


# Graduate Medical Education Funding

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## Presenter Disclosures

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## Objectives:

- Review Centers for Medicare and Medicaid Services (CMS) funding for a residency program
- How to review past CMS funding reports for your hospital
- Evaluate resident rotation schedule to maximize GME funding
- Paying for teaching faculty
- Resident Education funds
- Resources for GME funding



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### Polling Question:

What funding sources are available for reimbursement for Graduate Medical Education?



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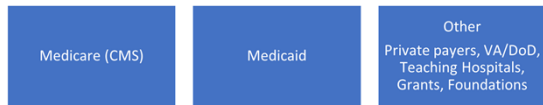
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Reimbursement for Graduate Medical Education Comes from Three Main Funding Sources:



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### Centers for Medicare and Medicaid Services (CMS)

- Reporting for CMS funding is an accounting function
- CMS funding is reported on hospital's annual cost report
- CMS GME funding requests are subject to audits



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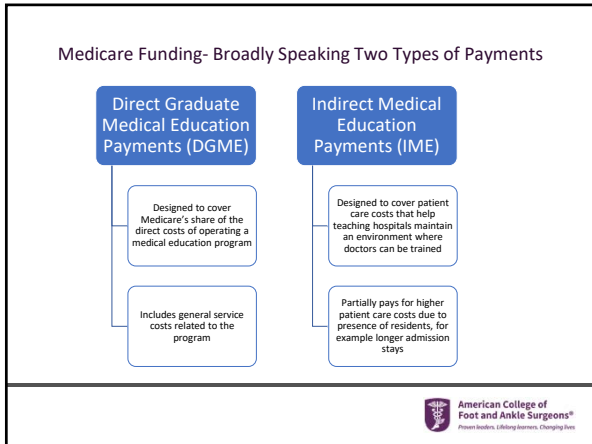
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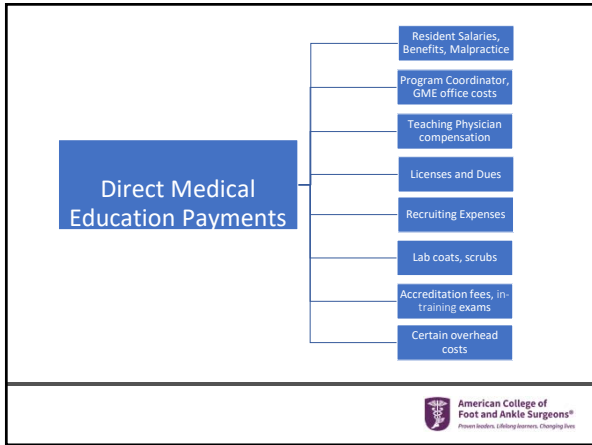
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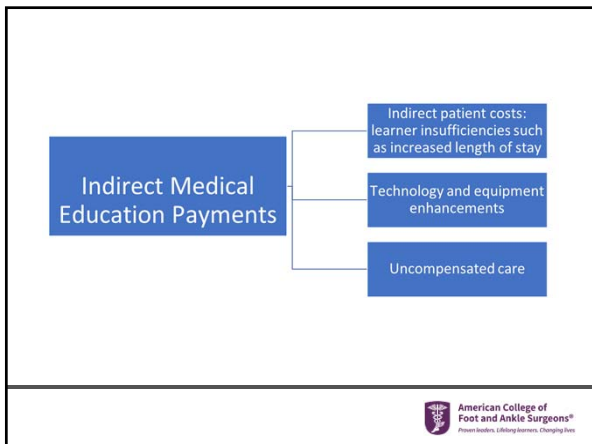
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## Direct Graduate Medical Education Payments (DGME)

- The amount of DGME payment varies for each hospital
- Based on an amount known as the **per resident amount**
- Based on the number of residents it is allowed to count
- Based on the percentage of its inpatient population that is comprised of Medicare beneficiaries.
- Updated each year by an inflation factor.




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## How Are DGME Payments Calculated?

- Per resident amount (PRA) is adjusted annually for inflation. It may have been established in the base year- generally 1984
- Multiply PRA by number of resident full-time equivalents (FTE) training in the hospital in the current year.
- Then multiply this number by the hospital's Medicare inpatient days/total days (also called the hospital's Medicare share)




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## How Are DGME Payments Calculated?

- Medicare share for 1.0 FTE

PRA	Medicare share	Medicare payment per non primary care* resident
100,000	40%	40,000

\*PRA for a non-primary care resident is slightly less than a PRA for a primary care resident




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## Indirect Medical Education Payments (IME)

- The IME adjustment compensates teaching hospitals for higher operating costs due to unmeasured patient complexity and other costs associated with being a teaching hospital- things take longer, because you have learners as part of the process
- IME is an add on payment to the MS-DRG payment made to teaching hospitals; this Medicare payment is called Medicare severity diagnosis related group payment MS- DRG
- IME adjustment is based on a formula using the intern to bed ratio IRB- The IRB measures the “teaching intensity”



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## How Are IME Payments Calculated?

- $IME = \text{Multiplier} \times ((1 + IRB)^{0.405} - 1)$   
IME is paid on a claim by claim basis, it is an add on payment.



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### Medicaid GME funding



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## Additional State Funding

- Funding at the individual state level may provide funds for GME support.
- State GME funding is tied to legislation and this can vary annually with budget discussions and state appropriations.
- Some examples of states that make additional payments are: Texas, Michigan, Wisconsin, Florida, this list changes regularly



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## Foundations

- National foundations and local foundations at individual hospitals may be an available source for GME funding.
- Grant application to access funds
- Examples:



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## Polling Question:

Who knows how to find your hospital specific GME funding?



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## Hospital Specific GME Funding Information

- To find your hospital specific GME funding information go to the Graham Center Website

<https://www.graham-center.org/rgc/maps-data-tools/data-tables/gme.html>



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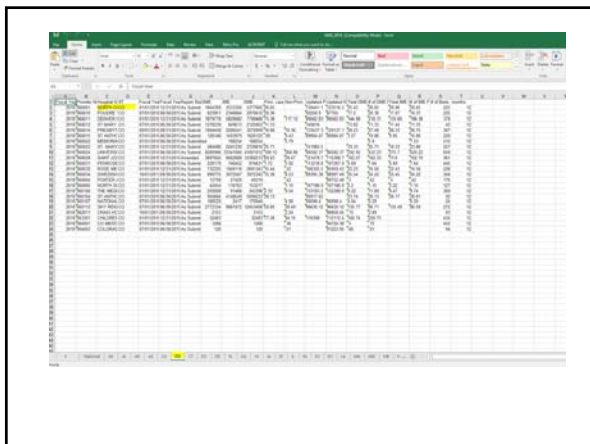
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### Example from GME Report

Hospital Name	ST	Fiscal Year End Date	DME	IME	Prim. care FTE	Non-Prim. care FTE	Updated Prim. care PRA	Updated Non-Prim. care PRA	# of Beds
NORTH COLORADO MEDICAL CENTER	CO	12/31/2018	1844309	3533356	26.65		130441.1	123516.3	225




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### Hospital Receives the DGME Funds

- Hospitals receive a bi-weekly payment throughout the year as an estimate of the ultimate reimbursement amount for DGME. This is then reconciled on the cost report when the FTE information is filed.
- Physician teaching costs, resident salaries and the other costs related to the teaching program are accumulated in a separate cost center on the cost report and total costs can easily be identified.
- Little attention is paid to this cost center as reimbursement is not impacted by the amount of cost claimed.




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### Counting Residents: IRIS

- The Intern and Resident Information System (IRIS) is filled out and submitted with the cost report for each year
  - Accounts for each half-day for each resident claimed by that hospital
- Accurate Rotation schedules a 'must' for claimed DGME and IME Count
- Basis for Medicare Audit for Resident Rotation is Time
- When a resident is claimed by multiple hospitals through the year their IRIS reports must dovetail – can't claim same resident at same time. Medicare does an "overlap" report to catch this.




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## Evaluate your Resident Rotation Schedule to Maximize GME Funding

- Accurately track resident time (IRIS reporting)
- Have organized rotation schedules, move didactics and research into hospital
- Minimize resident time in provider-based clinics that are not linked to the sponsoring institution
- Be sure to have an affiliation agreement in place with non-provider-based rotations.



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## Rotation Schedules

- Rotation schedules should be very detailed, outlining any time away from the sponsoring institution; conversely if a resident is scheduled at an out rotation and comes back to the hospital for didactics that should be recorded.



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## Polling Question:

How many of you pay for your residents to attend the ACFAS Scientific Conference or an ACFAS skills workshop?



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**Polling Question:**

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**How many of you pay for teaching faculty, not employed by the sponsoring institution?**

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**Paying for Resident Conferences and Workshops**

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- Resident education funds are included in the allowable costs and should be identified on the cost report in the teaching cost center but no claim for reimbursement is made based on these costs.

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**Teaching Time for Faculty**

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- Physicians are required to maintain time studies to split their time between teaching, administration and patient care activities.
- Time spent supervising residents in a clinic or other setting where the teaching physician is billing and being paid for the service is considered patient care time not teaching
- The physicians can be paid in whatever manner is appropriate and the contract can call out a teaching component of the compensation that may be different than what is reported based on the time studies.
- It is completely up to the program as to how to compensate the physicians.

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## Resources

- Association of American Medical Colleges (AAMC)
- Graduate Medical Education Primers - Parts 1-4:  
[https://www.aamc.org/advocacy/gme/71152/gme\\_gme0001.html](https://www.aamc.org/advocacy/gme/71152/gme_gme0001.html)
- Council of Teaching Hospitals GME Funding  
[http://www.cothweb.org/coth/members/members\\_gmefunding.aspx](http://www.cothweb.org/coth/members/members_gmefunding.aspx)




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## Resources

- Accounting services available for GME cost reporting and audits

PriceWaterHouseCoopers:

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## Acknowledgments

- Special thanks to Mr. Dale Deatsch at PwC




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