


Schedule 13


Department of Health Care Policy and Financing

Funding Request for The FY 2021-22 Budget Cycle

Request Title

R-13 Funding for Family Medicine Residency Training Programs

Dept. Approval By:  _____ **Supplemental FY 2020-21**

OSPB Approval By:  _____ **Budget Amendment FY 2021-22**

_____ **X** _____ **Change Request FY 2021-22**

Summary Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$0	\$0	\$0	\$1,208,936	\$1,208,936
FTE		0.0	0.0	0.0	0.0	0.0
Total of All Line Items Impacted by Change Request	GF	\$0	\$0	\$0	\$379,468	\$379,468
	CF	\$0	\$0	\$0	\$0	\$0
	RF	\$0	\$0	\$0	\$225,000	\$225,000
	FF	\$0	\$0	\$0	\$604,468	\$604,468

Line Item Information	Fund	FY 2020-21		FY 2021-22		FY 2022-23
		Initial Appropriation	Supplemental Request	Base Request	Change Request	Continuation
Total		\$0	\$0	\$0	\$1,208,936	\$1,208,936
06. Other Medical Services, (A) Other	FTE	0.0	0.0	0.0	0.0	0.0
Medical Services, (1)	GF	\$0	\$0	\$0	\$379,468	\$379,468
Other Medical Services - Teaching Hospital --	CF	\$0	\$0	\$0	\$0	\$0
University of Colorado Hospital	RF	\$0	\$0	\$0	\$225,000	\$225,000
	FF	\$0	\$0	\$0	\$604,468	\$604,468

Auxiliary Data

Requires Legislation? NO

Type of Request? Department of Health Care Policy and Financing Prioritized Request **Interagency Approval or Related Schedule 13s:** No Other Agency Impact



Department Priority: R-13
Request Detail: Funding for Family Medicine Residency Training Programs

Summary of Funding Change for FY 2021-22				
	Totals		Incremental Change	
	FY 2020-21 Appropriation	FY 2021-22 Base	FY 2021-22 Request	FY 2022-23 Request
Total Funds	\$0	\$0	\$1,208,936	\$1,208,936
FTE	0.0	0.0	0.0	0.0
General Fund	\$0	\$0	\$379,468	\$379,468
Cash Funds	\$0	\$0	\$0	\$0
Reappropriated Funds	\$0	\$0	\$225,000	\$225,000
Federal Funds	\$0	\$0	\$604,468	\$604,468

Summary of Request:

The Department requests to restore funding to the University of Colorado Family Medicine Residency, which was eliminated for FY 2020-21 as part of budget balancing. With the funding restored, the resident physicians at the University of Colorado Family Medicine Residency program, in conjunction with the nine other Commission on Family Medicine residency programs, would continue to contribute to providing primary care services to over 106,000 Coloradans annually. The Department’s request requires a supplemental appropriation in FY 2020-21, and ongoing appropriations for FY 2021-22 and future years.

This request represents an increase of less than 0.5% from the Department’s FY 2020-21 Long Bill total funds appropriation.

Studies have found that family medicine residency programs have beneficial impacts on workforce development and retention. The Department believes that the evidence on this program is aligned with Step 4 on the evidence continuum.



Current Program:

The Colorado Commission on Family Medicine (COFM) exists to help assure access to primary care in rural and underserved communities in Colorado. Collectively, the ten family medicine residency programs in Colorado receive proportionate Medicaid Graduate Medical Education state and federal match funds based on the programs they implement to see over 106,000 individual patients annually, of whom over seventy percent are Medicaid or Medicare benefit recipients from over a dozen different communities across the state. The state statues creating the Commission on Family Medicine are sections 25.5-1-601 through 25.5-1-603, C.R.S. The average resident has a panel of about 1,200 patients and provides about 3,400 visits per year.

Most Department payments to family medicine residency programs are funded directly from the Commission on Family Medicine Residency Training Programs line item. The allocation for University of Colorado Family Medicine Residency program was paid for through the State University Teaching Hospitals, University of Colorado Hospital Authority line item through FY 2019-20. This line item was created through SB 08-230 to clarify the status of the UCHHealth University of Colorado Hospital (“University Hospital”) as a “Unit of Government” in its role as a provider of Graduate Medical Education.

During the FY 2020-21 budget-balancing process, the Joint Budget Committee approved a reduction of the Colorado Commission on Family Medicine (COFM) appropriation of approximately \$1.1 million total funds (approximately 13% reduction) and eliminated the entire appropriation for the State University Teaching Hospitals, University of Colorado Hospital Authority line item of \$1.6 million total funds. The payments made to University Hospital included graduate medical education payments and family medicine residency training program payments. Of the total appropriation, approximately \$1.2 million total funds were used to fund the Family Medicine Residency program.

Problem or Opportunity:

By both reducing the COFM appropriation and eliminating the State University Teaching Hospitals, University of Colorado Hospital Authority line item, the General Assembly took multiple reductions to family medicine residency training programs. Further, because the General Assembly eliminated the direct payments to University Hospital, the State will no longer be providing any direct support for the University of Colorado Family Medicine Residency program. Because of federal regulations around the operation of residency programs, these funds must flow through the sponsoring institution for the residency program, or the hospital system; therefore, the Department does not have any funding to pay the University of Colorado Hospital out of its COFM appropriation. It is unclear whether the Joint Budget Committee was aware that the University of Colorado Family Medicine Residency program and COFM received funding through the State University Teaching Hospitals, University of Colorado Hospital Authority line item. COFM was prepared to take the \$1 million reduction, and the additional cut to the University line item will

severely compromise COFM's ability to carry out the State's intent of placing qualified, committed family physicians in the most vulnerable communities in Colorado.

These funds help assure that the family residency program and their physicians can continue to provide access to care in underserved communities by treating the most vulnerable of patient populations, in regions that are being overly impacted by COVID-19 and its economic impact. Because of the reduction, less funding would be provided by the State to support the residency program which would reduce funding available for residency loan repayment slots, care coordination and funds allocated to COFM, and limiting Colorado's ability to attract family medicine residents to serve communities in need. This loss of funding would ultimately cost Colorado over 10% of the slots in the state, depriving Colorado of a minimum of seven family medicine physicians potentially practicing in a rural or underserved community.

The line item also included \$450,000 total funds, including reappropriated funds from University of Colorado School of Medicine clinical revenues, to obtain federal matching funds for family medicine placements associated with care provided by the faculty of the health sciences center campus that are eligible for payment. This is authorized in Footnote 26 of the Department's FY 2020-21 Long Bill. The Department does not have spending authority to obtain federal matching funds for these three placements because the appropriation was eliminated.

Proposed Solution:

The Department requests \$1,208,936 total funds including \$379,468 General Fund, \$225,000 reappropriated funds, and \$604,468 federal funds in FY 2021-22; and \$1,208,936 total funds, including \$379,468 General Fund, \$225,000 reappropriated funds and \$604,468 federal funds in FY 2022-23 and ongoing, to restore funding to the University of Colorado Family Medicine Residency program. Additionally, the Department requests supplemental funding of \$1,204,207 total funds, including \$353,723 General Fund, \$211,050 reappropriated funds, and \$639,434 federal funds in FY 2020-21 to restore the program funding. The funding would be used to maintain current levels in the program, which currently supports 36 residents.¹ The funds would be used for loan repayment slots, care coordination and administrative support of COFM. The reappropriated funds are from the Department of Higher Education and its Fee-for-service Contracts with State Institutions for Specialty Education Programs line item.

If the funding is not approved, University Hospital would be at risk of not being able to fund as many residents who provide care to underserved communities and increase care coordination across the state. The funding to support COFM would also be further reduced, in addition to the cuts made in the COFM line item, which would reduce the viability of strong family medicine residency programs in Colorado. The Department would also not have federal funds spending

¹ <https://www.cofmr.org/colorado-family-medicine-residencies>

authority to match the reappropriated clinic revenues to fund the residents outlined in the agreement with the University of Colorado School of Medicine.

This request falls on Step 4 of the evidence continuum. The commission has carried out evaluations and conducted review of literature which is included in the report submitted to the General Assembly with recommendations², including expanding funding for rural training tracks, which this request supports. The commission tracks outcomes to help assess the return on the State's investment.

Anticipated Outcomes:

Approval of this request would allow the Department to restore funding to the University of Colorado Family Medicine Residency program as established by COFM. With the funding restored, the resident physicians at the University of Colorado Family Medicine Residency program, in conjunction with the nine other Commission on Family Medicine residency programs, would continue to contribute to providing primary care services to over 106,000 Coloradans annually.

The COFM program directly links to the Department's performance Wildly Important Goal 1 by providing access to care in Colorado's rural and underserved communities via employing person and family-centered business practices.

Assumptions and Calculations:

Detailed assumptions and calculations are provided in Appendix A.

The amounts requested have been calculated based on the COFM allocation model and reduced proportionally based on the COFM reduction in the COFM line item. This would restore most of the COFM funding for University of Colorado Family Medicine Program, taking a reduction proportional to the other nine family residency sites. The amount is slightly lower in FY 2020-21 based on the allocation model and how base payments and rural training track payments are funded.

The reappropriated funds requested would restore the funding levels previously approved by the General Assembly. These funds are clinic revenues as identified in Footnote 26 of the FY 2020-21 Long Bill.

The General Fund amount requested for the \$450,000 total funds included in the University of Colorado School of Medicine agreement is lower in FY 2020-21 than in future years because of the enhanced federal Medicaid funding that is expected to expire in FY 2020-21.

² <https://www.cofmr.org/report-on-fmr-education-in-colorado>

Table 1 shows a summary by line item for this request.

Table 2 shows a summary by initiative for this request.

Supplemental, 1331 Supplemental or Budget Amendment Criteria:

The request meets supplemental criteria because there was a technical error which has a substantive effect on the operation of the program. Although the Joint Budget Committee intended to eliminate the funding for State University Teaching Hospital supplemental payments to fund graduate medical education, the Department does not believe that the committee intended to cut funding for University of Colorado Family Residency Program, which funds residents and COFM. Footnote 26 of the Long Bill identifies that funding from the Department of Higher Education will be used for "...family medicine placements associated with care provided by the faculty of the health sciences center campus at the University of Colorado..." Without the appropriation, there is no spending authority to draw the matching federal funds and pay the University of Colorado School of Medicine for the Family Residency Program.

R-13 Funding for Family Medicine Residency Training Programs
Appendix A: Assumptions and Calculations

Table 1.1 Summary by Line Item FY 2020-21									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds ⁽¹⁾	Federal Funds	FFP Rate	Notes/Calculations
A	(6) Other Medical Services; State University Teaching Hospitals-University of Colorado Hospital Authority	\$1,204,207	0.0	\$353,723	\$0	\$211,050	\$639,434	53.10%	Table 2.1, Row C
B	Total Request	\$1,204,207	0.0	\$353,723	\$0	\$211,050	\$639,434	53.10%	

(1) This amount is from the Department of Higher Education and its Fee-for-service Contracts with State Institutions for Specialty Education Programs line item

Table 1.2 Summary by Line Item FY 2021-22									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds ⁽¹⁾	Federal Funds	FFP Rate	Notes/Calculations
A	(6) Other Medical Services; State University Teaching Hospitals-University of Colorado Hospital Authority	\$1,208,936	0.0	\$379,468	\$0	\$225,000	\$604,468	50.00%	Table 2.2, Row C
B	Total Request	\$1,208,936	0.0	\$379,468	\$0	\$225,000	\$604,468	50.00%	

(1) This amount is from the Department of Higher Education and its Fee-for-service Contracts with State Institutions for Specialty Education Programs line item

Table 1.3 Summary by Line Item FY 2022-23									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds ⁽¹⁾	Federal Funds	FFP Rate	Notes/Calculations
A	(6) Other Medical Services; State University Teaching Hospitals-University of Colorado Hospital Authority	\$1,208,936	0.0	\$379,468	\$0	\$225,000	\$604,468	50.00%	Table 2.3, Row C
B	Total Request	\$1,208,936	0.0	\$379,468	\$0	\$225,000	\$604,468	50.00%	

(1) This amount is from the Department of Higher Education and its Fee-for-service Contracts with State Institutions for Specialty Education Programs line item

Table 1.4 Summary by Line Item FY 2023-24									
Row	Line Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds ⁽¹⁾	Federal Funds	FFP Rate	Notes/Calculations
A	(6) Other Medical Services; State University Teaching Hospitals-University of Colorado Hospital Authority	\$1,208,936	0.0	\$379,468	\$0	\$225,000	\$604,468	50.00%	Table 2.4, Row C
B	Total Request	\$1,208,936	0.0	\$379,468	\$0	\$225,000	\$604,468	50.00%	

(1) This amount is from the Department of Higher Education and its Fee-for-service Contracts with State Institutions for Specialty Education Programs line item

R-13 Funding for Family Medicine Residency Training Programs
Appendix A: Assumptions and Calculations

Table 2.1 Summary by Initiative FY 2020-21									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds ⁽¹⁾	Federal Funds	FFP Rate	Notes/Calculations
A	Commission on Family Medicine (COFM)	\$754,207	0.0	\$353,723	\$0	\$0	\$400,484	53.10%	Department's FY 2020-21 COFM Distribution Model
B	Commission on Family Medicine - additional funding from Department agreement with University of Colorado School of Medicine (CUSOM)	\$450,000	0.0	\$0	\$0	\$211,050	\$238,950	53.10%	
C	Total Request	\$1,204,207	0.0	\$353,723	\$0	\$211,050	\$639,434	53.10%	Sum of Rows A thru B

(1) This amount is from the Department of Higher Education and its Fee-for-service Contracts with State Institutions for Specialty Education Programs line item

Table 2.2 Summary by Initiative FY 2021-22									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds ⁽¹⁾	Federal Funds	FFP Rate	Notes/Calculations
A	Commission on Family Medicine (COFM)	\$758,936	0.0	\$379,468	\$0	\$0	\$379,468	50.00%	Department's FY 2020-21 COFM Distribution Model
B	Commission on Family Medicine - additional funding from Department agreement with University of Colorado School of Medicine (CUSOM)	\$450,000	0.0	\$0	\$0	\$225,000	\$225,000	50.00%	
C	Total Request	\$1,208,936	0.0	\$379,468	\$0	\$225,000	\$604,468	50.00%	Sum of Rows A thru B

(1) This amount is from the Department of Higher Education and its Fee-for-service Contracts with State Institutions for Specialty Education Programs line item

Table 2.3 Summary by Initiative FY 2022-23									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds ⁽¹⁾	Federal Funds	FFP Rate	Notes/Calculations
A	Commission on Family Medicine (COFM)	\$758,936	0.0	\$379,468	\$0	\$0	\$379,468	50.00%	Department's FY 2020-21 COFM Distribution Model
B	Commission on Family Medicine - additional funding from Department agreement with University of Colorado School of Medicine (CUSOM)	\$450,000	0.0	\$0	\$0	\$225,000	\$225,000	50.00%	
C	Total Request	\$1,208,936	0.0	\$379,468	\$0	\$225,000	\$604,468	50.00%	Sum of Rows A thru B

(1) This amount is from the Department of Higher Education and its Fee-for-service Contracts with State Institutions for Specialty Education Programs line item

Table 2.4 Summary by Initiative FY 2023-24									
Row	Item	Total Funds	FTE	General Fund	Cash Funds	Reappropriated Funds ⁽¹⁾	Federal Funds	FFP Rate	Notes/Calculations
A	Commission on Family Medicine (COFM)	\$758,936	0.0	\$379,468	\$0	\$0	\$379,468	50.00%	Department's FY 2020-21 COFM Distribution Model
B	Commission on Family Medicine - additional funding from Department agreement with University of Colorado School of Medicine (CUSOM)	\$450,000	0.0	\$0	\$0	\$225,000	\$225,000	50.00%	
C	Total Request	\$1,208,936	0.0	\$379,468	\$0	\$225,000	\$604,468	50.00%	Sum of Rows A thru B

(1) This amount is from the Department of Higher Education and its Fee-for-service Contracts with State Institutions for Specialty Education Programs line item