DIVISION OF HIGHER EDUCATION RULES GOVERNING THE GRADUATE MEDICAL EDUCATION RESIDENCY EXPANSION BOARD

PUBLIC COMMENTS

September 13 – October 13, 2024

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1. Commenter Name and Organization (if applicable): Michael Wood, CEO Mena Regional Health System

Comments: Please see attached full version.

Summarily: Mr. Wood on behalf of Mena Regional Health System strongly endorses the efforts to expand the graduate medical education program in rural areas and increase the availability of residency positions in specialties like obstetrics. These initiatives are vital to addressing the physician shortages that have long plagued rural communities in Arkansas, and they believe that they will have a profound impact on the health and well-being of our population.

Division Response: Comments considered. No substantive changes made.

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2. Commenter Name and Organization (if applicable): Darren Caldwell, Administrator, Mercy Hospital Berryville

Comments: Please see the attached full version.

Summarily: Section 4.00 limitations to amending the language of the rule due to how the statute is written, but due to the current language, Barryville's residents will already be seated and no longer considered "first year" residents.

Section 3.03 applications should be accepted on a rolling basis and consider awarding funds retroactively.

Section 4.02 the board should more inclusively describe allowable costs beyond direct resident costs since administrative costs associated with adding residency positions is one of the biggest barriers for a new or expanding program. Start-up costs mentioned in 4.02.3 should also be expanded to explicitly include administrative costs associated with the expansion of an existing program.

Division Response: Comments considered. No substantive changes were made in rule; however, these comments will be considered for upcoming legislative change.

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3. Commenter Name and Organization (if applicable): Paul Bean, M.D., Chief Medical Officer, Mercy Fort Smith

Comments: Please see the attached full version.

Summarily: Section 4.00 specifies funds will be used to increase the number of first year positions…and provide for the establishment of new graduate medical education programs with first year residency positions, however, Mercy's Fort Smith residents will already be seated and arguably no longer considered first-year residents. Section 3.01.2 indicates the grant can be used for existing programs.

Section 3.03 requires applications to be submitted nlt July 15 and approved by August 15, but ACGME review process does not begin until October, nor does the review committees meet until January and February. A rolling application process is recommended. Additionally, awarding funds retroactively for the previous year is strongly encouraged. Section 4.02 start-up costs at the board's discretion should be expanded to explicitly include administrative costs associated with expansion of an existing program.

Section 6.01 pertaining to funding should also include fellowship positions to existing programs qualifying for initial funding eligibility as outlined in Section 3.0 since like residencies, fellowship programs add bandwidth of care to an underserved area while increasing the likelihood of physicians staying in Arkansas underserved communities.

Division Response: Comments considered. No substantive changes were made in rule; however, these comments will be considered for upcoming legislative change.

October 11, 2024, Comments:

4. Commenter Name and Organization (if applicable): Sheena Olson, VP for Government Relations, Arkansas Children's Hospital

Comments: Please see the attached full version.

Summarily: The Children's Hospital Graduate Medical Education (CHGME) program is the only federal program solely focused on the training of pediatricians and pediatric subspecialists. CHGME was created because Congress recognized the need for a dedicated source of funding to support training of the nation's pediatricians to ensure all children have access to needed health care. Children's hospitals care for almost no children covered by Medicare, so they receive very little Medicare GME funding which is the main federal funding source for physician training. Additionally, Medicare GME provides more than twice the amount of financial support per resident that CHGME provides.

There is a significant decline in the number of medical students pursuing a career in pediatrics as compared to the number of students applying for adult residencies. As such, as we go forward in our efforts to strengthen the physician workforce in Arkansas, we ask that the need for pediatricians and pediatric subspecialists is top of mind in developing our strategy to improve health care across the state. In addition, we want to take this opportunity to advocate that

hospitals be granted the utmost level of flexibility and funding opportunities when establishing new programs or expanding current programs including fellowship opportunities.

Division Response: Comments considered. No substantive changes made.

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5. Commenter Name and Organization (if applicable): LaDonna Johnson, President/CEO, Unity Health-White County Medical Center

Comments:. As the UAMS GME will be represented by item 2.01.5, they ask that the hospitals represented by 2.01.3 and 2.01.4be familiar with GME programs other than UAMS. Across the state, there are various hospitals with residency or fellowship programs that represent other Sponsoring Institutions, such as Unity Health, Mercy Hospital in Fort Smith, CHI St. Vincent Hot Springs, or NEA Baptist in Jonesboro. Expansion of GME in Arkansas should involve more than one institution.

Division Response: Comments considered. No substantive changes were made in rule; however, these comments will be considered for upcoming legislative change.

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6. Commenter Name and Organization (if applicable): Ryan Cork, Vice Chancellor UAMS Northwest Regional Campus

Comments: Please see the attached full version.

Summarily: Section 4.02.3 take this into consideration and establish startup costs necessary to create successful GME programs and slots since the most significant costs of establishing a GME program are incurred during the initial phase, long before any residents enter the program.

Hospitals should be given the opportunity to apply for and receive funding for the expansion of existing residency programs in accordance with Ark. Code Ann. §6-82-2002 (b)(2)(B). This will have a significant impact by enabling hospitals that are already contributing to the training of our much-needed next generation of physicians to continue to grow and adapt, ensuring they can meet the increasing demand for healthcare services across the state.

Division Response: Comments considered. No substantive changes were made in rule; however, these comments will be considered for upcoming legislative change.

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7. Commenter Name and Organization (if applicable): John W. Thompson, VP Physician Operations/DIO of St Bernards Medical Center

Comments: Please see the attached full version.

Summarily: Section 4.04 should consider extensive costs that occur well in advance of the trainee's arrival to their training site, along with other indirect costs of training doctors, be

considered. Their analysis shows costs of starting a 16 resident psychiatry program (4 residents per 4-year program) shows a net margin greater than $900,000 on 1 year and greater than 4700,000 dollars on years 2 and 3. This is with CMS funding. Mr. Thompson states that they agree funds should largely be used for resident salaries, but other expenses should be considered.

Division Response: Comments considered. No substantive changes were made in rule; however, these comments will be considered for upcoming legislative change.

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8. Commenter Name and Organization (if applicable): Bo Ryall, President/CEO of Arkansas Hospital Association

Comments: Please see the attached full version.

Summarily: Member hospitals have varying levels of experience in managing residency programs, it is essential that the planning grant program offer funding opportunities that cater to all stages of development. Whether a hospital requires start-up resources to establish a new residency program or is looking to expand an already successful and well-established program, the grant program must be flexible enough to support the full spectrum of needs.

We urge our policymakers to prioritize initiatives that bolster recruitment, retention, and training within these essential specialties, so that every Arkansan has access to the care they need when they need it most.

Division Response: Comments considered. No substantive changes were made in rule; however, these comments will be considered for upcoming legislative change.

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9. Commenter Name and Organization (if applicable): Larry Shackleford, President/CEO of Washington Regional Medical Systems

Comments: Please see the attached full version.

Summarily: Section 4.02 could be significantly improved. The proposed regulation provides that these grants shall be used to support the direct resident costs to the graduate medical education program, including without limitation: 4.02.1 Stipends; 4.02.2 Benefits; and 4.02.3 Start-up costs, at the board's discretion. 4.02.3 be amended to establish that startup costs necessary to establishing GME programs and slots be prioritized. We also support limiting these funds to payment of direct costs of faculty rather than the costs of buildings, facility or administrative personnel costs.

Division Response: Comments considered. No substantive changes were made in rule; however, these comments will be considered for upcoming legislative change.

Comment 1

Arkansas Division of Higher Education
101 E. Capitol Ave., Suite 300
Little Rock, AR 72201

To Whom It May Concern:

As a rural hospital in the state of Arkansas, Mena Regional Health System (MRHS) appreciates the opportunity to provide input on the Graduate Medical Education Residency Expansion program. We are writing to highlight the historic difficulties we have faced in recruiting physicians, particularly in specialties like obstetrics (OB), and to express our strong support for initiatives that expand residency opportunities in rural and underserved areas.

MRHS has long struggled to recruit and retain physicians, especially OB providers, due to the unique challenges of our rural setting. Limited access to higher education institutions, competition from larger healthcare systems, and a smaller patient base have made it difficult to attract specialists to our area. This shortage has had a significant impact on the quality of care we can provide to our community, forcing many patients to travel long distances to receive necessary services such as prenatal care, labor and delivery.

Our hospital is not alone in this struggle. Across rural Arkansas, there is a critical shortage of physicians, particularly in primary care and OB/GYN specialties. We believe that expanding residency programs, particularly in underserved areas, is essential to addressing this gap. Research shows that physicians are more likely to practice in the regions where they complete their residency training, making rural residency programs a key strategy for improving access to care in communities like ours.

We are encouraged by the work of the Graduate Medical Education Residency Expansion Board and strongly urge the continuation and expansion of planning grants for rural hospitals. These grants provide vital support for developing new residency positions and establishing programs in high-need areas. By increasing the number of residency slots in rural Arkansas, we can help ensure that hospitals like MRHS have a steady pipeline of skilled physicians who are committed to serving rural populations.

We also support the prioritization of primary care and OB/GYN residency positions in rural areas. These specialties are critical to improving maternal and child health outcomes in communities that have historically been underserved. Expanding opportunities for medical training in these fields will not only improve access to care but will also reduce the burden on existing providers and improve overall health outcomes for our region.

In conclusion, we strongly endorse efforts to expand graduate medical education in rural areas and increase the availability of residency positions in specialties like obstetrics. These initiatives are vital to addressing the physician shortages that have long plagued rural communities in Arkansas, and we believe they will have a profound impact on the health and well-being of our population.

Thank you for your attention to this matter and for your continued support of rural healthcare.

Sincerely,

Michael Wood
Chief Executive Officer
Mena Regional Health System

October 8, 2024

Via Email – ADE.RulesComments@ade.arkansas.gov

The Honorable Ken Warden
Commissioner
Arkansas Division of Higher Education
101 E. Capitol Ave., Suite 300
Little Rock, AR 72201

In re: Arkansas Division of Higher Education Rules Governing the Graduate Medical Education Residency Expansion Board

Dear Commissioner Warden and Board Members:

Thank you for the opportunity to provide comments on the draft Rules Governing the Graduate Medical Education Residency Expansion Board ("Rules"). I am commenting on behalf of the Mercy Berryville Residency Program.

Ours is the first Rural Training Program ("RTP") in Arkansas. An RTP is uniquely designed to train the resident with an emphasis on providing care in a rural community. We currently have four residents (two in Year One and two in Year Two), and we hope to expand the program to four residents per-year moving forward.

Research shows a high percentage of residents stay to practice within 60 miles of where they completed their residency. In fact, we are in discussions with two of our four residents now, who have already shown an interest in staying nearby after residency. This makes programs like ours vital in addressing the state's physician shortage, particularly when it comes to producing physicians committed to serving rural communities.

These residents provide valuable support while furthering their education. As part of Berryville's program, two days per week, our residents hold a "continuity clinic," designed so the training physician gains experience following a patient with multiple issues, observing the patient's changes in condition over time. Because we have residents in this role, up to 16 patients per week, who otherwise would not have access to a primary care physician, are being seen. Next year, that will be 32 patients per week – incredibly impactful for an area in desperate need of more primary care physicians.

We are grateful to members of the Arkansas General Assembly for prioritizing graduate medical education in our state through establishing the Graduate Medical Education Residency Expansion Board ("GME Board") and the Planning Grant Program. While we are excited about the opportunity the funding provides, we have concerns that as-written, the Rules will penalize programs already underway, like ours.

The statute establishing the Planning Grant program clearly states the grants may be awarded to an entity that "is expanding an existing graduate medical education program." (*Ark. Code Ann. §6-82-2002 (b)(2)(B)).* Consistent with statute, Section 3.01.2 of the Rules indicates the grant can be used for expanding an *existing* graduate medical education program. However, the practical application and availability of grant funding to an established program is limited. Spending criteria outlined in Section 4.00 specifies funds will be used to "increase the number of first-year positions...."and "provide for the establishment of new graduate medical education programs with first-year residency positions." Berryville's residents will already be seated, and arguably no longer "first-year" residents by the time our program applies for and is awarded a grant. (While we are expanding for next year, we will begin interviewing candidates in the next few weeks.)

Section 3.03 of the Rules dictates the application should be submitted "no later than July 15th of the year preceding the year for which the planning grant will be used," with the award announced by August 15th. While we acknowledge this mirrors statutory language, the timing is problematic. Mercy Berryville's review from the Accreditation Council for Graduate Medical Education (ACGME) is not expected to occur until August. Again, we realize some of the Board's discretion is limited by statute. However, a "rolling application process," where the committee reviews applications year-around (or at least more than one time per year) would allow residency programs to begin more efficiently and would better align with the ACGME approval process. Furthermore, to ensure programs recently underway are not penalized, we urge the Board to consider awarding funds retroactively for the previous year.

We also encourage the board to more inclusively describe allowable costs, beyond the focus on "direct resident costs" defined in Section 4.02. Often, the administrative costs associated with adding residency positions are the biggest barrier for a new or expanding program. "Start-up costs, at the board's discretion," described in Section 4.02.3 of the rule, should be expanded to explicitly include administrative costs associated with expansion of an existing program.

Mercy Berryville plays a vital role in providing care to an underserved part of our state, and our Rural Training Program for residents is critical in supporting that effort. Thank you for your time and work on this issue, and for taking my comments into consideration as you move forward with these Rules.

Sincerely,

Darren Caldwell

Darren Caldwell
Administrator
Mercy Hospital Berryville

October 8, 2024

Via Email – ADE.RulesComments@ade.arkansas.gov

The Honorable Ken Warden
Commissioner
Arkansas Division of Higher Education
101 E. Capitol Ave., Suite 300
Little Rock, AR 72201

In re: Arkansas Division of Higher Education Rules Governing the Graduate Medical Education Residency Expansion Board

Dear Commissioner Warden and Board Members:

Thank you for the opportunity to provide comments on the draft Rules Governing the Graduate Medical Education Residency Expansion Board ("Rules"). I am commenting on behalf of the Mercy Fort Smith Residency Program. Meaningful investment in residency programs is critically important to addressing the state's physician shortage. These residents provide valuable support while they further their education, including covering inpatient floors, expanding clinic access and reducing emergency room wait times. Residency programs produce skilled physicians who often stay in Arkansas, serving our communities.

We applaud members of the Arkansas General Assembly for prioritizing graduate medical education in our state through establishing the Graduate Medical Education Residency Expansion Board ("GME Board") and the Planning Grant Program. While we are grateful for the opportunity the program provides, we have concerns that as-written, the Rules will narrowly benefit a handful of residency programs in the state, while penalizing programs like the one already underway at Mercy Fort Smith.

Our program is under a fixed timeline established by the Accreditation Council for Graduate Medical Education (ACGME). Because of this, and to more quickly address the severe physician shortage in our region, we did not wait on availability of state funding to seat residents; we started and have now expanded our residencies at considerable cost to our facility.

Mercy Fort Smith's residency programs in Family Medicine (FM) and Internal Medicine (IM) launched July 2021, with 8 IM residents and 7 residents in the FM program. From the inaugural class, two FM residents stayed in Arkansas. We had one IM resident stay in Fort Smith and two that have gone on to do fellowships (cardiology and gastroenterology), but have already signed a letter of intent to return to Fort Smith. Our program now includes 13 IM spots, and we're in the process of applying for 8-10 new FM spots for next year. Currently, we have two FM residents who have already signed to begin their practice in Fort Smith next year, and several others that will be interviewing for additional openings.

To further address the Arkansas River Valley's physician shortage, Mercy has applied for 12 spots to develop a Transitional Year Program that would begin in Fall 2025 and provide training required for physicians to enter specialized residencies like ophthalmology, radiation oncology, or anesthesiology. The transitional year slots will help secure the residency positions needed for future growth, with an expected total of 81 residency slots by Academic Year 2027-2028.

The statute establishing the Planning Grant program clearly states the grants may be awarded to an entity that "is expanding an existing graduate medical education program." (*Ark. Code Ann. §6-82-2002 (b)(2)(B)).* Consistent with statute, Section 3.01.2 of the Rules indicates the grant can be used for expanding an *existing* graduate medical education program. However, the practical application and availability of grant funding to an established program is limited. Spending criteria outlined in Section 4.00 specifies funds will be used to "increase the number of first-year positions...."and "provide for the establishment of new graduate medical education programs with first-year residency positions." Mercy Fort Smith's residents will already be seated, and arguably no longer "first-year" residents by the time our program applies for and is awarded a grant.

Section 3.03 of the Rules dictates the application should be submitted "no later than July 15th of the year preceding the year for which the planning grant will be used," with the award announced by August 15th. While we realize this mirrors statutory language, the timing is problematic. When applying for new programs, Mercy Fort Smith's review process for ACGME doesn't start until October and the committees that review the application do not meet until January/February. Therefore, the existing application and award timeline means it will take two years from the time we begin the application process, until the funding from the state is available. Again, we realize some of the Board's discretion is limited by statute. However, a "rolling application process," where the committee reviews applications year-around (or at least more than one time per year) would allow residency programs to begin more efficiently and would better align with the ACGME approval process. Furthermore, to ensure programs recently underway are not penalized, we urge the Board to consider awarding funds retroactively for the previous year.

In addition, the program criteria should more inclusively describe allowable costs, beyond the focus on "direct resident costs" defined in Section 4.02. Often, the administrative costs associated with adding residency positions are the biggest barrier for a new or expanding program. "Start-up costs, at the board's discretion," described in Section 4.02.3 of the rule, should be expanded to explicitly include administrative costs associated with expansion of an existing program (including transitional year programs).

Lastly, the Planning Grant Program should also incentivize expansion of fellowship programs. Currently, the Rules allow funding of new fellowship programs once the GME Board determines excess funds are available (Section 6.01). However, we believe adding fellowship positions to an existing program should qualify for initial funding eligibility, as outlined in Section 3.0. Like residencies, fellowship programs add bandwidth of care to an underserved area, while also increasing the likelihood physicians in the program will stay and serve an Arkansas community.

Mercy Fort Smith takes seriously our mission to care for the people of our region, and we are proud that our residency program continues to produce physicians who are also dedicated to staying and serving our communities. Thank you for the work you are doing to support the efforts of our program and others around the state.

Sincerely,

Paul Bean MD

Paul Bean, M.D.
Chief Medical Officer
Mercy Fort Smith

Arkansas Children's
HOSPITALS · RESEARCH · FOUNDATION

1 Children's Way, Little Rock, AR 72202-3591
501-364-1100 | www.archildrens.org

October 11, 2024

Commissioner Ken Warden
Arkansas Division of Higher Education
101 E. Capitol Ave., Suite 300
Little Rock, AR 72201

RE: DHE Rule Governing the Graduate Medical Education Residency Expansion Board

Dear Commissioner Warden:

Arkansas Children's is supportive of the efforts by state policy makers to strengthen the physician workforce in Arkansas including the GME expansion program governed by these rules. As the state's only pediatric health system, it is also imperative that Arkansas Children's emphasize the unique position of children's hospitals in the training of the pediatric workforce. Our ability as a state to continue to meet children's physical and mental health care needs, now and into the future, is directly tied to the strength of our pediatric health care workforce.

The Children's Hospital Graduate Medical Education (CHGME) program is the only federal program solely focused on the training of pediatricians and pediatric subspecialists. CHGME was created because Congress recognized the need for a dedicated source of funding to support training of the nation's pediatricians to ensure all children have access to needed health care. Children's hospitals care for almost no children covered by Medicare, so they receive very little Medicare GME funding which is the main federal funding source for physician training. Additionally, Medicare GME provides more than twice the amount of financial support per resident that CHGME provides.

Across the nation and in Arkansas, we are experiencing a particularly pronounced decline in the number of medical students pursuing a career in pediatrics as compared to the number of students applying for adult residencies. The drivers of the decline include the additional years needed to train in pediatrics, the unique emotional capacity it takes to care for children and their families and the lower salaries and reimbursement levels for pediatricians and pediatric subspecialists. In 2010, 9.7% of graduating medical students entered residency training in pediatrics, but with the graduating class of 2018, the percentage decreased to 8.2%. Over the same period, the number of medical school graduates who entered adult-focused residencies grew with a 19% increase in adult emergency medicine residents, a 10% increase in family medicine residents and a 47% increase in adult psychiatry residents. That trend has continued in the last several years, with some pediatric specialty residencies having 20% to 40% fewer applicants.

As such, as we go forward in our efforts to strengthen the physician workforce in Arkansas, we ask that the need for pediatricians and pediatric subspecialists is top of mind in developing our strategy to improve health care across the state. In addition, we want to take this opportunity to advocate that hospitals be granted the utmost level of flexibility and funding opportunities when establishing new programs or expanding current programs including fellowship opportunities.

Sincerely,
Sheena Olson
Vice President for Government Relations

Comment 5

Unity HEALTH | WHITE COUNTY MEDICAL CENTER

October 11, 2024

To Whom It May Concern:

As a member of the Arkansas Graduate Medical Education (GME) community, we appreciate the effort the state is putting forth to assist in the expansion of GME. We are in favor of developing more GME programs in Arkansas, However, we do have some concerns about the proposed membership of the board. We believe that representatives from several different programs are in the best interest of our state. As the UAMS GME will be represented by item 2.01.5, we would ask that the hospitals represented by items 2.01.3 and 2.01.4 be familiar with GME programs other than UAMS. Across the state, there are various hospitals with residency or fellowship programs that represent other Sponsoring Institutions, such as Unity Health, Mercy Hospital in Fort Smith, CHI St. Vincent Hot Springs, or NEA Baptist in Jonesboro. Expansion of GME in Arkansas should involve more than one institution.

Sincerely,

LaDonna Johnston, RN, MSN
President/CEO

UAMS Northwest Regional Campus
2511 N College Ave
Fayetteville, AR 72703

OFFICE: 479-332-1215
CELL: 479-287-7233

UAMS.edu/NW
UAMShealth.com

UAMS
University of Arkansas for Medical Sciences

October 11, 2024

Arkansas Division of Higher Education
101 E. Capitol Ave., Suite 30
Little Rock, AR 72201

RE: DHS Rule Governing the Graduate Medical Education Residency Expansion Board

To whom it may concern,

On behalf of the University of Arkansas for Medical Sciences (UAMS), we extend our sincere gratitude for the continued support and commitment to Graduate Medical Education (GME). The funding of these vital programs is instrumental in expanding residency opportunities across Arkansas, which will ultimately increase the number of physicians practicing within our state.

The UAMS College of Medicine has educated and trained more than 10,600 physicians since 1879 and is the only M.D. granting medical school and health sciences university in Arkansas. The UAMS College of medicine has 69 Accreditation Council for Graduate Medical Education (ACGME) physician residency and fellowship programs with 720 residents/fellows within the college. Approximately 173 additional family medicine residents and 10 programs in UAMS Regional Centers as well as 104 residents and 4 programs in the UAMS-Baptist Health Consortium.

UAMS commends all involved in the work being done to expand GME in our great state. Particularly, the Arkansas Legislature for their foresight in establishing the Graduate Medical Education Residency Expansion Board in 2019, a critical step toward achieving this important goal.

However, within this draft rule, UAMS respectfully requests that, in addition to supporting the development of new residency programs, it is equally critical to ensure that hospitals are given the opportunity to apply for and receive funding for the expansion of existing residency programs in accordance with *Ark. Code Ann. §6-82-2002 (b)(2)(B))* where the law explicitly states “is expanding an existing graduate medical education program”. This will have a significant impact by enabling hospitals that are already contributing to the training of our much-needed next generation of physicians to continue to grow and adapt, ensuring they can meet the increasing demand for healthcare services across the state. UAMS respectfully requests changes be made to allow for expansion.

Furthermore, the most significant costs of establishing a GME program are incurred during the initial phase, long before any residents enter the program. Many of these early expenses are mandated by the ACGME and include startup costs such as hiring GME program medical faculty, developing and

submitting the accreditation application, creating the program's curricula, recruiting, and conducting interviews—among other essential tasks. We believe these upfront costs should be included and prioritized for funding. While the Medicare program provides enhanced reimbursement to teaching hospitals for residency slots once they are operational, it is the substantial pre-operational investment that is critical to successfully launching these programs. We politely request that section 4.02.3 take this into consideration and establish startup costs necessary to create successful GME programs and slots.

We urge these dual needs be considered in drafting of the DHS Rule Governing the Graduate Medical Education Residency Expansion Board as part of the ongoing efforts to strengthen GME in Arkansas, ensuring that both new and existing programs have the resources necessary to thrive.

We appreciate the opportunity to submit our comments and hard work that has gone into this rule. We are available to address any questions the committee may have.

Sincerely,

Ryan Cork, MHSA
Vice Chancellor
UAMS Northwest Regional Campus

St. Bernards MEDICAL CENTER
The Heart of Great Medicine

John W. Thompson MD, MBA
Vice President Physician Operations/DIO
St Bernards Medical Center
225 East Washington Ave.
Jonesboro, AR 72401
jwthompson@sbrmc.org
(870)-207-4269

October 7, 2024

Arkansas Division of Higher Education
101 E. Capitol Ave., Suite 30
Little Rock, AR 72201

Subject Reference: DHS Rules Governing the Graduate Medical Education Residency Expansion Board

Dear Committee Members,

My name is John Thompson and I serve as the Designated Institutional Officer at St. Bernards Medical Center in Jonesboro, AR. I oversee and direct graduate medical education for our institution. St. Bernards primarily serves 23 counties in Northeast Arkansas and Southeast Missouri and a population of over 620,000, and has been involved in graduate medical education/training since we began our UAMS-Northeast/Family Practice residency program in 1980. The establishment of this program was in partnership with UAMS in Little Rock. In 2014 we started an internal medicine residency program. At the present time, we have 48 resident physicians on our medical campus helping to meet the needs of our largely rural community.

St. Bernards would respectfully ask that a few things be considered in the draft "Rules Governing the Graduate Medical Education Residency Expansion Board." We are specifically concerned with section 4.04. "Distribution of planning grant for a residency position, under this section, will only occur after the Board receives verification that the applicable residency position(s) has been filled." Our analysis of the costs of starting a 16 resident psychiatry program (4 residents per year in 4-year program) shows a net margin of greater than -$900,000 on year 1 and greater than -$700,000 dollars on years 2 and 3. This is with CMS funding. In addition, there are significant costs that occur well in advance of trainees being on campus. These costs include the program director, associate program director, core faculty costs, accreditation costs and recruiting costs. We agree that these funds should largely be used for resident salaries, but other expenses are realized by any institution planning to add programs. Many of these expenses are mandated by the Accreditation Council for Graduate Medical Education. Other expenses include office space, resident lounge and library (required), lactation room, call rooms, and classroom

space. St. Bernards would respectfully ask that the rules consider the extensive costs that occur well in advance of the trainee's arrival to their training site, and that the other indirect costs of training doctors be considered.

Graduate medical education is not a profitable enterprise from a financial standpoint. However, St. Bernards sees tremendous value in these programs and views our costs as an investment in our future workforce. Our past graduates make up the backbone of our regional primary care workforce and allow us to care for a much larger population of patients than we would otherwise be able to care for. Over the last several years we have also begun to see our internal medicine residents placed in fellowships that have traditionally been very difficult for us to recruit for. Our residents have been selected for fellowships in cardiology, nephrology, palliative care and oncology. We are actively recruiting most of these physicians to return to Northeast Arkansas.

St. Bernards is thrilled with the creation of the Graduate Medical Education Residency Expansion Board. We feel that graduate medical education aligns well with our mission which is "To provide Christ-like healing to the community through education, treatment and health services." We are actively looking to expand our existing residency programs including psychiatry at this time. It is estimated that almost 24% of adults in Arkansas have some form of mental illness and our region has a definitive need for more mental health professionals. St. Bernards looks forward to working with the Graduate Medical Education Board on improving access to mental health services for the people of Northeast Arkansas. In addition, we look forward to pursuing other residency expansion opportunities as the need in our community arises.

Thank you for all of your time and hard work. Please feel free to contact me at any time.

Sincerely,

JW Thompson, MD

John W. Thompson M.D., MBA
Vice President Physician Operations/DIO
jwthompson@sbrmc.org
(870)-207-4269

ARKANSAS HOSPITAL ASSOCIATION

October 10, 2024

Commissioner Ken Warden
Arkansas Division of Higher Education
101 E. Capitol Ave., Suite 300
Little Rock, AR 72201

RE: ADHE Rules Governing the Graduate Medical Education Residency Expansion Board

Dear Commissioner Warden:

The Arkansas Hospital Association (AHA) represents over 100 health care facilities and their more than 45,000 employees across the state, all dedicated to delivering essential health care and community services to the people of Arkansas. On behalf of our member hospitals, we appreciate the opportunity to submit comments on the Arkansas Department of Higher Education's (ADHE) Draft Rules Governing the Graduate Medical Education Residency Expansion Board.

The AHA has long championed efforts to reduce the physician shortage in Arkansas. While our state is fortunate to have the University of Medical Sciences College of Medicine (UAMS COM), the Arkansas College of Osteopathic Medicine (ARCOM), and the New York Institute of Technology College of Osteopathic Medicine (NYITCOM) educating and training medical students, between one-third and one-half of Arkansas's medical school graduates leave our state for residency training. The American Academy of Medical Colleges (AAMC) further reports that, in 2023, 56.8% (1,045) of the 1,839 residents who completed an Accreditation Council of Graduate Medical Education (ACGME)-accredited program in Arkansas from 2013 through 2022 are currently practicing in Arkansas[1]. Increasing the number of residency opportunities in Arkansas will yield more Arkansas-based physicians, and the AHA applauds the efforts of the Arkansas Legislature in creating the Graduate Medical Education Residency Expansion Board in 2019 to reach this goal.

The AHA also applauds Governor Sarah Sanders' leadership alongside Arkansas House Speaker Matthew Shepherd and President *pro tempore* Bart Hester in appointing the Board and ensuring that the planning grant program authorized by the original act has funding. Given that our member

[1] Table C6. Physician Retention in State of Residency Training, by State | AAMC (accessed October 10, 2024)

hospitals have varying levels of experience in managing residency programs, it is essential that the planning grant program offer funding opportunities that cater to all stages of development. Whether a hospital requires start-up resources to establish a new residency program or is looking to expand an already successful and well-established program, the grant program must be flexible enough to support the full spectrum of needs. To that end, recognizing that the draft rules governing the planning grant program authorized by the law that created the Board are limited by the language of the law, it is prudent that the AHA commit to working with the legislature and other stakeholders to request to broaden the scope of planning grants in the future.

As we consider how this program will operate, it is crucial to emphasize the role of a strong, well-supported health care workforce in ensuring high-quality care for Arkansas patients. The AHA strongly supports the Board's focus on expanding residency programs for internal medicine, pediatrics, family medicine, obstetrics and gynecology, and general surgery. Without an adequate number of trained professionals in these fields, our ability to meet the health needs of patients becomes significantly compromised. We urge our policymakers to prioritize initiatives that bolster recruitment, retention, and training within these essential specialties, so that every Arkansan has access to the care they need when they need it most.

The AHA stands ready to collaborate with Governor Sanders, the Arkansas Division of Higher Education, the Graduate Medical Education Residency Expansion Board, and legislative partners to ensure the success of this initiative. By expanding residency opportunities and fostering a sustainable health care workforce, we can address the pressing physician shortages that affect the delivery of care across our state, particularly in rural and underserved areas. This investment in our medical professionals is not only an investment in the future of health care in Arkansas but also a critical step toward improving the health outcomes and quality of life for all Arkansans. We look forward to continued dialogue and partnership as we work to meet these shared goals.

Sincerely,

Bo Ryall
President and CEO
Arkansas Hospital Association

419 Natural Resources Drive | Little Rock, Arkansas 72205 | (501) 224-7878 | Fax (501) 224-0519

October 11, 2024

Arkansas Division of Higher Education
101 E. Capitol Ave., Suite 300
Little Rock, AR 72201

Via e-mail: ADE.RulesComments@ade.arkansas.gov

RE: DHS Rule Governing the Graduate Medical Education Residency Expansion Board.

We appreciate the opportunity to comment on the proposed rules for expansion of Graduate Medical Education (GME). The Arkansas General Assembly established this committee to address the significant physician shortage in Arkansas, which will only worsen as many doctors currently practicing in priority fields are nearing retirement age. In fact, 35% of practicing physicians in Arkansas are over the age of 60. This crisis will impact rural and urban areas of the state, alike.

The expansion of GME in the State of Arkansas is one way to address this problem. Research shows that most physicians end up practicing within 60 miles of where they complete their residency training. While Arkansas has an impressive record for retaining medical residents after their training is complete – ranking No. 4 in the nation for retention – there are simply not enough positions available to accommodate the number of graduates who wish to conduct their residency in Arkansas. Arkansas currently has more medical school graduates than residency positions available and many graduates, who would prefer to stay at home, are forced to leave the state to complete their medical training.

In 2021, the Arkansas legislature allocated $12.5 million to Washington Regional Medical Center to support the geographic wage reclassification process undertaken with the Center for Medicare and Medicaid Services (CMS). This process allows eligible institutions to adjust their "residency cap" and establish new, permanent, federally funded GME positions. Under the CMS rules, WRMC could establish up to 76 new GME positions provided they are established within a five-year window. Once the five-year window closes, the institution loses access to those federal funds.

To date, WRMC, in partnership with University of Arkansas for Medical Sciences (UAMS), has established 50 residency positions thanks in large measure to the investment made by the state. WRMC is also eligible under CMS rules to apply to the Accreditation Council of Graduate Medical Education for 26 additional residency slots. These additional positions will allow WRMC to maximize federal funding available to support new residency positions. Again, if these positions are not created within the five-year window, the opportunity is lost.

It should be noted that in addition to increasing the total number of Arkansas based physicians, an investment in GME programs also has a significant economic benefit to our state. Each residency position generates an annual $715,000 annual economic impact. When the WRMC program is fully developed we anticipate that it will generate over $54M in annual economic benefit for Arkansas. Further, each new practicing physician in Arkansas creates an additional 17.1 jobs.

We are grateful for the work that has been done to fund GME programs in AR to date and we are mindful of the work that needs to be done in the future. Programs that maximize ongoing, permanent residency positions should be prioritized, and WRMC will, at the appropriate time, submit a request for funding to create the 26 new, additional residency positions referenced above. We hope that every Arkansas hospital will take advantage of the wage reclassification process, and we stand ready to provide guidance to any institution that requests assistance. The state must leverage every single federal dollar to expand GME.

With respect to the proposed regulations. We believe that section 402 could be significantly improved. The proposed regulation provides that these grants shall be used to support the direct resident costs to the graduate medical education program, including without limitation:

4.02.1 Stipends;
4.02.2 Benefits; and
4.02.3 Start-up costs, at the board's discretion.

Our experience implementing a new residency program has shown that the largest costs are incurred in the initial start-up period of the program, long before any residents are matched to the program. These costs include hiring of GME program medical faculty, developing the ACGME application for accreditation, developing the program curricula, policies and agreements necessary to attain accreditation and operate the program, and recruiting of faculty, reviewing resident applications, and conducting resident interviews, to name but a few. In our view, these are the costs that should be prioritized. The Medicare program affords teaching hospitals that operate GME programs enhanced reimbursement to support residency slots once they are established and in operation.

In light of this fact, we recommend that section 4.02.3 be amended to establish that startup costs necessary to establishing GME programs and slots be prioritized. We also support limiting these funds to payment of direct costs of faculty rather than the costs of buildings, facility or administrative personnel costs.

Leveraging state funds with the Medicare geographic wage reclassification process will allow a relatively small investment by the State of Arkansas to provide ongoing, significant dividends to the state of Arkansas. The state's investment will address the growing physician shortage in Arkansas and provide an even larger economic return through the

significant, direct economic impact that flows from each additional practicing physician that practices in our state.

We appreciate the opportunity to provide our comments and would be happy to answer any questions that the committee might have.

Sincerely,

Larry Shackelford

J.Larry Shackelford
President & CEO
Washington Regional Medical System