

SUBJECT: Authorizing grants and loan forgiveness for medical education and care

COMMITTEE: Higher Education — committee substitute recommended

VOTE: 7 ayes — Branch, Patrick, Alonzo, Clardy, Howard, Martinez, Murphy
0 nays
2 absent — Darby, Raney

SENATE VOTE: On final passage, April 17 — 31-0

WITNESSES: No public hearing

DIGEST: SB 143 would establish graduate medical education (GME) planning grants, grants to fill unfilled first-year residency slots, grants to expand the number of GME slots or to provide for the establishment of new GME programs with first-year residency positions, and to award programs that increase the number of primary care physicians in Texas.

The bill also would allow physicians who serve a certain number of Medicaid patients or Texas Women’s Health Program consumers for one or more years to be eligible for a program that provides for student loan forgiveness.

GME grants. SB 143 would direct the Higher Education Coordinating Board to adopt rules and allocate appropriated funds to administer grant programs.

Planning grants. SB 143 would direct the board to award one-time planning grants to Texas institutions that had never had a GME program and were eligible for Medicare funding of GME. The coordinating board would award the grants on a competitive basis and consistent with any conditions provided by legislative appropriation. An entity awarded a planning grant that established new first-year residency slots would be eligible for additional funds for each such position established.

Grants for unfilled residency positions. The coordinating board would

award grants to GME programs to enable them to fill accredited but unfilled first-year residency positions. The board would determine the number of grants awarded and the amount of each grant consistent with any conditions provided by legislative appropriation. These grants would be awarded for two consecutive state fiscal years.

Grants for program expansion or creation of a new program. The coordinating board would award grants to enable existing GME programs to increase the number of first-year residency positions or to provide for the creation of new GME programs with first-year residency positions. The coordinating board would determine the number of grants awarded and the amount of each grant consistent with any conditions provided by legislative appropriation. A grant application would include a plan for receiving accreditation for the increased number of positions or for the new program. These grants would be awarded for three consecutive state fiscal years.

Priority grants. The bill would give a priority for grant applications if the coordinating board determines that the number of first-year residency positions proposed by eligible grant applicants exceeds the number of positions authorized by appropriation. The coordinating board would be allowed to give priority for up to 50 percent of the funding for first-year residency positions that would be in primary care or other critical shortage areas in Texas. The coordinating board would not be allowed to reduce grant amounts awarded per resident position, but may proportionately reduce the number of positions funded for each program.

If the coordinating board determined that the entire appropriation for unfilled and expansion grants would not be used, the board would be allowed to transfer and use those funds for planning grants.

Grants for additional years of residency. If the coordinating board determined that, based on applications received, funds remained from those appropriated for planning, unfilled, and expansion grants, the coordinating board would award grants from these excess funds to support graduate medical residents who had completed at least three years of residency and whose program was in a field with a below average number of physicians.

Primary care innovation grant program. Under SB 143, the coordinating board would establish a grant program to award incentive

payments to medical schools that administer innovative programs designed to increase the number of primary care physicians in Texas.

The coordinating board would be allowed to seek and accept gifts, grants, and donations for the program. The board would adopt necessary rules to implement the program.

Physician's Education Loan Repayment Assistance Program. In addition to grants, the bill would allow a physician who completes one or more years of practice providing health care services to a designated number of Medicaid patients or consumers in the Texas Women's Health Program to participate in the Physician's Education Loan Repayment Assistance Program. The coordinating board, in consultation with the Health and Human Services Commission, would establish criteria for the program.

The bill would allow the Health and Human Services Commission to seek and accept federal matching funds for the loan repayment assistance program.

Effective date. This bill would take immediate effect if finally passed by a two-thirds record vote of the membership of each house. Otherwise, it would take effect September 1, 2013.

NOTES:

According to the fiscal note, the bill would cost the state \$57.9 million in general-revenue related funds during fiscal 2014-15 and would be expected to cost \$95.6 million in fiscal 2018.