



CALIFORNIA ACADEMY OF  
FAMILY PHYSICIANS  
**STRONG MEDICINE FOR CALIFORNIA**

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## **Federal Government Stops Funding for Medical Training Program in One of Nation's Most Underserved Counties**

### **Family Medicine Residency Program Payments Halted; Medical Care for 230,000 Annual Patient Visits Hangs in the Balance**

*San Francisco* - A family physicians training program that provides health care to thousands of California's most underserved patients has received news from the federal government that the program will no longer receive funding. Stanislaus County officials and Doctors Medical Center in Modesto, CA are appealing the decision. Meanwhile, they have had to pay back \$19.1 million to the Centers for Medicare and Medicaid Services (CMS) for past support of graduate medical education - family physician training.

"This action makes an already bad economic situation in our county worse," said Peter Broderick, MD, Director of the Stanislaus Family Medicine Residency Program at Doctors Medical Center, which shares some of the program costs with the County. "We believe the CMS rules are being applied retroactively and unfairly. More importantly, the federal government is putting the health of tens of thousands of California's most underserved patients at risk through its retrospective review of a program whose existence it has recognized for the past 12 years."

The dispute centers on whether the family medicine residency training program met CMS criteria related to its move from a Stanislaus County hospital, when it closed nearly 12 years ago, to Doctor's Medical Center, owned by Tenet Healthcare Corporation. Payments and findings by CMS over the years indicated the agency believed a new program had been created. Then, about 18 months ago, CMS attorneys began challenging the program, and in January of 2009, issued a determination that the program no longer qualified for Medicare payments that support physician education - a major source of funding for residency programs - based on rules not yet written when earlier determinations were made. The rules relate to the Balanced Budget Act of 1997, which made sweeping changes in many programs, including Medicare.

## **County CEO Warns of Devastating Effects**

"CMS says the County and the hospital can apply to receive Medicare payments if we close the current program, wait a year, and then open a new program with a new director, new faculty, and new medical residents," said Richard Robinson, Chief Executive Officer of Stanislaus County. "They're turning the serious issue of health care delivery into a bureaucratic game. Medical staffing for clinics that handle 230,000 visits and treat 70,000 underserved patients each year is at risk. It makes no sense at all."

Meanwhile, in an attempt to preserve training, the County and the hospital began planning a new residency program to include additional hospitals and a new county Federally Qualified Health Clinic system. Again, CMS has countered with barriers, citing conditions that do not exist in the rules.

The CMS proposal to shut down and re-open in a year indicates a lack of understanding about the way residency programs operate. "Shutting down the program for a year would almost certainly mean the new program would attract few residents because it wouldn't be viewed as a stable program," Broderick explained. CMS determinations would also mean that family medicine residents currently at the program would have significant challenges relocating to another program, jeopardizing their ability to complete their medical training.

"It's incomprehensible that here in the impoverished Central Valley, where the unemployment rate is among the nation's highest at 16%, our populace is among the most economically distressed, and the primary care physician shortage is at its most serious, the federal government is requiring us to jump through pointless bureaucratic hoops instead of helping us deliver health care to those who need it most," said Broderick.

## **Family Physician Shortage Expected to Worsen**

"Causing chaos in a medical training program that teaches family physicians how to care for a population living in poverty will exacerbate the primary care physician shortage that already plagues rural areas of our state," said Jeffrey Luther, MD, President of the 7,000-member California Academy of Family Physicians. "Access to primary and preventive care and timely treatment for chronic diseases improves population health and individual outcomes. It's also how we prevent expensive, unnecessary emergency room visits and help keep health care costs down. This is the care CMS is asking us to toss aside."

The Academy and others are urging CMS to change its course and instead preserve funding for the Stanislaus residency program. "Improving health care access and workforce capacity are goals of the Obama Administration," Luther said. "This is exactly the type of action that runs counter to our goal of expanding access to health care and ensuring training programs can focus on patients, rather than administrative wrangling."

## **About the California Academy of Family Physicians**

Since 1948, CAFP has been analyzing and disseminating trends and information to assist California's family physicians (FPs) in their practices. With more than 7,000 members, including active practicing family physicians, residents in family medicine, and medical students interested in the specialty, CAFP is the largest primary care medical society in California, and the largest chapter of the American Academy of Family Physicians. Family physicians are trained to treat an entire family's medical needs, addressing the whole spectrum of life's medical challenges. They serve a broad base of patients in urban, suburban and rural areas, often in California's most underserved areas.