

**PUBLIC HEALTH DEPARTMENT[641]**

**Adopted and Filed**

Pursuant to the authority of Iowa Code section 135.176(2), the Department of Public Health hereby adopts new Chapter 108, “Medical Residency Training State Matching Grants Program,” Iowa Administrative Code.

These rules provide for the awarding of grants for sponsors of accredited graduate medical education residency programs to establish new programs, expand existing programs, or support medical residency programs in excess of the federal residency cap.

Notice of Intended Action was published in the April 2, 2014, Iowa Administrative Bulletin as **ARC 1392C**. Comments were received from Mercy Medical Center, Graduate Medical Education Department; University of Iowa Health Care, Office of the Vice President for Medical Affairs; and the Vice President of Institutional Advancement, Des Moines University. The following lists the comments received and the Department’s responses.

Comment 1: It will be important to support at-risk residency positions (defined as Accreditation Council for Graduate Medical Education-accredited residency positions for which the sponsoring institution supplies all the financial support because it has exceeded the residency cap) on at least an equal footing with the establishment of new or alternative campus residency training programs or expansion of existing residency programs.

Response: This recommendation can be addressed in the request for proposal process to the extent that the timing of the request for proposal follows competitive guidelines contained in 641—Chapter 176.

Comment 2: The timing of the request for proposal and award process should coincide with the typical calendar period of a residency program.

Response: This recommendation can be addressed in the request for proposal process to the extent that the timing of the request for proposal follows competitive guidelines contained in 641—Chapter 176.

Comment 3: The establishment of a dedicated fund to support residency programs is an unrealistic expectation.

Response: This recommendation cannot be addressed in the rules without legislative changes to Iowa Code section 135.176.

Comment 4: The 25 percent amount for matching grants is low and should be changed to a higher match, such as 50 percent.

Response: This recommendation cannot be addressed in the rules without legislative changes to Iowa Code section 135.176.

Comment 5: Funds should not be used within one fiscal year but rather could be used during the process to plan and implement a new program or be maintained until a new program is operationalized.

Response: This recommendation can be addressed in the request for proposal process to the extent that the timing of the request for proposal follows competitive guidelines contained in 641—Chapter 176.

Comment 6: The Department should create a selection committee to assist in setting priorities for selection of grant awards to include family medicine, internal medicine, psychiatry, pediatrics, emergency medicine, and obstetrics and gynecology. This committee should be made up of experienced physicians and administrators who have experience in graduate medical education.

Response: This recommendation can be addressed in the request for proposal process to the extent that the timing of the request for proposal follows competitive guidelines contained in 641—Chapter 176.

Comment 7: The Department should ensure that dollars are only for new residency positions, and paragraph 108.5(3)“c” pertaining to the funding of residency positions which are in excess of the federal residency cap should be eliminated.

Response: This recommendation cannot be addressed in the rules without legislative changes to Iowa Code section 135.176.

Comment 8: A pipeline document of those intending to apply for funds should be created.

Response: The Department will consider making a request to graduate medical education program sponsors for information to create a pipeline document.

Based on comments received and further internal review, no changes were made to the rules published under Notice of Intended Action.

The State Board of Health adopted these rules on May 14, 2014.

After analysis and review of this rule making, it is projected that these rules will positively impact physician employment opportunities in Iowa, as well as employment of associated health care providers and other jobs supporting the work of physicians in Iowa communities. No specific projection for employment can be made at this time.

These rules are intended to implement Iowa Code section 135.176 as amended by 2014 Iowa Acts, Senate File 2196, section 7.

These rules will become effective on July 16, 2014.

The following amendment is adopted.

Adopt the following **new** 641—Chapter 108:

#### CHAPTER 108

#### MEDICAL RESIDENCY TRAINING STATE MATCHING GRANTS PROGRAM

**641—108.1(135) Scope and purpose.** The medical residency training state matching grants program is established to provide greater access to health care by increasing the number of practicing physicians in Iowa through the expansion of residency positions in Iowa. The department shall provide funding to sponsors of accredited graduate medical education residency programs for the establishment, expansion, or support of medical residency training programs that will increase the number of residents trained. Funding for the program may be provided through the health care workforce shortage fund, medical residency training account, and is specifically dedicated to the medical residency training state matching grants program as established in Iowa Code section 135.176. These rules shall be implemented only to the extent funding is available.

**641—108.2(135) Definitions.** For the purposes of these rules, the following definitions shall apply:

*“Accredited medical residency training program”* means a graduate medical education program approved by the Accreditation Council for Graduate Medical Education (ACGME) or by the American Osteopathic Association (AOA).

*“Department”* means the Iowa department of public health.

*“Director”* means the director of the Iowa department of public health.

*“Health professional shortage areas”* means federal designations that are based on general health professional shortage area (HPSA) designation criteria, plus additional criteria and guidelines specific to each of the three types of designations from the Health Resources and Services Administration Federal Office of Shortage Designations. The three types of designations include primary care, dental and mental health.

*“In excess of the federal residency cap”* means a residency position for which no federal Medicare funding is available because the residency position is a position beyond the cap for residency positions established by the federal Balanced Budget Act of 1997, Pub. L. No. 105-33.

*“New or alternative campus accredited medical residency training program”* means a program that is accredited by a recognized entity approved for such purpose by the ACGME or the AOA with the exception that a new medical residency training program that, by reason of an insufficient period of operation is not eligible for accreditation on or before the date of submission of an application for a grant, may be deemed accredited if the ACGME or the AOA finds, after consultation with the appropriate accreditation entity, that there is reasonable assurance that the program will meet the accreditation standards of the entity prior to the date of graduation of the initial class in the program.

“*Sponsor*” means a hospital, school, or consortium located in Iowa that sponsors and maintains primary organizational and financial responsibility for a graduate medical education residency program in Iowa and is accountable to the accrediting body.

**641—108.3(135) Eligibility criteria.** To be eligible for a matching grant, a sponsor shall satisfy the following requirements and qualifications:

**108.3(1)** A sponsor shall be financially and organizationally responsible for a residency training program that is accredited by the ACGME or by the AOA.

**108.3(2)** A sponsor shall establish a dedicated fund to support a residency program. A sponsor funding residency positions in excess of the federal residency cap exclusive of funds provided under this program is deemed to have satisfied this requirement and shall be eligible for a matching grant equal to the amount of funds expended for such residency positions, subject to the limitation on the maximum award of grant funds specified in rule 641—108.4(135).

**108.3(3)** A sponsor shall demonstrate through documented financial information that funds have been reserved and will be expended by the sponsor in the amount required to provide matching funds for each residency in the request for proposal for state matching funds. A sponsor shall document this requirement by providing with its request for proposal a signed, notarized statement of the organization’s chief financial officer that such a fund exists, as well as what amounts of moneys have been set aside in this fund for purposes of supporting residency programs.

**108.3(4)** A sponsor shall demonstrate a need for such residency program in the state by providing with its request for proposal objective evidence of such need including:

- a. Workforce data, including state and federal workforce data and data from tracking databases;
- b. Population data, including community health needs assessments;
- c. Supply and demand data, including health professional shortage area designations; and
- d. Other related research including unique community- or state-level factors which establish a need for such residency program.

**108.3(5)** A sponsor shall submit with its request for proposal a recruitment and retention plan to encourage residents to enter practice in Iowa with a preference for health professional shortage areas and to demonstrate over time the impact on Iowa’s workforce.

**641—108.4(135) Amount of grant.**

**108.4(1)** The department shall award funds based upon the funds set aside in the special fund, as identified in subrule 108.3(3).

**108.4(2)** The total amount of a grant awarded to a sponsor shall be limited to no more than 25 percent of the amount of funds the sponsor demonstrates through documented financial information have been reserved and will be expended by the sponsor for each residency sponsored for the purpose of the residency program.

**108.4(3)** A sponsor, if awarded, shall enter into a contract with the department over a three-year project period to include one year (12 months) renewable contract periods. Annual contracts shall include annual budgets and, upon approval of annual performance measures, renewal applications for the project period. Annual contract periods shall be renewed based on the availability of funds.

**108.4(4)** A sponsor shall receive funds based on budgeted expenses that include but are not limited to:

- a. Stipends and fringe benefits for residents and fellows;
- b. The portion of teaching physician salaries and fringe benefits associated with teaching and supervision of residents and fellows;
- c. Other direct costs that can be attributed to medical education (e.g., clerical salaries, telephone, office supplies).

**108.4(5)** An individual sponsor shall not receive more than 25 percent of the state matching funds available each year to support the program. However, if less than 95 percent of the available funds have been awarded in a given year, a sponsor may receive more than 25 percent of the state matching funds available if total funds awarded do not exceed 95 percent of the available funds. If more than one sponsor

meets the requirements of this rule and has established, expanded, or supported a graduate medical residency training program in excess of the sponsor's 25 percent maximum share of state matching funds, the state matching funds shall be divided proportionately among such sponsors.

**641—108.5(135) Review process.**

**108.5(1)** The department shall follow requirements for competitive selection contained in 641—Chapter 176 in awarding these funds.

**108.5(2)** The department shall establish a request for proposal process for sponsors eligible to receive funding. The request for proposal and review process and review criteria for preference in awarding the grants shall be described in the request for proposal, including preference in the residency specialty. This preference may be reflective of a subspecialty where particular demands for services have been demonstrated, of geographic areas of preference, or of other particular preferences that advance the objectives of the program.

**108.5(3)** Each request for proposal issued by the department will identify one or more of the following purposes for use of the funding:

*a.* The establishment of new or alternative campus accredited medical residency training programs;

*b.* The provision of new residency positions within existing accredited medical residency or fellowship training programs; or

*c.* The funding of residency positions which are in excess of the federal residency cap.

**108.5(4)** An applicant may appeal the denial of a properly submitted request for proposal. Appeals shall be governed by rule 641—176.8(135,17A).

These rules are intended to implement Iowa Code section 135.176.

[Filed 5/14/14, effective 7/16/14]

[Published 6/11/14]

EDITOR'S NOTE: For replacement pages for IAC, see IAC Supplement 6/11/14.