, the opponents are concerned that the state cannot afford new programs in the face of increasing enrollment during the next decade. New projections released in March by the Chancellor of the Board of Regents call for 82,000 new students in the state's 10 universities by the year 2010.

Proponents of the medical school at FSU think that the university officials, Florida regents and medical schools have had at least 8 years to consider the need for increased geriatric physicians in Florida, yet no solutions have been put in place. Since all of the training will emphasize the medical needs of the elderly, the expanded program at FSU could produce more primary care doctors who have a more thorough education in geriatrics. Because the medical students will be recruited from rural and inner-city areas and their second 2-years will include experience in underserved areas, may be more likely to return to these areas to practice.

C. APPLICATION OF PRINCIPLES:

1. Less Government:

a. Does the bill create, increase or reduce, either directly or indirectly:

(1) any authority to make rules or adjudicate disputes?

N/A

- (2) any new responsibilities, obligations or work for other governmental or private organizations or individuals?

The committee substitute establishes a 2-year medical school within Florida State University. This will extend the 1-year program currently in existence to an additional academic year with training in area hospitals; and the last 2 years of the program will be coordinated with the University of Florida and Mayo Clinic in Jacksonville.

- (3) any entitlement to a government service or benefit?

N/A

- b. If an agency or program is eliminated or reduced:

- (1) what responsibilities, costs and powers are passed on to another program, agency, level of government, or private entity?

N/A

- (2) what is the cost of such responsibility at the new level/agency?

N/A

- (3) how is the new agency accountable to the people governed?

N/A

2. Lower Taxes:

- a. Does the bill increase anyone's taxes?

N/A

- b. Does the bill require or authorize an increase in any fees?

N/A

- c. Does the bill reduce total taxes, both rates and revenues?

N/A

- d. Does the bill reduce total fees, both rates and revenues?

N/A

- e. Does the bill authorize any fee or tax increase by any local government?

N/A

3. Personal Responsibility:

- a. Does the bill reduce or eliminate an entitlement to government services or subsidy?

N/A

- b. Do the beneficiaries of the legislation directly pay any portion of the cost of implementation and operation?

N/A

4. Individual Freedom:

- a. Does the bill increase the allowable options of individuals or private organizations/associations to conduct their own affairs?

The extended program at FSU in north Florida will give students desiring to continue their medical education in north Florida the option of doing so.

- b. Does the bill prohibit, or create new government interference with, any presently lawful activity?

N/A

5. Family Empowerment:

- a. If the bill purports to provide services to families or children:

- (1) Who evaluates the family's needs?

N/A

- (2) Who makes the decisions?

N/A

(3) Are private alternatives permitted?

N/A

(4) Are families required to participate in a program?

N/A

(5) Are families penalized for not participating in a program?

N/A

b. Does the bill directly affect the legal rights and obligations between family members?

N/A

c. If the bill creates or changes a program providing services to families or children, in which of the following does the bill vest control of the program, either through direct participation or appointment authority:

(1) parents and guardians?

N/A

(2) service providers?

N/A

(3) government employees/agencies?

N/A

D. STATUTE(S) AFFECTED:

Amends Section 458.3145, Florida Statutes.

E. SECTION-BY-SECTION RESEARCH:

Section 1 Establishes a 2-year medical school within Florida State University. Provides that the first 2 years will be at FSU in Leon County with rotation in local community hospitals and that the second 2 years for clinical rotation will include experience in underserved areas and be coordinated with the University of Florida and Mayo Clinic in Jacksonville, Florida. Provides that students will be recruited from underserved rural and urban areas of Florida and all training will emphasize the unique medical needs of Florida's elder citizens.

Section 2 Amends current provisions for issuance of a medical faculty certificate without examination by adding Florida State University to programs of medicine in which an individual who accepts a full-time faculty appointment to teach may be issued a medical faculty certificate without examination.

Section 3 Provides an effective date upon becoming a law.

III. FISCAL RESEARCH & ECONOMIC IMPACT STATEMENT:

A. FISCAL IMPACT ON STATE AGENCIES/STATE FUNDS:

1. Non-recurring Effects:

The House budget includes \$1.45 million for extension of the Program in Medical Science at FSU. This is the estimated amount which will be required to increase faculty capacity for the second year of PIMS.

Total start-up costs for a 4-year medical school are undetermined at this time but some of the following costs are identified. The costs are based on estimates by the Board of Regents and are for a newly established 4-year medical school. The cost are for new facilities.

Medical school library (one of the most expensive components of a medical school)
Construction/equipment of facility (25,000 sq. ft. @ \$115/sq. ft.*) = \$4.3 million
Acquisition of collection = \$3.5 million

Lecture and laboratory facilities
Construction/equipment of facility (25,000 sq. ft @ \$125/sq. ft.*) = \$6.4 million

* If existing facilities are expanded, the cost per square foot will be the same.

2. Recurring Effects:

Indeterminate at this time; however, the Board of Regents furnished the following information. The average recurring cost of educating a medical student at the University of Florida, University of South Florida and University of Miami medical schools is \$73,000 per student per year, which is the low end of the range for all 4-year allopathic U.S. medical schools. Part of this, approximately \$10,000 to \$12,000, is covered by tuition of the student. Assuming a total enrollment of 200 students, the total annual recurring operating costs for a new 4 year medical school are estimated to be approximately \$14.6 million.

3. Long Run Effects Other Than Normal Growth:

N/A

4. Total Revenues and Expenditures:

Estimated cost of medical school library	\$8.0 million*
Lecture and Laboratory facilities	\$6.4 million*
Annual operating costs	\$14.6 million

* If existing facilities are expanded, cost could be less.

B. FISCAL IMPACT ON LOCAL GOVERNMENTS AS A WHOLE:

1. Non-recurring Effects:

N/A

2. Recurring Effects:

N/A

3. Long Run Effects Other Than Normal Growth:

N/A

C. DIRECT ECONOMIC IMPACT ON PRIVATE SECTOR:

1. Direct Private Sector Costs:

N/A

2. Direct Private Sector Benefits:

N/A

3. Effects on Competition, Private Enterprise and Employment Markets:

N/A

D. FISCAL COMMENTS:

N/A

IV. CONSEQUENCES OF ARTICLE VII, SECTION 18 OF THE FLORIDA CONSTITUTION:

A. **APPLICABILITY OF THE MANDATES PROVISION:**

This bill does not require counties or municipalities to expend funds.

B. **REDUCTION OF REVENUE RAISING AUTHORITY:**

This bill does not reduce the authority of counties or municipalities to raise revenue.

C. **REDUCTION OF STATE TAX SHARED WITH COUNTIES AND MUNICIPALITIES:**

This bill does not reduce the percentage of a state tax shared with counties and municipalities.

V. **COMMENTS:**

VI. **AMENDMENTS OR COMMITTEE SUBSTITUTE CHANGES:**

HB 4175 was amended in the Education Innovation Committee of the House on April 2, 1998, and made into a committee substitute. The committee substitute differs from the original bill in the following ways:

- Expands the Program in Medical Sciences (PIMS) at FSU to a 2-year medical school versus establishing a 4-year medical school
- Provides that second 2-year clinical rotation for PIMS will include experience in underserved area and will be coordinated with UF and the Mayo Clinic versus just coordination with the Mayo Clinic
- Specifies that medical degree will be conferred by University of Florida
- Specifies that students will be actively recruited from underserved rural and urban areas of Florida and all training will emphasize the unique medical needs of Florida's elder citizens.

VII. **SIGNATURES:**

COMMITTEE ON EDUCATION INNOVATION:

Prepared by:

Legislative Research Director:

Ouida J. Ashworth

Peter C. Doherty