

SENATE STAFF ANALYSIS AND ECONOMIC IMPACT STATEMENT

(This document is based on the provisions contained in the legislation as of the latest date listed below.)

Prepared By: Ways and Means Committee

BILL: CS/SB 918

INTRODUCER: Health Care Committee and Senators Constantine and Peadar

SUBJECT: Medical Schools

DATE: April 24, 2006

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	<u>Munroe</u>	<u>Wilson</u>	<u>HE</u>	<u>Fav/CS</u>
2.	<u> </u>	<u> </u>	<u>JU</u>	<u>Withdrawn</u>
3.	<u> </u>	<u> </u>	<u>HA</u>	<u>Withdrawn</u>
4.	<u>Newman</u>	<u>Newman</u>	<u>EA</u>	<u>Favorable</u>
5.	<u>Newman</u>	<u>Coburn</u>	<u>WM</u>	<u>Favorable</u>
6.	<u> </u>	<u> </u>	<u>RC</u>	<u>Withdrawn</u>

I. Summary:

The bill authorizes the creation of a college of medicine, as approved by the Board of Governors on March 23, 2006, at the University of Central Florida and a college of medicine, as approved by the Board of Governors on March 23, 2006, at Florida International University.

This bill creates ss. 1004.384 and 1004.385, Florida Statutes.

II. Present Situation:

Medical Education in Florida

Four allopathic medical education programs (University of Florida, University of South Florida, Florida State University, and the University of Miami) and two osteopathic medical education programs (NovaSoutheastern and Lake Erie College of Osteopathic Medicine) are located in Florida. Approximately 546 physicians graduated from allopathic and osteopathic medical education programs in Florida during 2005.¹ The total number of first-year residency slots in Florida totaled 786.² Based on the current enrollment, such programs are projected, in 2009, to have a total of 902 graduates and the number of first-year residency slots will remain at 786.

The osteopathic medical education programs at NovaSoutheastern and Lake Erie College of Osteopathic Medicine are accredited by the American Osteopathic Association. Each allopathic medical education program is accredited by the Liaison Committee on Medical Education (LCME) of the American Association of Medical Colleges (AAMC). The LCME accredits

¹ Source: the Council of Florida Medical School Deans.

² Source: Council of Florida Medical School Deans.

programs of medical education leading to the M.D. degree in the United State and territories and in cooperation with the Committee on Accreditation of Canadian Medical Schools in Canada. Accreditation by LCME is recognized by the Unites States Department of Education, which is responsible for attesting to the educational quality of accredited medical education programs.

Subsection 408.07(45), F.S., defines “teaching hospital” to mean any Florida hospital officially affiliated with an accredited Florida medical school which exhibits activity in the area of graduate medical education as reflected by at least seven different graduate medical education programs accredited by the Accreditation Council for Graduate Medical Education or the Council on Postdoctoral Training of the American Osteopathic Association and the presence of 100 or more full-time equivalent resident physicians. The Secretary of Health Care Administration is responsible for determining which hospitals meet this definition.

There are currently six statutory teaching hospitals. These include Jackson Memorial Hospital, Mount Sinai Medical Center, Orlando Regional Medical Center, Tampa General Hospital, Shands-Jacksonville, and Shands University of Florida. According to the Teaching Hospital Council of Florida, these hospitals provide 80 percent of all medical residencies, 50 percent of all indigent care, and at least 30 percent of all Medicaid treatment in Florida.

Chapter 458, F.S., governs the regulation of the practice of medicine by the Board of Medicine. Section 458.311, F.S., provides requirements for medical licensure. The requirements for medical licensure under the chapter include: completion of two academic years of preprofessional, postsecondary education; graduation from an accredited allopathic medical school or college recognized by the United States Office of Education; demonstration of proficiency in English, if the language of instruction of the medical school is other than English; completion of an approved residency of at least one year; and passage of a national medical licensure examination. Section 458.345, F.S., requires hospitals to submit a list of resident physicians, assistant resident physicians, house physicians, interns, or fellows employed by the facility to the Department of Health on dates designated by the Board of Medicine. Residents must register with the board.

Chapter 459, F.S., similarly provides for the regulation of the practice of osteopathic medicine. The requirements for osteopathic medical licensure include: completion of three years of preprofessional postsecondary education; graduation from a college recognized and approved by the American Osteopathic Association; and completion of a resident internship of no less than 12 months in a hospital approved by the American Osteopathic Association; and passage of a national osteopathic licensure examination.

Physician Workforce Data

Recently, the Council on Graduate Medical Education, a national advisory organization that makes recommendations on the adequacy of the supply and distribution of physicians, predicted that the demand for physicians, nationally, would significantly outpace the supply.³ In Florida,

³ See Report by the Council on Graduate Medical Education, “Physician Workforce Policy Guidelines for the United States, 2000-2020 Sixteenth Report January 2005.”

the costs of medical malpractice insurance, the recent adoption of a constitutional amendment that prohibits licensure or continued licensure of physicians who have committed three or more incidents of medical malpractice, displacement of medical students and licensed physicians by natural disasters, and other variables, may affect the number of students applying to medical schools in Florida and the number of allopathic and osteopathic physicians applying for licensure and practicing in Florida. Floridians’ access to necessary health care services could be adversely affected by a shortage of licensed physicians practicing in Florida.

The Department of Health compiles an annual report of professions that provides statistics regarding active licenses held, numbers of disciplinary complaints filed, and other relevant information. Table 1 below shows the number of active medical physician and osteopathic physician licenses for the state fiscal years 2001-02, 2002-03, and 2003-04.

Table 1 - Medical and Osteopathic Physician Active Licenses		
State Fiscal Year	Medical Physician Active Licenses Held	Osteopathic Physician Active Licenses Held
2001-2002	43,567	3,943
2002-2003	47,573	4,299
2003-2004	47,805	4,264

Source: Florida Department of Health, Medical Quality Assurance Annual Reports

Data sources on the number of medical and osteopathic physicians in Florida that will be needed are conflicting but there is an agreement that demand for physicians is outpacing the production.⁴ The annual demand for physicians in Florida is expected to grow from 2,800 in 2003, to 4,200 in 2021. A quarter of Florida’s practicing physicians are over 65 and only 10 percent are under 35.⁵ Florida’s population is projected to increase 60 percent by 2030 and the aged population is projected to grow by 124 percent in the same time span, which will dramatically increase demand for physician services.⁶

The statewide collection of physician data and its analysis is fragmented in Florida. Under s. 408.05, F.S., the State Center for Health Statistics within AHCA must collect data on health resources, including physicians, dentists, nurses, and other health care professionals. The Division of Health Access and Tobacco within DOH administers several programs that relate to physician access. The Florida Medicaid program in AHCA has claims data for physicians participating in the Medicaid program. Although several entities collect information on Florida physicians, there is no centralized responsibility for statewide collection and analysis of health

⁴ Source: Board of Governor’s staff Analysis, “New Medical School Proposal,” November 2005.

⁵ Id.

⁶ Id.

workforce data, including physician data. The Council of Florida Medical School Deans, the Graduate Medical Education Committee, and the Community Hospital Education Council have endorsed the creation of a state-level entity that could serve as the official state repository for health professions workforce supply and demand data.⁷

Board of Governor's Resolution

In accordance with s. 7, Art. IX of the State Constitution, the Board of Governors (board) of the State University System has the duty to operate, regulate, control, and be fully responsible for the management of the whole publicly funded State University System and the board, or the board's designee, has responsibility for approving, reviewing, and terminating degree programs of the State University System.⁸

On March 23, 2006, the Board of Governors adopted a resolution, which approved requests from Florida International University and the University of Central Florida for medical schools. The board will support each university as it seeks approval from the Legislature as required by s. 1004.03(3), F.S. Subsection 1004.03(3), F.S., provides that new colleges, schools, or functional equivalents of any program leading to a degree that 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.

III. Effect of Proposed Changes:

The bill authorizes the creation of a college of medicine, as approved by the Board of Governors on March 23, 2006, at the University of Central Florida and a college of medicine, as approved by the Board of Governors on March 23, 2006, at Florida International University.

The effective date of the bill is upon the bill becoming a law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

The provisions of this bill have no impact on municipalities and the counties under the requirements of Article VII, Section 18 of the Florida Constitution.

B. Public Records/Open Meetings Issues:

The provisions of this bill have no impact on public records or open meetings issues under the requirements of Art. I, s. 24(a) and (b) of the Florida Constitution.

C. Trust Funds Restrictions:

The provisions of this bill have no impact on the trust fund restrictions under the requirements of Article III, Subsection 19(f) of the Florida Constitution.

⁷ See "Medical Education Needs Analysis" by Council for Education Policy, Research and Improvement, November 2004.

⁸ See s. 1001.705(1)(b)8., F.S.

V. Economic Impact and Fiscal Note:**A. Tax/Fee Issues:**

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Based on information provided to the Board of Governors as part of Florida International University's proposal for a School of Medicine, a full compliment of faculty will be employed by the eighth year of operations. Recurring annual general revenue requirements for operations at that time will be \$21.2 million. Annual revenues from student tuition (\$8.7 million), faculty practice (\$0.3 million), and contracts and grants (\$2.9 million) by the eighth year of operations will also be used to support the program. \$46.5 million in nonrecurring general revenue will be needed for planning & startup requirements. \$20 million from private donations, \$20 million in state matching funds, and \$20 million in P.E.C.O. funds will be required for new facility costs. This proposal contemplates serving 480 students annually when fully implemented.

Information provided to the Board of Governors by the University of Central Florida in support of its proposal for a School of Medicine contemplates full staffing by the tenth year of operations. Annual recurring general revenue needs at that time will be \$18.2 million. Additionally, annual revenues from student tuition (\$8.7 million), clinical practice (\$5.9 million), and contracts and grants (\$1.2 million) will be used to fund program costs when fully operational. Existing faculty (\$3.3 million) will also be used to support the UCF School of Medicine. \$40.2 million in nonrecurring general revenue will be required for planning and program start up costs. Private donations of \$30 million, state matching funds of \$30 million, and P.E.C.O. funds of \$22 million will be required to construct new facilities. When fully implemented, the school will serve 480 students annually.

During FY 2006-07, no funds are being formally requested by the Board of Governors for either proposed medical school according to the staff of the Board of Governors. Each university is using 2006 as a planning year and expects classes to begin during the fall, 2008.

According to the staff of the Board of Governors, during FY 2007-08, \$5.75 million is projected to be needed during the first year start up for each medical school for a total of \$11.5 million

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.

VIII. Summary of Amendments:

None.

This Senate staff analysis does not reflect the intent or official position of the bill's introducer or the Florida Senate.
