

State of Washington  
Decision Package

FINAL

**Agency:** 303 Department of Health  
**Decision Package Code/Title:** A9 Area Health Education Center Reduction  
**Budget Period:** 2015-17  
**Budget Level:** PL-Performance Level

**Recommendation Summary Text:**

This proposal will eliminate general fund state support to the Washington Area Health Education Centers. The reduction to the centers will reduce their ability to help rural and underserved communities recruit and retain the healthcare professionals they need in their area.

**Fiscal Detail**

Operating Expenditures			<b>FY 2016</b>	<b>FY 2017</b>	<b>Total</b>
001-1	General Fund-State		(413,000)	(395,000)	(808,000)
<b>Total Cost</b>			<b>(413,000)</b>	<b>(395,000)</b>	<b>(808,000)</b>

**Package Description:**

This package eliminates general fund state support for the AHECs by \$413,000 in fiscal year (FY) 2016 and \$395,000 in FY 2017. This is the only type of funding provided by the Department of Health (DOH) to AHECs. The AHECs have taken funding reductions in the last several years: a 5 percent reduction in fiscal year 2011, and another 3 percent reduction during the 2011-13 biennium.

The recruitment and retention work of the two Washington State Area Health Education Centers (AHECs) has been supported primarily through state general funds since the mid 1990's. The AHECs support planning activities and educational development for people who are interested in careers in primary care, working in rural or urban underserved communities. This work helps to assure that there are doctors, dentists, nurses, and others professionals working in primary care and in communities where they are needed most.

Rural health systems are becoming more financially vulnerable. Rural and underserved communities have critical shortages of all health care providers and professionals, particularly primary care providers. Their populations are older and more economically depressed than the rest of the state. The critical functions of the AHECs that would be reduced are:

- Development of programs that create a pipeline of students into primary health care.
- Work with the University of Washington to set up experiences for health professional students in rural and underserved communities, for example arranging preceptors and student housing.
- Efforts to increase the number of health care providers who are from under-represented groups.
- Efforts to increase multi-disciplinary health care workforce training opportunities.

Both AHECs also receive federal grants of about \$70,000 per year through the University of Washington to support their activities. The AHEC of Eastern Washington receives additional federal and private grant funds to support research and development activities.

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## **Narrative Justification and Impact Statement:**

### ***What specific performance outcomes does the agency expect?***

The Department of Health (DOH) is submitting this reduction option in response to the Governor's request for reductions equaling 15 percent of the department's 2015-2017 General Fund State appropriations. While assessing these cuts, the department focused on maintaining foundational public health services that would most effectively maintain a public health system that ensures public health and safety. These cuts will partially reduce the department's capacity to support workforce planning activities for rural and underserved communities.

AHEC contract activities include: recruitment and retention of primary care providers for rural and underserved communities, worker/provider workforce development; clinical placements for health profession students in rural and underserved rotations; health professional educational development, and creating innovations in health care. This reduction will eliminate all of their contractual work.

The DOH has staff that coordinates recruitment and retention activities with partner agencies, and direct recruitment for rural and underserved communities. The AHECs and other agencies extend this work by making visits to medical schools and other programs to encourage students to work in rural areas. Some of these visits would not happen without this funding.

AHECs also coordinate the rural and underserved rotation option; a program for medical students. This program serves about 40 students per year, so the placement coordination would have to be done by another entity. The educational development and innovative work done by the AHECs would be partially lost with this cut.

AHECs are also contracted to provide educational events, and find new ways to deliver education to health care professionals. Both of these activities are done in coordination with other agencies, so the other agencies will need to take a stronger role in this work. There will likely be impacts on Washington's rural and underserved residents, and some health care student and provider education will be lost.

### **Performance Measure Detail**

#### **Activity: A014 Access to Quality Health Care Services**

### ***Is this DP essential to implement a strategy identified in the agency's strategic plan?***

Adoption of this proposal would impact goal three: Improve access to quality, affordable, integrated healthcare. These efforts ensure adequate numbers of health care providers in rural communities, and increase access to affordable care by reducing the distance rural residents must travel for primary care.

### ***Does this decision package provide essential support to one or more of the Governor's Results Washington priorities?***

Adoption of this proposal would impact Goal 4: Healthy and Safe Communities

Goal 4:1.3.c. Increase percentage of residents who report they have a personal doctor of health care provider from 75 percent to 82 percent by 2016.

Increasing the availability of providers in rural and underserved communities will give residents the opportunity to have a personal doctor or health care provider.

***What are the other important connections or impacts related to this proposal?***

It is anticipated that there will be a need to reorganize efforts around rural and underserved workforce activities in Washington state. The AHECs and the University of Washington are stakeholders who are concerned about the viability of the AHECs given the reduction.

***What alternatives were explored by the agency and why was this alternative chosen?***

The Department of Health (DOH) used the following process to get to the mandated 15 percent General Fund State Reductions:

- All General Fund State supported programs were put into three tiers:
  - Tier 1 – Programs that are 100 percent foundational public health services
  - Tier 2 – Programs that are partially foundational public health services and/or directly tied to the Governor’s Results Washington measures and/or part of the agency strategic plan
  - Tier 3 – All remaining general fund programs
- Tier 2 and Tier 3 programs were scored using the public health criteria matrix, then ranked using the scores and our professional judgment
- Reductions were proposed from the ranked list
- The DOH widely shared our draft reductions both internally and externally to the department and sought feedback

***What are the consequences of adopting or not adopting this package?***

If adopted it will reduce the AHECs ability to help rural and underserved communities recruit and retain the healthcare professionals they need in their area.

***What is the relationship, if any, to the state capital budget?***

None.

***What changes would be required to existing statutes, rules, or contracts, in order to implement the change?***

None.

***Expenditure and revenue calculations and assumptions***

Revenue:

None.

Expenditures:

This package reduces the contracts for the AHECs effective June 2015 by \$413,000 in fiscal year (FY) 2016 and \$395,000 in FY 2017.

***Which costs and functions are one-time? Which are ongoing? What are the budget impacts in future biennia?***

This proposed cut to the AHECs would be ongoing.

***For federal grants: Does this request require a maintenance of effort or state match?***

Not applicable.

***For all other funding: Does this request fulfill a federal grant's maintenance of effort or match requirement?***

This funding serves as the required 3:1 match for a federal grant the State Office of Rural Health (SORH) receives. It was originally allocated as the state match for the Washington DOH State Office of Rural Health grant and the University of Washington Regional AHEC grant. Other options for meeting the state match requirement have been explored. It has been determined that the state match requirement for the State Office of Rural Health can be met without the funds to these organizations.

<b><u>Object Detail</u></b>	<b><u>FY 2016</u></b>	<b><u>FY 2017</u></b>	<b><u>Total</u></b>
A Salaries and Wages			
B Employee Benefits			
C Personal Service Contracts			
E Goods and Services	(5,000)	(5,000)	(10,000)
G Travel			
J Capital Outlays			
N Grants and Subsidies	(408,000)	(390,000)	(798,000)
T Intra-Agency Reimbursements			
<b>Total Objects</b>	<b>(413,000)</b>	<b>(395,000)</b>	<b>(808,000)</b>