




MEMORANDUM

Date: January 31, 2008

To: Chair and Members,
County Bond Advisory Committee

From: C.H. Huckelberry,
County Administrator 

Re: **Update on Bond Proposals to Continue Expanding Healthcare Workforce Development and Services**

Background

In preparation for the February 1, 2008 Bond Committee meeting on public health bond project proposals, you were provided with a copy of a September 24, 2007 memorandum to the Public Facilities Bond Subcommittee, where I addressed the need for the County's continued capital investment at Kino campus to expand educational and workforce development for healthcare professionals. As explained in that memorandum, Arizona is facing critical shortages in nurses, physicians, and other healthcare professionals. Expanding educational and workforce development for healthcare professionals is needed now to address this critical shortage, which in turn will enable the improvement and expansion of healthcare services to underserved areas, and create higher paying jobs for our community. The two fastest ways to expand educational and workforce development for healthcare professionals is to invest in facilities that can serve as sites for clinical rotations for the entire healthcare workforce continuum, and to leverage funding to operationally support the University of Arizona College of Medicine's new and existing Graduate Medical Education programs that will use such facilities.

Proposed Bond Projects to Address Facility Needs

Four proposed bond projects totaling \$173.8 million were detailed in the memorandum:

- Pima Community College Health Campus at \$45 million;
- Primary and Specialty Physician Care Site Expansion, UPH Hospital at Kino, at \$45 million;
- Remodel and expand existing UPH Hospital at Kino Emergency Department at \$15 million; and
- Replace County nursing home and add adult day care and partial hospitalization at \$68.8 million.

These facilities would provide unique and diverse clinical rotation sites for physicians and other healthcare professionals being trained by the University of Arizona College of Medicine, Pima Community College, and the Joint Technical Education District. In the case of the proposed Primary and Specialty Physician Care Site Expansion at University Physicians Healthcare (UPH) Hospital at Kino, this would permit the addition of more than 50 physicians to the campus, for a total of 90 physicians. In their role as the teaching faculty for the University of Arizona College of Medicine, these UPH physicians would provide services to an underserved community, while as the same time supporting a new Graduate Medical Education program at

the site. Once the Graduate Medical Education program is operational, it is anticipated that it can annually graduate 118 new physicians in an array of specialties to address areas of critical shortage throughout this region as well as throughout the state.

Leveraging Federal Funding to Address Operational Costs of Graduate Medical Education

There were several questions that the Public Facilities subcommittee communicated to County staff over the months following these proposals. One question in particular was whether the University of Arizona College of Medicine would have the capacity to staff expanded facilities at Kino Campus, in light of the news that they will also be building and operating a new children's hospital. The answer is that the County is currently in discussions regarding the operational costs associated with the new and existing Graduate Medical Education programs in Pima County. Medicaid, known in Arizona as AHCCCS, currently funds Graduate Medical Education in Arizona. In the County's lease agreement with UPH for the hospital at Kino, the County is required to make declining annual payments to UPH through 2011. It turns out that a portion of the County's payments could be dedicated to Graduate Medical Education, through payments to Medicaid, and every dollar dedicated by the County would leverage an additional two dollars of federal funding for Graduate Medical Education programs at Kino campus and University Medical Center. So basically, we may have the ability to leverage substantial funding needed to train physicians at these two hospitals by simply directing to AHCCCS through a specific agreement, a portion of the payments the County is already required to make in its lease with UPH.

Summary

We are already facing critical shortages for essentially every aspect of the healthcare workforce. If not addressed, the shortages will become more severe. Previous voter-approved bond funds have included significant investments to Kino health campus. Through its lease with the County, UPH is committed to transitioning the hospital at the Kino campus into a full service hospital providing comprehensive medical and behavioral health services in an underserved and stressed area of this community, along with state-of-the-art academic teaching programs. Pima Community College, which educates students in nursing and allied health professions, will complement UPH's focus on Graduate Medical Education. The recently formed Joint Technical Educational District will enable high school students to participate at the entry level of the medical workforce continuum using facilities on the Kino campus for their clinical training. Each of these organizations needs to expand the number of people they can train in the healthcare professions to meet the critical shortages this community is facing today. To do this they need both facilities and operational funding. The four proposed bond projects would provide facilities to expand healthcare services to the public, as well as clinical training sites for healthcare professionals. The County and the University of Arizona will continue to explore opportunities to leverage significant federal funding for the operational costs associated with the new and existing Graduate Medical Education programs at the UPH Hospital at Kino and the University Medical Center.

CHH/dr

c: Dennis Douglas, Deputy County Administrator Medical and Health Services
Honey Pivrotto, Assistant County Administrator for Medical and Health Services