

The Florida Senate
BILL ANALYSIS AND FISCAL IMPACT STATEMENT

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

Prepared By: The Professional Staff of the Governmental Oversight and Accountability Committee

BILL: CS/SB 1614

INTRODUCER: Governmental Oversight and Accountability

SUBJECT: State Funding for Medical Student Education

DATE: April 7, 2009

REVISED: _____

	ANALYST	STAFF DIRECTOR	REFERENCE	ACTION
1.	Harkey	Matthews	HE	Favorable
2.	McKay	Wilson	GO	Fav/CS
3.			HI	
4.			WPSC	
5.				
6.				

Please see Section VIII. for Additional Information:

- | | | |
|------------------------------|-------------------------------------|---|
| A. COMMITTEE SUBSTITUTE..... | <input checked="" type="checkbox"/> | Statement of Substantial Changes |
| B. AMENDMENTS..... | <input type="checkbox"/> | Technical amendments were recommended |
| | <input type="checkbox"/> | Amendments were recommended |
| | <input type="checkbox"/> | Significant amendments were recommended |

I. Summary:

This bill would require the Board of Governors, in consultation with the Office of Program Policy Analysis and Government Accountability, to develop a funding methodology for 4-year Doctor of Medicine degree programs that provides a consistent base level of state support on a per-student basis for each program, and requires use of the methodology in formulating legislative budget requests.

This bill creates section 1011.905 of the Florida Statutes.

II. Present Situation:

Florida currently has public medical schools providing medical education at the University of Florida, the University of South Florida, and Florida State University. In 2006, the Legislature authorized additional public medical schools at the University of Central Florida and Florida International University. These two schools have been in the planning stage and are scheduled to admit their first students in 2009. The American Medical Association's Liaison Committee on Medical Education approved preliminary accreditation for these medical schools in February 2008. Florida Atlantic University (FAU) provides a program for medical education through an

agreement with the University of Miami. The FAU program started as a 2+2 program, where students started their medical education at FAU and received their degree from the University of Miami. In 2005, the BOG approved a 4-year regional medical campus of the University of Miami's School of Medicine at FAU, and the first students were admitted to this four-year program in 2007.

The state's medical schools have different missions. The program at FSU must prepare physicians to practice primary care, geriatric, and rural medicine.¹ The University of Florida and the University of South Florida medical schools have research and public service missions in addition to the education of physicians. The new medical school at FIU will focus on the education of physicians, while the new school at UCF will educate physicians as well as researchers.

Prior to the 2007 Legislative Session, the University of Florida and the University of South Florida requested equity in per-student funding among the state's public medical education programs. In the 2007-2008 General Appropriation Act, proviso language for specific appropriations 167 through 170A required the Board of Governors to assist the Office of Program Policy and Government Accountability (OPPAGA) with a review of funding for public medical education programs leading to the Doctor of Medicine degree. The Legislature required the review to:

- Evaluate the current Florida funding models and other national models for equivalent public medical education programs; and
- Consider data on funding programs from all sources.

The proviso required the established Florida public medical schools to participate in the review.

The initial report,² published in June 2008, found that few states have funding models that specifically address medical education, and the states that do use them for different purposes. Only one state, Ohio, uses a formula for legislative appropriations to multiple public colleges of medicine. The report found that 36 states would have no need for a formula to fund medical schools because eight states have no public medical school and 28 states have only one.

OPPAGA continued its study of medical school funding and issued a report in March 2009 regarding a program funding model.³ The report found that Florida's medical schools have substantial variations in mission, history, and local revenue. The University of Florida and the University of South Florida Colleges of Medicine are part of health science centers that include other health-related colleges, while the College of Medicine at Florida State is not part of such a center. The medical schools at the University of Florida and the University of South Florida rely on practice plan profits to help fund their medical education programs. Florida State University has no practice plan. OPPAGA found that state-level data is insufficient to enable the state to accurately determine the cost of medical schools.

¹ s. 1004.42(3), F.S.

² OPPAGA Report No. 08-36, "Medical Education Funding is Complex; Better Expenditure Data Is Needed," June, 2008.

³ OPPAGA Report No. 09-19, "Medical Education Program funding Model Must Address Institutional Variations and Data Limitations," March 2009.

The report describes the University of Florida's mission based budgeting which tracks funds to each of the college's three missions: teaching, clinical care, and research. According to University of Florida College of Medicine officials, mission-based budgeting links instructional costs to the time budgeted for individual faculty to participate in specific teaching assignments. The OPPAGA report recommends using the University of Florida's mission-based budgeting as the basis for the state's medical funding model, with modifications to accommodate system-wide information regarding instructional activities.

The OPPAGA report recommends that the Board of Governors should modify its statewide information systems and reporting processes to provide more complete and consistent information on medical education programs, in order to assist in developing a funding model for Florida's colleges of medicine. The report recommends that the BOG:

- Clearly identify and report all academic departments and programs provided by a college of medicine;
- Identify any external departments that provide instruction to medical students or to students in other programs offered by a college of medicine;
- Identify and report all revenues used to support the activities of a college of medicine including faculty practice plans;
- Develop a system-wide policy that assigns contact hour equivalents for non-classroom instruction such as student advisement and patient care associated with colleges of medicine;
- Require a consistent set of account codes, generally at the department level, be used for all databases to ensure that spending can be linked to all reported activities;
- Require that legislative earmarks be expended and reported through separate account codes so that they can be clearly identified in financial calculations; and
- Develop a policy that provides for a consistent method of identifying and reporting on all college of medicine revenues.

III. Effect of Proposed Changes:

This bill states that the intent of the Legislature is to provide a base level of state support for 4-year Doctor of medicine degree programs at state universities. The Board of Governors (BOG), in consultation with the Office of Program Policy Analysis and Government Accountability (OPPAGA) is directed to develop a funding methodology for 4-year Doctor of Medicine degree programs that provides a consistent base level of state support on a per-student basis for each program. The bill requires the BOG to:

- Review prior-year expenditures for each of the 4-year Doctor of Medicine degree programs.
- Review national data on the costs associated with 4-year Doctor of Medicine degree programs offered by public universities.
- Determine a base-level cost per student which excludes supplemental costs or startup costs.
- Determine supplemental costs and startup costs that are in addition to the base-level cost per student.
- Determine a uniform reporting procedure for the consistent annual reporting of expenditures for 4-year Doctor of Medicine degree programs.
- Determine a uniform reporting procedure for the consistent annual reporting of outcome data for 4-year Doctor of Medicine degree programs.

The BOG must submit a report on its developed funding methodology to the Governor and Legislature by February 1, 2010, and use the methodology for its legislative budget requests. .

The bill will take effect upon becoming law.

IV. Constitutional Issues:

A. Municipality/County Mandates Restrictions:

None.

B. Public Records/Open Meetings Issues:

None.

C. Trust Funds Restrictions:

None.

V. Fiscal Impact Statement:

A. Tax/Fee Issues:

None.

B. Private Sector Impact:

None.

C. Government Sector Impact:

Under the current funding policy, support for medical education includes state appropriations, tuition dollars and funding from faculty practice plans.

Tuition rates for 2008-2009 varied from \$15,832 at Florida State University to \$29,298 at the University of Miami at Florida Atlantic University. The 2008-2009 General Appropriations Act provided the following appropriations of General Revenue to Florida's medical schools:

Florida International University	\$11,459,863
Florida State University	\$40,278,706
University of Florida ⁴	\$93,125,717
University of Central Florida	\$ 9,173,004
University of South Florida ⁵	\$60,004,789

⁴ The University of Florida Health Science Center is comprised of six colleges: Dentistry, Medicine, Nursing, Pharmacy, Public Health and Health Professions, and Veterinary Medicine. This appropriation funds three of those programs: Dentistry, Medicine, and Veterinary Medicine. According to staff of the Health Science Center, \$38 million of the appropriation funded the College of Medicine in 2008-2009.

According to the BOG, if a funding model for medical student education were implemented to provide state support on a per-student basis, that amount would be determined based on such components as the medical school's mission or determining mechanisms for applying instructional weights to medical students to determine base student allocations or base research allocations. Therefore, the amount of state support on a per-student basis cannot be determined at this time.

OPPAGA reports that it can perform the requirements of SB 1614 within current resources.

VI. Technical Deficiencies:

None.

VII. Related Issues:

None.

VIII. Additional Information:

- A. **Committee Substitute – Statement of Substantial Changes:**
(Summarizing differences between the Committee Substitute and the prior version of the bill.)

CS by Governmental Oversight and Accountability on April 7, 2009:

The CS clarifies the types of information that must be considered in formulating the methodology, and requires use of the methodology in formulating legislative budget requests.

- B. **Amendments:**

None.

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

⁵ University of South Florida Health is comprised of three colleges: Medicine, Nursing, and Public Health. Within the College of Medicine are the School of Basic Biomedical Sciences, and the School of Physical Therapy and Rehabilitation Sciences. This appropriation funds all of those programs.