



UNIVERSITY OF HAWAI'I SYSTEM

ANNUAL REPORT

REPORT TO THE 2007 LEGISLATURE

Annual Report on
The Medical Education council on a Summary of the Expenditures of
Program Monies Authorized By the Council

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ANNUAL REPORT FROM THE MEDICAL EDUCATION COUNCIL ON A SUMMARY OF THE
EXPENDITURES OF PROGRAM MONEYS AUTHORIZED BY THE COUNCIL

AS REQUIRED BY ACT 181, SLH 2003

Act 181 of the 2003 Legislature requires the Medical Education Council to submit a summary report of the expenditures of program moneys authorized by the council.

All new appointees to the Council have been oriented to the Council's operations and the statute governing its mission.

Schedule: The Council met in January and June, 2006, during the tenure of Interim Dean Dr. Samuel Shomaker. By designation, the Chair is now Interim Dean Dr. Gary K. Ostrander, Vice-Chancellor of the University of Hawai'i at Manoa. The next anticipated meeting is January, 2007.

Mission: The Council is tasked with advancing graduate medical education in Hawai'i, in service to the health needs of the public. It consists of gubernatorial appointees both by name and by position, subject to confirmation by the Senate; in staggered terms of two years. It is housed within the John A. Burns School of Medicine for administrative support, and presently is sustained by in-kind service contributions. It is charged with taking charge of the funding support for graduate medical education (post-M.D. and post-D.O. training) within the State.

Financial Report: No expenditures of program monies have been made nor have any monies been deposited in the Special Fund as established by Act 181.

The tasks before the Council in discharging its mission are:

1. Identification of physician workforce needs within the State, in development of and sustainment of the highest possible level of medical care
2. Development of a state-wide centrally-managed scheme for residency development and funding, to meet those workforce needs

Immediate issues confronting the Council include:

1. De-funding of the JABSOM Family Practice Residency in consequence of a progressing financial crisis at its host facility (Wahiawa General Hospital).
2. Hospital reorganization and funding challenges throughout the State that diminish available support for graduate medical training; compounded by declining Federal graduate medical education (GME) support that derives from Medicaid and Medicare funding.

Discussion: The Council continues to sponsor research and modeling of projected physician manpower shortages as well as continuing to develop or review strategic plans for meeting those

shortages. These occupy several intersecting planes. Recapitulating representative examples, they include:

- Geographic disparities (rural versus urban needs)
- Specialty disparities (e.g., neurosurgical and orthopedic surgical needs versus less acute but trending needs in obstetrics, anesthesiology), driven in part by more sophisticated public expectations of care levels
- Productivity shortfalls (e.g., decreasing participation in hospital-based practices, increasing focus on working-hour boundaries required for families with both parents employed and decreasing physician portion of the family income), deriving in part from an alteration in physicians' roles, in part from resistance to payor practice-management rules, in part from perceived liability risks and risk-management costs
- Aging physician population and out-of-state migration

The Council works with other entities (Department of Health/SHPDA, hospitals, research and manpower planning consortia, consultants including Hawai'i Health Information Center) to provide research of graduate medical education funding sources and of workforce distribution and modeling. The Council is distinct from the Hawai'i Residency Programs, Inc., which serves as fiscal agent for a consortium of allied but independent residencies, each sponsored by the University of Hawai'i John A. Burns School.

It has increasingly been evident that the existing GME funding structure, built around individual hospital-hosted residencies, is not logically tied to producing the numbers or types of physicians needed regionally. The individually-supported hospitals, absent a central management, cannot be expected to attune themselves to manpower needs of the State at large, particularly not the rural populations. This further is a limitation on flexibility of response, such that any diminution in hospital funding at one site cannot be dealt with by reallocation of services or funding from other hospital sites. When it is complicated by reduced Federal Medicare and Medicaid allocations for patient care, the effect can be lethal to individual training programs.

The most immediate example of this trend lies in the impending de-funding of the JABSOM Family Practice Residency Training Program (FPR) by Wahiawa General Hospital, beginning in July, 2007. Although the residency itself gives needed service to central Oahu families, is fully-accredited, and is well-respected by the community for making substantial efforts to extend training into rural Hawaii and the Pacific basin, it is directly tied to the viability of the host hospital (WGH). A variety of plans are underway to attempt to relocate the residency or newly establish it at a different site, including plans that deserve gubernatorial and legislative examination for support opportunities. However, this is best seen as a signal event, indicative of future residency risks and thus risks to the physician supply in Hawai'i. The risks cannot be effectively managed without central direction of resources.

The Council's activities to date have thus focused upon investigating both the need and the means of central resource management; and upon educating the community shareholders (hospitals, medical school Department Chairs and Program Directors, health agencies) as to the nature of the challenges. It awaits the conclusion of a collaborative investigation into workforce disparities before placing a remedial plan before the Governor and the Legislature. The risk of loss of the JABSOM Family Practice Residency Training Program constitutes an urgent concern for 2007.