GME Finances

Brad Clark, MBA, MS
Goals & Objectives

• Understand GME Funding
• Understand how the funding structure impacts our/your responsibilities
• Understand GME funding allocation structure (faculty and program)
**Number of FTEs affiliates get reimbursed for is set unless considered a new hospital**

**Have to know your FTE per affiliate to create schedule**

**Have to make sure schedules are setup to be within FTE allotment and the weekend days are billed to an affiliate**

**New Rotation Forms have to be filled out and sent to GME and affiliate for approval**

**PDs (and PC and chair) attest to accuracy; errors will be billed to the dept**

**Funding set up to bill on a 7 day a week schedule—note for rotations that have residents assigned to more than 1 hospital**
Affiliate Reimbursement Through Medicare: Direct (DME) and Indirect (IME) Funds

- **Direct GME Payments (DGME or DME)**
  - Pays Medicare's share of residency education costs
    - Per Resident Amount (PRA)
    - PRA for fellows is 50% of residents
  - Based on each hospital's **1984** cost estimate
  - FTE Cap – Based on 1996 FTE count
What Are DME Payments Intended to Cover?

For costs directly related to educating residents:

• Residents' stipends/fringe benefits
• Faculty Salaries/fringe benefits
• Allocated overhead costs
• Residents must be in ACGME-approved program or pre-req. for ABMS certification
• Residents/Fellows cannot bill
Indirect Medical Education (IME)

• Compensates teaching hospitals for higher inpatient operating costs due to:
  – Unmeasured patient complexity not captured by the Diagnosis Related Group (DRG) system
  – Other operating costs associated with being a teaching hospital (lower productivity, standby capacity, etc.)

• Percentage add-on payment to basic Medicare per case (DRG) payment
How Much does a Hospital Get from CMS?

<table>
<thead>
<tr>
<th>Example</th>
<th>Resident</th>
<th>Fellow/2nd Resident</th>
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<tbody>
<tr>
<td>1/3 DME</td>
<td>$30,000</td>
<td>$15,000*</td>
</tr>
<tr>
<td>2/3 IME</td>
<td>$60,000</td>
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<tr>
<td>Total</td>
<td>$90,000</td>
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</table>

*Fellows/2nd Residency get half of the DME

*Most hospitals only pay for resident salary/benefits and not faculty salary (mostly generated by practice plans routed through the medical school)
## Resident Time Claimable for DME and IME

<table>
<thead>
<tr>
<th>DME</th>
<th>IME</th>
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<tbody>
<tr>
<td><strong>Within Hospital Walls</strong></td>
<td><strong>Within Hospital Walls</strong></td>
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<tr>
<td>Trainee in Patient Care</td>
<td>Trainee in Patient Care</td>
</tr>
<tr>
<td>Vacation/Sick</td>
<td>Vacation/Sick</td>
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<tr>
<td>Didactic</td>
<td><strong>Didactic (since 1983+)</strong></td>
</tr>
<tr>
<td>Patient-related Research</td>
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</tr>
<tr>
<td><strong>NO Research</strong></td>
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Note: Text in *italics* indicates language in the ACA.

* The ACA clarifies that IME research time does not count after October 1, 2001
## 2000-2016 Graduate Medical Education For Teaching Hospitals

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<th>END DATE</th>
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<td>208.94</td>
<td>297.14</td>
<td>905</td>
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</table>
Ensure Correct Rotation Set Up

• All 800+ rotation must have accurate:
  – Physical address
  – Defined activity
  – IME and DME flags
  – Mapping to a payer (Affiliate)
## Rotation Mapping

### Rotation Definition Configuration

For the "DM: CARD: CONSULTS-TGH" rotation

**Which IRIS protocol?**

- [ ] Percentage
- [ ] Duty Hour
- [ ] None

**Work takes place at how many locations?**

1

<table>
<thead>
<tr>
<th>IRIS</th>
<th>General</th>
<th>Billing</th>
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<tbody>
<tr>
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<td>Training Location</td>
<td>Bill From</td>
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<tr>
<td>Tampa General Hospital (TGH)</td>
<td>Tampa General Hospital (TGH)</td>
<td>University of South Florida</td>
</tr>
<tr>
<td>[ ] GME</td>
<td>[ ] DM</td>
<td>[ ] Fixed Monthly</td>
</tr>
<tr>
<td>[ ] FTE</td>
<td>[ ] IH</td>
<td>[ ] Fixed Daily</td>
</tr>
</tbody>
</table>

**Percent**

- [x] 10%

**Notes**

- [ ] Remaining Characters: 255

**Will continuity clinics be considered for this rotation?**

- [ ] Yes, based on the Schedule
- [ ] Use hours from schedule
- [ ] Use half days

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*Making Life Better®*
How Can You Help?

• Maintain accurate block and assignment schedules in New Innovations
• Use rotations appropriately
• Provide data in a timely fashion for audits and requests (be responsive)
What’s The Process To Get A New Rotation?

• Complete new rotation form to request the funding
• If approved, GME sets up the rotation with payer and DME/IME flags set
UNIVERSITY OF SOUTH FLORIDA
GRADUATE MEDICAL EDUCATION
NEW ROTATION/ASSIGNMENT REQUEST FORM

Instructions: Programs complete the top section of this form for requesting a new rotation or assignment. Request processing time is 6-8 weeks. Take that into consideration when planning future rotations.

Program Name: 

Rotation/Assignment Name:  

_ New Rotation  OR  _ Replacing an Existing Rotation

Nature of Rotation/Assignment:  
_ Patient Care  _ Didactics  _ Research  

Effective Start Date: ___ / ___ / ______

Explain % of time didactics and/or research, if applicable: ____________________________________________

Description: ______________________________________

Training Physical Location (name and address): ___________________________________________________

PGY Level: _____ Funding Source FTEs: _____ Funding Source: _________________________________

Will the residents be receiving credit towards Board Certification while on this rotation?  Yes / No

SIGNATURE:

<table>
<thead>
<tr>
<th>Program Director Name</th>
<th>Program Director Signature</th>
<th>Date</th>
</tr>
</thead>
</table>

TO BE COMPLETED BY GME OFFICE

Select whether GME, IME or both are claimable for this rotation.  _ GME  _ IME

Is any other provider funding this program’s residents at this training location?  _ Yes / No

Provider: _______________________________________

<table>
<thead>
<tr>
<th>GME Director Name</th>
<th>GME Director Signature</th>
<th>Date</th>
</tr>
</thead>
</table>

Site/Funding Source Rep. Name  Site/Funding Source Rep. Signature  Date
GME Salary Support Framework for PDs

- Funds derive from TGH faculty support agreement and Moffitt PD agreement for PDs with trainees at Moffitt (for USF portion of salary)
- Estimate of salary support is based on ACGME requirement and 25\textsuperscript{th} percentile from AAMC table for program specialty at associate professor level
- Portion of salary support that is allocated by GME is percentage of funds available/total salary support needed across all programs
- Any difference in what GME provides for salary support should be made up by department
Education Funds Framework

• Educational funds are provided for number of FTEs at non-VA sites in varying amounts
• Use of educational funds is guided by educational funds policy and relates to USF and IRS rules
• Funds are also used centrally for simulation
• Program funds calculated based on proportion of non-VA trainees and funds received by non-VA affiliate sites
Education Funds

• Read the policy
• All expenses must be pre-approved
• Expenses need an educational purpose (justification to affiliates)
• Funds do not carry-over
GME as a Business

Affiliates can get funding from Medicare, Medicaid, VA, Children's Hospital

Annual Contract with Affiliates has FTEs per program

Block and Assignment Schedule Built into NI

Rotation or ½ Day Schedule Billed to Assigned Hospital

Monthly—hospital billed for resident time based on NI schedules

Hospital Pays Based on Daily Rate and if within FTE in contract

Payment is to the Common Pay Source for Trainee Salaries & Benefits

**Number of FTEs affiliates get reimbursed for is set unless considered a new hospital

**Have to know your FTE per affiliate to create schedule
**Affiliates may not fund time over FTE

**Have to make sure schedules are setup to be within FTE allotment and the weekend days are billed to an affiliate

**PDs (and PC and chair) attest to accuracy; errors will be billed to the dept

**New Rotation Forms have to be filled out and sent to GME and affiliate for approval

**Funding set up to bill on a 7 day a week schedule—note for rotations that have residents assigned to more than 1 hospital
Conclusions

• Understanding GME funding structure helps program directors deal with fiscal and compliance responsibilities of managing GME programs (and why we have to do things the way we do)

• Must, must, must have accurate data