

SENATE  
STATE OF MINNESOTA  
EIGHTY-EIGHTH LEGISLATURE

S.F. No. 1481

(SENATE AUTHORS: FRANZEN)

| DATE       | D-PG | OFFICIAL STATUS                                       |
|------------|------|---|
| 03/20/2013 | 1355 | Introduction and first reading<br>Referred to Finance |

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A bill for an act  
relating to health; directing medical education and research funds to the University  
of Minnesota; amending Minnesota Statutes 2012, section 62J.692, subdivision 4.  
BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

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Section 1. Minnesota Statutes 2012, section 62J.692, subdivision 4, is amended to read:  
Subd. 4. **Distribution of funds.** (a) The commissioner shall annually distribute the  
available medical education funds to all qualifying applicants based on a distribution  
formula that reflects a summation of two factors:  
(1) a public program volume factor, which is determined by the total volume of  
public program revenue received by each training site as a percentage of all public  
program revenue received by all training sites in the fund pool; and  
(2) a supplemental public program volume factor, which is determined by providing  
a supplemental payment of 20 percent of each training site's grant to training sites whose  
public program revenue accounted for at least 0.98 percent of the total public program  
revenue received by all eligible training sites. Grants to training sites whose public  
program revenue accounted for less than 0.98 percent of the total public program revenue  
received by all eligible training sites shall be reduced by an amount equal to the total  
value of the supplemental payment.  
Public program revenue for the distribution formula includes revenue from medical  
assistance, prepaid medical assistance, general assistance medical care, and prepaid  
general assistance medical care. Training sites that receive no public program revenue  
are ineligible for funds available under this subdivision. For purposes of determining  
training-site level grants to be distributed under this paragraph (~~a~~), total statewide average  
costs per trainee for medical residents is based on audited clinical training costs per trainee

in primary care clinical medical education programs for medical residents. Total statewide average costs per trainee for dental residents is based on audited clinical training costs per trainee in clinical medical education programs for dental students. Total statewide average costs per trainee for pharmacy residents is based on audited clinical training costs per trainee in clinical medical education programs for pharmacy students. Training sites whose training site level grant is less than \$1,000, based on the formula described in this paragraph, are ineligible for funds available under this subdivision.

(b) \$5,350,000 of the available medical education funds shall be distributed as follows:

(1) \$1,475,000 to the University of Minnesota Medical Center-Fairview;

(2) \$2,075,000 to the University of Minnesota School of Dentistry; and

(3) \$1,800,000 to the Academic Health Center. \$150,000 of the funds distributed to the Academic Health Center under this clause shall be used for a program to assist internationally trained physicians who are legal residents and who commit to serving underserved Minnesota communities in a health professional shortage area to successfully compete for family medicine residency programs at the University of Minnesota.

~~(b)~~ (c) Funds distributed shall not be used to displace current funding appropriations from federal or state sources.

~~(e)~~ (d) Funds shall be distributed to the sponsoring institutions indicating the amount to be distributed to each of the sponsor's clinical medical education programs based on the criteria in this subdivision and in accordance with the commissioner's approval letter. Each clinical medical education program must distribute funds allocated under paragraph (a) to the training sites as specified in the commissioner's approval letter. Sponsoring institutions, which are accredited through an organization recognized by the Department of Education or the Centers for Medicare and Medicaid Services, may contract directly with training sites to provide clinical training. To ensure the quality of clinical training, those accredited sponsoring institutions must:

(1) develop contracts specifying the terms, expectations, and outcomes of the clinical training conducted at sites; and

(2) take necessary action if the contract requirements are not met. Action may include the withholding of payments under this section or the removal of students from the site.

~~(d)~~ (e) Any funds not distributed in accordance with the commissioner's approval letter must be returned to the medical education and research fund within 30 days of receiving notice from the commissioner. The commissioner shall distribute returned funds to the appropriate training sites in accordance with the commissioner's approval letter.

- 3.1           ~~(e)~~ (f) A maximum of \$150,000 of the funds dedicated to the commissioner  
3.2           under section 297F.10, subdivision 1, clause (2), may be used by the commissioner for  
3.3           administrative expenses associated with implementing this section.