

FL Funds Statewide Residency Program

John Commins, for HealthLeaders Media , October 9, 2013

It's not all gloomy news for healthcare in the Sunshine State. The governor has earmarked \$20.6 million in state funds that when coupled with existing Medicaid funds, will provide \$80 million in supplemental funding to create a Statewide Medicaid Residency Program.

Politicians in Florida have taken a lot of well-earned criticism for their decision to reject about [\\$51 billion](#) in Medicaid expansion money made available under the Patient Protection and Affordable Care Act.

You don't have to embrace "Obamacare" to understand that this is a political calculation that is dumb, short-sighted, and hurts as many as one million of the most vulnerable and powerless people in the state.

But it also won't save money. The demand for uncompensated care will continue and the cost will continue to be shifted to people with health insurance. Caregivers will eat the balance.

On other fronts, Florida Gov. Rick Scott, a one-time CEO at [Columbia/HCA](#), made headlines recently for his staunch opposition to a state-sponsored health insurance exchange and for actively [hamstringing the federal exchanges](#) that simply provide a venue for people to buy coverage from private sector plans. Again: dumb and short-sighted. Why would any elected leader hinder people from buying private healthcare coverage?

But it's not all gloomy news for healthcare in the Sunshine State. Gov. Scott has earmarked \$20.6 million in state funds that when coupled with existing Medicaid funds, will provide \$80 million in supplemental funding to create a Statewide Medicaid Residency Program.

Until now, GME funding in Florida was limited to a few hospitals and was provided as part of per diem payments to those providers with established residency programs. Now, the funding will be available for any hospital—urban, suburban, rural, large or small—that agrees to sponsor a residency program.

Liz Dudek, secretary of Florida's Agency for Health Care Administration, said in prepared remarks that the program "will improve access to and quality of care for all Floridians, expand graduate medical education on an equitable basis, and increase the supply of highly trained physicians statewide."

This has potential because we all know the challenges that [underserved areas in urban and rural settings](#) face when trying to attract clinicians. We also know that one of the best ways to bring physicians and other highly skilled clinicians into underserved areas, and to keep them there, is to first [bring them in as residents](#).

It's not immediately clear how many hospitals will take advantage of the new funding, or how many are in a position to consider establishing a residency program. Even with supplemental funding residency slots aren't cheap to establish and maintain. However, the program and the money behind it at least signal an awareness from political leaders that Florida has a physician shortage and that something needs to be done.

Joseph Portoghese, MD, chief academic officer at Florida Hospital, says the Orlando-based health system is expected to get about \$3.2 million under the state's residency program. It's not clear how far that new money will go to defray costs for the system's 150 or so residency slots.

"We already operate at a deficit for medical education that dwarfs that amount," Portoghese says. "It certainly helps us, but we really have not sat down and decided if we are going to create additional residencies or enlarge our existing residencies just yet."

Still, Portoghese says any new sources of funding are critical because funding under indirect medical expenses through Medicare is expected to diminish in the coming years.

"Even if you happen to have residency programs that are funded from the federal government through [the Centers for Medicare and Medicaid Services] that funding is only based on the proportion of your admissions that are Medicare, so you never get full funding. You are always short in resident salaries and expenses when you are involved in medical education," Portoghese says.

With few other funding sources, Portoghese says many hospitals simply absorb the cost of training the next generation of physicians. "But it certainly would be helpful to us and society at large if others stepped up and helped fund the costs of training new doctors for our society. That is what this does."

Let's be clear: The \$80 million for the GME expansion doesn't come close to covering the massive loss in federal funding that the Medicaid expansion would have brought to Florida. Beyond the issue of improving access to care, hospitals and the healthcare sector are among the biggest economic drivers in any community and the loss of this much money will most certainly hurt the larger state economy. It makes no sense economically because it was a political decision.

But at this point, Florida residents who support funding for healthcare have to take the good news where we can get it, and in increments of any size.