

**BEFORE THE SENATE FINANCE HIGHER EDUCATION SUBCOMMITTEE
SENATOR RANDY GARDNER, CHAIR**

AM. SUB. HOUSE BILL 49

**TESTIMONY OF
DR. KENNETH H. JOHNSON, EXECUTIVE DEAN
OHIO UNIVERSITY HERITAGE COLLEGE OF OSTEOPATHIC MEDICINE**

**ON BEHALF OF
OHIO COUNCIL OF MEDICAL SCHOOL DEANS**

MAY 18, 2017

Chairman Gardner, Vice Chair Williams, and members of the Senate Finance Higher Education Subcommittee, thank you for the opportunity to testify today on the higher education provisions of Am. Sub. House Bill 49 pertaining to Ohio's medical schools. My name is Dr. Ken Johnson and I am Executive Dean of the Ohio University Heritage College of Osteopathic Medicine. I am appearing before you today on behalf the Ohio Council of Medical School Deans to express our concern with proposed reductions to the medical school clinical teaching line items.

Late in the House budget process, changes were made to the as-introduced House Bill 49 Higher Education funding provisions that included 10% reductions to the medical school clinical teaching line items and a proposed bundling of these allocations in the second year of the biennium subject to distribution by the Chancellor. We understand and fully appreciate the Ohio General Assembly's difficult undertaking of crafting a responsible and fiscally balanced state budget, in particular in light of the recently reported state revenue shortfalls. Nevertheless, we are requesting restoration of the flat-funded levels for these line items in the as-

introduced version of House Bill 49 because these proposed cuts would disproportionately impact core medical school teaching dollars and would be counterproductive to the important workforce development and healthcare goals of the state.

Ohio's medical schools are crucial to the future success of Ohio's important healthcare initiatives and are a major economic driver for the state. There are currently \$41,163,326 Higher Education dollars devoted to medical education and that money is largely allocated through a formulaic metrically-driven distribution process.

The proposed cuts to these Higher Education clinical teaching funding lines would be detrimental to the future success of Ohio's medical schools and to addressing the important healthcare needs of the people of Ohio. The clinical teaching subsidies as they stand currently are focused on the highest needs for healthcare in Ohio.

The clinical teaching line item funding also represents core higher education funding for Ohio's medical colleges that is used to offset the significant costs of providing real-world clinical education to third and fourth year medical students. Students engage in required clerkships and rotations in partner teaching hospitals and clinical settings in areas that include family medicine, internal medicine, pediatrics, emergency medicine, obstetrics/gynecology, surgery and psychiatry. This funding, while split into separate line items due to the unique nature of its utilization, is an essential component of our delivery of medical school education in that it funds the "clinical classroom" experience for our third and fourth year students.

In short, this funding is vital to our success in training Ohio's future doctors to serve the health needs of Ohioans. The state's public medical schools have been utilizing these dollars in the following three ways:

1. Focusing on the state's highest needs for physician workforce development.
2. Leveraging the dollars to draw additional funds. [Example: the Area Health Education Centers(AHEC) Higher Ed distribution of \$900,000 will bring \$2,038,000 in federal funding and \$549,000 in In-kind match]
3. Stimulating economic development – In addition to \$200,000 in economic impact generated by each medical resident on an annual basis, each physician who establishes practice in the state after residency provides \$1.9 million in economic impact each year due to his or her spending and the spending of those who have jobs because of his or her practice. Furthermore, each physician in Ohio is responsible for the creation of nine jobs, including direct and indirect jobs, and \$300,000 in annual tax revenue. Each resident who stays and becomes a primary care physician within an underserved area generates, on average, a \$3.6 million economic impact on the region.

Currently, 53.4% of Ohio's counties are at least partially categorized as underserved in terms of the population's access to a primary care physician. Simply to maintain that level of care, Ohio will need 681 new doctors by 2030. At a time when the state and Ohio's medical schools should work together to provide even more doctors to our rural, urban and underserved populations to provide

general care, combat the opioid crisis, and address other important population health needs, these proposed cuts would move us in the wrong direction.

Nearly 3 out of every 4 of our medical students are Ohio natives and many of these students end up practicing medicine in the state in areas and fields of greatest need. The proposed cuts would unfortunately result in shifting educational and training costs to these students – who already carry an average debt load of \$200,000 in pursuing a medical education. Further upward pressure on student debt will push more students to higher paying specialty areas and away from areas the state needs most such as family medicine, general internal medicine, and general pediatrics.

The clinical teaching line items also allocate metrically-driven funding to Ohio's medical schools in the following key areas:

Family Practice medicine funds provide \$3,166,185 of support for the statutorily required Family Medicine Departments in each of Ohio's medical schools and provide core curricular support throughout the four years of a medical student's education. It is distributed by a formula. It also supports efforts to recruit, educate and retain students who choose to specialize in Family Medicine and establish their practices in Ohio. A good example of this is OSU's teaching of residents in the primary care PCMH/CPC+ practices, using interdisciplinary teams and focusing on population health.

Primary Care Residencies provides \$1,500,000 of support for pipeline programs with a focus on underserved and distressed populations. Ohio University Heritage College of Osteopathic Medicine – as mandated in our mission by state law – recruits 80% of our students from Ohio and aims to have 60% of all of our graduates become doctors practicing in areas of highest need in the contiguous counties near our campuses in Athens, Dublin and Cleveland. These physicians

are often on the front lines in the state's struggle with important health issues such as the opioid epidemic.

Geriatric Medicine funds provide \$522,151 of support for geriatric medicine training throughout all four years of medical school with a strong focus on palliative and end-of-life care. This funding provides learning opportunities in a variety of elder care sites, including acute care, outpatient clinics, home care, and long-term care and rehabilitation facilities. One example of how these funds are helpful can be found at the Northeast Ohio Medical University (NEOMED) where the school offers a Geriatric Medicine elective to fourth-year medical students. Students who select this path rotate through SUMMA Health System's House Calls program, serving the most frail and underserved elders, including those dually eligible for Medicare and Medicaid.

Area Health Education Centers (AHEC) funds are used to coordinate community-based experiential training for medical, physician assistant, physical therapy, occupational therapy, pharmacy, nursing, dentistry, nutrition and community health worker students in clinical sites in underserved communities to provide care for Medicaid populations. As an example of this program's excellent return on investment for the state, for every \$1 Ohio Statewide AHEC receives from the State of Ohio for the AHEC program, an additional \$3 is obtained from federal grants. The AHEC Line Item of \$900,000 in the upcoming State biennium budget will be used to leverage \$2,038,000 in federal funding and \$549,000 in In-kind match for the same time period.

Additional funding is also provided for **OSU Clinic Support** to provide clinical experiences for dental and veterinary students. This funding is vital in these professions because students must be ready to work when they graduate –

there are no additional training requirements for these students that are equivalent to medical residencies.

Every dollar of these carefully delineated clinical teaching line items is used to its fullest potential and plays a significant part in the success of Ohio's medical schools. While more dollars devoted to these areas could have an even greater impact, we are very sensitive to the budget constraints the legislature is facing, as mentioned previously, and therefore we are requesting only that these line items be restored to the as-introduced version of House Bill 49, which flat funds these items at the same level as the previous biennium. On behalf of the Ohio Council of Medical School Deans, I strongly recommend maintaining this metric and formula driven funding that does and will continue to produce results that greatly benefit the people of Ohio.

Thank you, Mr. Chairman, and members of the subcommittee, for the opportunity to testify before you today. I am happy to answer any questions that you may have.