MEDICAL
COLLEGE
OF WISCONSIN

Office of Government and
Community Relations

TO: Members of the Wisconsin Legislative Council Special Committee on Health Care Access

FROM: Kenneth B. Simons, MD – Associate Dean for Graduate Medical Education and Accreditation
Medical College of Wisconsin

DATE: August 24, 2010

RE: MCW Perspective on Relevance of Reduced Student Capitation Funding on Wisconsin Physician Workforce

---

Wisconsin will be handicapped if it cannot ensure an adequate physician workforce to care for the State's residents.

Expectations of the U.S. health care system and its physicians are high and rising. Our country's population is growing, it is challenged to be healthier, it is aging, and it is staying older for longer. Its demand for access to health care providers is escalating exponentially, and the new federal health-care law is predicated on the nation being able to provide ample forces of physicians for the millions of people newly insured under the law.

Simultaneously, a large percentage of the nation's physicians are reaching retirement age, requirements for residency training are time-intensive and expensive, and primary care practitioners are facing a daunting shortfall in the workforce. At current graduation and training rates of doctors, the Association of American Medical Colleges estimates that the nation could face a shortage of as many as 150,000 doctors over the next 15 years.[i] The U.S. Department of Health and Human Services estimates today's need of primary care physicians at over 16,000,[ii] and an average American patient will wait between 15 and 59 days to see a family or general practitioner.[iii]

These statistics are not acceptable for a state that has long proved itself as one of the healthiest in the nation. Wisconsin must mobilize itself and be prepared to address its physician shortage as far upstream as possible.

BACKGROUND

In 1967, Marquette University terminated sponsorship of its medical school due to financial constraints. The medical school then continued as a private entity, the Medical College of Wisconsin. The legislature and Milwaukee business community determined that Wisconsin needed two medical schools to increase

8701 Watertown Plank Road
Post Office Box 26509
Milwaukee, Wisconsin 53226-0509
(414) 955-8217
FAX (414) 955-6501

the ratio of physician to population, which had been below the national average. Therefore, the legislature provided financial assistance to MCW to make it competitive and more equalized with the University of Wisconsin-Madison Medical School's in-state tuition.

A statutory formula was implemented in the 1975-77 biennial budget based on enrolled Wisconsin residents (prior to this, financial assistance was provided to MCW regardless of enrollment or residency). The MCW capitation payment per Wisconsin resident, per year, had been $10,091 from 1989 until 2003, when Governor Doyle reduced the appropriation by 50%. Also in the budget, language requiring MCW to hold 50% of its incoming first year medical student slots for Wisconsin residents was eliminated, and an overall cap of 416 students eligible for capitation payments was set.[iv]

MCW is a private, free-standing medical and graduate school. As such, the State has not and does not financially support the core functions of the school. Reductions in capitation funds result in a significant increase in residents leaving Wisconsin for medical schools in other states (brain-drain), with a related impact on MCW's Wisconsin medical student applicant pool. Though MCW has a national reputation as a preeminent school of choice for students around the nation, it places inherent value on recruiting Wisconsin residents, which in turn increases the state's economic and health vitality with a robust physician workforce.

STATISTICS

Capitation funds for MCW Wisconsin students have been reduced by approximately 60% since 2003. The 2011-2013 budget instructions from the Wisconsin Department of Administration call for an additional 10% reduction in Capitation funds.

The State of Wisconsin currently provides $1.9 million in tuition assistance annually for Wisconsin residents attending medical school at MCW. On average, a Wisconsin student can expect to receive $5,000 - $6,000 in tuition assistance from this appropriation, depending on the number of Wisconsin students in each class.

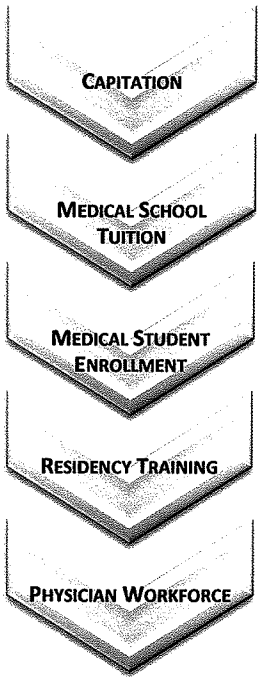
Each year, MCW receives approximately 6,500 applications from students seeking to become doctors from all across the country; 500-600 of these are Wisconsin residents. MCW has one of the largest class sizes of all medical schools in the nation, though its body of Wisconsin candidates is decreasing proportionately, attributed to the cost of education and the loss of capitation funding that provides these students with tuition assistance.

It is important to consider that, on average, 336 medical students have graduated per year over the past six years between Wisconsin's two medical schools (195 from MCW and 141 from UW-Madison), and this number has remained consistent for the past 20 years. Approximately 38% of these graduates ultimately practice in Wisconsin, and action is needed to ensure this percentage does not diminish as our nation tackles looming healthcare challenges.[v]

Where a student attends medical school is an important indicator of where s/he will attend a residency program. The best predictor of where a physician will ultimately practice is where s/he received residency training. Encouraging and incentivizing the best and brightest in-state medical students fertilizes Wisconsin's future physician workforce.

The following tables illustrate the impact of this reduction in Capitation funding to MCW medical students, and the downstream consequences to Wisconsin's physician workforce.

MCW Continuum of Physician Workforce Creation



	FY 2001	FY 2003	FY 2009
$ from Wisconsin DOA →	$4,105,100	$2,052,550	$1,926,600

	2003	2010
MCW full tuition for medical students→	$30,243	$41,311
Capitation per WI resident student→	$10,091	$5,650
MCW WI full tuition with capitation→	$20,152	$35,661

	2003	2010
Total MCW medical school enrollment→	805	817
Total MCW WI resident student enrollment→	410 (51%)	345 (42%)

	2007	2010
MCW graduates staying in MCW programs (% of class)→	50 (25%)	44 (23%)
MCW graduates staying in WI for residency (% of class)→	69 (35%)	64 (34%)
Out-of-state residents:	20	26
Wisconsin residents:	49	38

	2007	2009
MCW residents remaining in Wisconsin →	99 (47%)	130 (56%)
Career choice of MCW Graduates in Primary Care→ (Family Medicine, Internal Medicine, Pediatrics, Medicine)	36.5%	42%

Relevance

Without capitation rates restored, MCW, and by extension Wisconsin, will lose its ability to attract and retain a physician workforce that is best suited to care for its population.

The front door to a medical career is through a medical school. MCW plays a critical role in Wisconsin's ability to ensure that it does not suffer from a looming national shortage of physicians and what it means to care for its population. Throughout its forty-three year history, MCW's core mission has been to educate, develop and prepare physicians who have been trained in cutting edge interdisciplinary research and compassionate clinical care of the highest quality. Wisconsin's most talented students rely on State Capitation funds to attend MCW.

The interrelatedness between training in-state medical students and ultimately generating a physician workforce that understands and is committed to Wisconsin's primary care needs is compelling. It is only the beginning (upstream) of addressing the physician shortage crisis downstream. There is currently a shortage of primary care physicians in rural and inner-city areas of Wisconsin. According to the Wisconsin Council on Medical Education and Workforce, the state currently has a shortage of 374 primary care doctors – which is expected to increase in the future. The U.S. Department of Health and Human Services Health Resources and Services Administration designates Health Professional Shortage Area (HPSA) across the nation, drawing attention to the dire need of primary care physicians. This map shows the distribution of Wisconsin counties with a HPSA designation based on geographic area and low-income population.[vi]

The lack of primary care physicians in Wisconsin will be exacerbated by the state's aging population, the increasing prevalence of chronic disease and the proposed DOA funding cuts. This is important when considering the proportion of MCW graduates going on to practice in fields of primary care, a critical shortage area.

CAREER CHOICE OF MCW GRADUATES (N *(% OF CLASS)*)

YEAR	FAMILY MEDICINE	INTERNAL MEDICINE	PEDIATRICS	MED/PED	TOTAL
2007	23 *(12%)*	23 *(12%)*	22 *(11%)*	3 *(1.5%)*	71 *(36.5%)*
2008	13 *(7%)*	30 *(16%)*	25 *(14%)*	6 *(3%)*	74 *(40%)*
2009	21 *(10%)*	20 *(10%)*	19 *(9%)*	5 *(2.5%)*	65 *(32.6%)*
2010	14 *(7%)*	20 *(10%)*	29 *(15%)*	4 *(2%)*	77 *(42%)*

As one of only two medical schools in the state, the sole private medical school, MCW's mission is to attract, train, and graduate expertly-trained physicians to care for patients. It currently does this despite significant decreases in Capitation funds for its Wisconsin students. Unfortunately, the proposed additional cuts will further exacerbate the trend over the last several years of talented Wisconsin students leaving state to attend medical school elsewhere – and potentially losing future physicians to other states.

CONCLUSION

Wisconsin has an obligation to support initiatives that ensure its best and brightest students are given the opportunity to seek training within the State in order to care for its population and maintain its national competitiveness.

The Medical College of Wisconsin is aware that the State Department of Administration's 2011 – 2013 budget instructions call for a 10% reduction in appropriations for the medical student Capitation program (tuition assistance to in-state students). This decrease in funding will continue to negatively impact MCW's ability to recruit Wisconsin students because the financial incentive will be eliminated when compared to other private medical schools in the nation.

Health care access is critical to the health and well-being of Wisconsin residents. It is an issue that requires commitment from both the State of Wisconsin and the two medical schools. MCW respectfully requests the Legislative Council Special Committee on Health Care Access and the Wisconsin Department of Administration to identify funding sources to restore capitation rates to the pre-2003 level of $10,091 per year, per Wisconsin student, for a total annual amount of $2,052,600. While this won't solve the physician shortage issue, it will go a long way to encourage our best and brightest Wisconsin students to stay in the state for their medical training.

Thank you for considering our request. If you have any questions or would like to discuss our issues further, please contact Kathryn Kuhn, MCW Vice President of Government and Community Relations at 414.955.8217 or kkuhn@mcw.edu

---

[i] Association of American Medical Colleges. November 2008. "The Complexities of Physician Supply and Demand: Projections Through 2025."
[ii] United States Department of Health and Human Services Health Resources and Services Administration http://bhpr.hrsa.gov/shortage/
[iii] Merritt Hawkins & Associates. "2009 Survey of Physician Appointment Wait Times."
[iv] Wisconsin Legislative Fiscal Bureau Joint Committee on Finance Paper #500. May 1, 2003.
[v] Wisconsin Council on Medical Education and Workforce. "2008 Update: Taking Action to Fight a Growing Physician Shortage in Wisconsin."
[vi] WI DHS Primary Care Office. http://www.dhs.wisconsin.gov/health/primarycare/shortagedesignation.htm