Residency Education

What to Do When Faced With the Closure of a Family Practice Residency

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The turbulent health care environment, combined with recent reductions in federal support for graduate medical education, has threatened the viability of many residency programs. Several family practice programs are in the process of struggling for survival, while others have been forced to close. A new Residency Assistance Program (RAP) consultation has been developed to help programs "justify their existence" to sponsoring institutions. This paper discusses the signs that a program's viability may be in jeopardy and offers recommendations to reduce the risks of closure. For those residencies forced to cease operations, 11 recommendations are provided to minimize the negative impact of closure on the program's residents, faculty, and staff. Those include steps to assure that current residents receive full credit for the training time completed and the importance of notifications to the Residency Review Committee for Family Practice, the American Board of Family Practice, and the Association of Family Practice Residency Directors. Decisions must be made about whether the option exists to permit current residents to complete their training in the same facility or whether assistance is available to facilitate resident transfers to other programs. Open and honest communication among affected parties is emphasized to minimize the emotional consequences of such an important event.

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In the past 2 years, several family practice residencies have closed precipitously, uniformly due to fiscal shortcomings, though the decline of student interest in family practice careers has also been cited as justification for the downsizing of a number of residencies. Regrettably, the current turbulence of the health care marketplace, coupled with recent reductions in governmental support for graduate medical education, has threatened the health and viability of many of our nation's family practice residencies and medical school departments of family medicine.

The Residency Assistance Program (RAP) has responded with a new "Program Impact Consultation," designed to assist family practice residencies in "justifying their existence" by identifying direct, indirect, and even intangible benefits of the programs to their sponsoring institutions and communities. Similarly, multiple university departments of family medicine have been threatened with elimination, and as a department is threatened, so is its associated residency program. The Association of Departments of Family Medicine (ADFM), the national association of medical school family medicine departments, is developing a departmental consultation project (DCP), modeled after RAP, to support the need of medical school departments for expert assistance.

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Do You See It Coming?

Faculty, including residency directors and chairs at departments that have been threatened, have sometimes reported being surprised to learn that their programs were being considered for elimination. Thus, a key question that all family medicine educators need to ask themselves at this time is "Is my program at risk for closure?" Among the signs that a program may be threatened with closure are the following:

- Persistent, large budget deficits, even when the program carries the burden of uncompensated care for its sponsor
- Multiple years of perceived poor performance in the National Resident Matching Program (NRMP)
- Clinical productivity by faculty, when not teaching, that is considered low by institutional or external standards (Medical Group Management Association, etc).

• Institutional or organizational discussions of "downsizing," "rightsizing," or other euphemisms for layoffs

• Frequent visits from financial consulting firms

• The pervasive sense of being unappreciated or "invisible" to the sponsoring institution.

The presence of any (or all) of these signs may be indicative of an impending challenge to the viability of a residency program. Consequently, if present, they should demand a proactive response on the part of the program director and faculty to minimize the vulnerability of the residency to closure.

Responding to the Threat of Closure

If so threatened, the next question facing a residency is how to respond in ways that will potentially avert an attempt at closure. Many programs have faced such a challenge and have successfully prevented attempts at program closure. Among the most successful strategies implemented are the following:

• Identify and report on quality indicators and benchmarks for the residency to demonstrate its relatively favorable performance in the local environment.

• Design a strategy, and take specific steps to increase the patient base and clinical productivity of the residency, always mindful of maintaining the appropriate service/education balance within the program.

• Proactively take specific steps to maximize revenue and reduce program expenses.

• Collect data and comprehensively document and report on the benefits of the residency to its sponsoring institution and local community, such as its role in the community's primary care base, the diversion of patients from inappropriate use of the emergency department, the provision of inpatient coverage for unassigned patients, support for local specialists through referrals, physician recruitment, and high levels of patient satisfaction.

• Remind the institution's governing body why the reasons they decided to begin a family practice residency are still valid.

• Get consultative assistance to address the challenges the program is facing.

• Notify the residency program's local community advisory board of the threat, and take advantage of any resources or support they may be able to make available.

• Contact the local chapter of the American Academy of Family Physicians (AAFP) as well as the AAFP national office for help and guidance.

Unfortunately, in some circumstances, those actions will be insufficient to protect the residency from assault. When that happens, and closure appears inescapable, then a specific plan must be prepared and negotiated to minimize the negative effects on all those involved.

If Inevitable—a Specific Plan

If closure of the residency program is inevitable, it is incumbent on the program director and faculty to partner with the sponsoring institution's administration to minimize the anticipated deleterious effects on the residents. Such a plan must take into consideration a number of actions that will require implementation almost simultaneously. The following is a brief enumeration of some of the most important actions.

(1) When closing a residency program, one of the most important actions to be made is a commitment to communicate broadly and regularly with the affected parties. Residents, faculty, and program staff must be continually updated on what is going on to prevent (or at least mitigate) anxiety and the initiation of fear-provoking rumors.

(2) A target date for program closure must be established. That date should normally be set at June 30 to facilitate the residents' documentation of training months completed and potential transfers to other residencies to finish their residency education. A key question will be whether to permit the residency's current trainees to complete their residency education in the existing program. Experience has shown, however, that in most circumstances the loss of educational resources and commitment results in a suboptimal educational experience for the remaining residents as they complete the required training period. It is, therefore, generally preferable for residents to seek completion of their training in other programs.

(3) To ensure the residents receive full credit for that portion of their training completed at the program scheduled for closure, to facilitate resident transfers to other programs to complete training, and to avoid residency applicants being inadvertently matched to a closing program, the residency program director must correspond expeditiously with the American Board of Family Practice (ABFP), the Residency Review Committee for Family Practice (RRC), and the NRMP to advise them of the program's status. Also notifying the AAFP and the Association of Family Practice Residency Directors (AFPRD) of the program's status will facilitate the residents finding open positions to complete their training.

(4) In the event of a program closure, the ABFP requirement of continuous enrollment in a family practice residency through the second and third years of training can potentially be waived through the ABFP hardship clause. However, the hardship clause within the ABFP residency requirements is an all-or-none determination. In other words, if the sponsoring institution closes the program completely, then all of its residents could potentially transfer to other programs to complete their training. On the other hand, if the sponsoring institution decides to phase out the program and try to keep the residency functioning until all of the

current residents finish their training, the ABFP will not approve the transfer of any resident in the second or third year of training who wants to leave the closing program and move to another.

(5) It is important to be aware that the Institutional Requirements from the Accreditation Council for Graduate Medical Education (ACGME) implemented in July 2002 include the following statements:

Residency Closure/Reduction: The sponsoring institution must have a written policy that addresses a reduction in size or closure of a residency program. The policy must specify: (a) that the sponsoring institution intends to reduce the size of a GME program or close a residency program, the sponsoring institution must inform the residents as soon as possible, and (b) that in the event of such a reduction or closure, the sponsoring institution must allow residents already in the program to complete their education or assist the residents in enrolling in an ACGME-accredited program in which they can continue their education. (Ref. IR III.D.2)

(6) Residency faculty and staff will need to meet, discuss, and eventually decide whether to continue as a practice group once the residency is closed or to go their separate ways. That decision will ultimately drive the planning and notification to the residency's continuity patient population as to the future availability of clinical care in that practice. An essential, however, is to achieve a commitment to retain a majority of the program's structure and resources until the date of actual closure, thereby ensuring the residents a maximal educational benefit for their remaining time at that institution.

(7) The sponsoring institution's administrative leadership should be counseled regarding the likelihood of legal actions by residents and faculty over contract issues. The institution's legal counsel and human resources personnel must be included in these discussions. One strategy to be considered is for the sponsoring institution to make a commitment to continue to support the remaining residents' salaries and benefits wherever they relocate to complete their residency education. That way, any residency that is willing to take them will not be unduly burdened with the salary expense of an additional resident and, therefore, this increases the resident's chances of finding a position. Offering a fixed amount of money to support relocation expenses would also be of significant benefit to the residents and might prevent a legal challenge to the institution.

(8) Arrangements will need to be made for the permanent storage of residency records. These will be needed in the future by the program's graduates for applications to hospitals and other credentials-verifying organizations. The Federation of State Medical Boards (FSMB) can provide such records retention through the Federation Credential Verification Service, and there is no cost for this service. For more information, contact Kevin Caldwell, manager of the Federation Credentials Service, at 817-868-5001 or kcaldwell@fsmb.org.

(9) Partnering with medical staff leadership and community physician representatives must occur to ensure that patients presently depending on the residency and the family practice center for their care are properly considered. Specific plans for patient notification, referral, and medical record transfer must be made well in advance of program closure to assure a smooth transition and avoid any patients "falling through the cracks" in the process.

(10) Contact must be made with the Medicare fiscal intermediary regarding the timing of the program's closure and potential transfer of residents to other programs. Medicare allows for the temporary transfer to other programs of resident "caps" from the Balanced Budget Act of 1997 in the case of a residency closure. This too would facilitate residents finding other programs in which to complete their training. (See *Medicare Program; Changes to the Hospital Inpatient Prospective Payment Systems and Rates and Costs of Graduate Medical Education: Fiscal Year 2002 Rates. Final Rules.* 66 Fed. Reg. 39828; pages 39899-39901, Centers for Medicare and Medicaid Services, August 1, 2001.)

(11) Finally, care should be taken not to underestimate the emotional impact of a residency closure on everyone involved. Encouraged open communication and support groups are two strategies that can help to minimize the emotional consequences of a residency closure on residents, faculty, and staff.

Resources for Additional Information

- Allcorn S, Baum HS, Diamond MA, Stein HF. The human cost of a management failure: organizational downsizing at General Hospital. Westport, Conn: Quorum Books, 1996.
- Association of American Medical Colleges. Institutional accountability for graduate medical education: report of a working group. Washington, DC: Association of American Medical Colleges, 2001.
- Information on the Outcome Project of the Accreditation Council for Graduate Medical Education (ACGME). www.acgme.org/Outcome/ Accessed February 6, 2003.
- Joint Commission on the Accreditation of Healthcare Organizations (JCAHO). Comprehensive Accreditation Manual for Hospitals—2002 Standards: GO.2, MS.2.5, MS.6.9, and MS.6.9.1—Supervision of Residents. www.jcaho.org/
- Information on the Federation of State Medical Boards (FSMB) and their services. www.fsmb.org. Accessed February 6, 2003.

Conclusions

For the foreseeable future, the addition of new requirements, expectations, and regulations by accrediting bodies (ACGME and JCAHO) will make the environment of graduate medical education even more challenging than it is today. Only through creativity, a commitment to quality, and proactive strategic planning will our family practice residency programs weather this turbulent period of history. The residency program director, faculty, staff, and residents, working together and partnering with administrative colleagues, can preserve the integrity of a residency program in an adverse environment. In settings where that is not possible, then a responsible, organized, and humane approach to the closure of the residency can minimize unnecessary consequences for everyone involved.

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