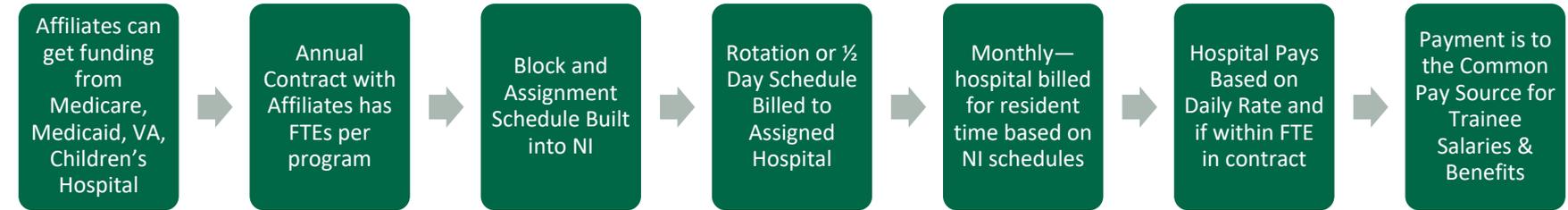# GME Finances

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)

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 |

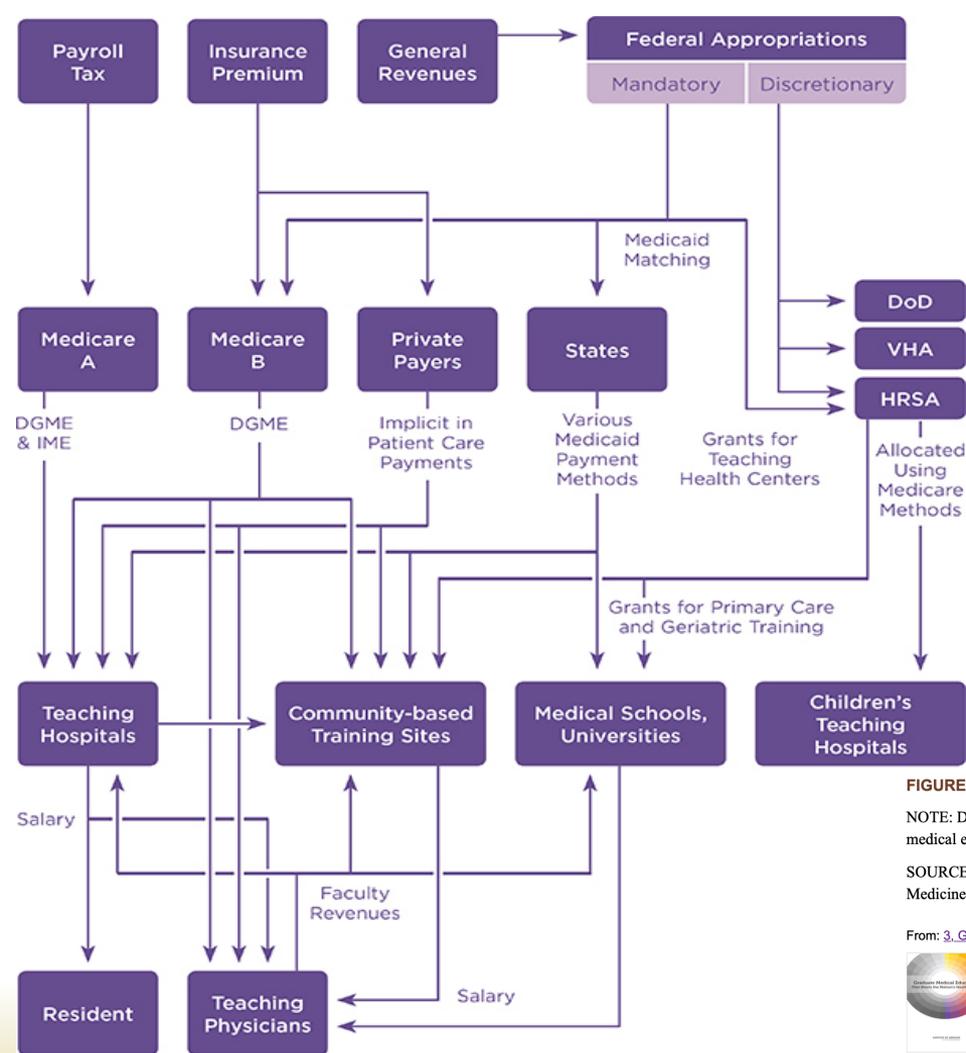**Number of FTEs affiliates get reimbursed for is set unless considered a new hospital

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**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

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

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

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FIGURE 3-1   Current flow of GME funds

NOTE: DGME = direct graduate medical education; DoD = Department of Defense; HRSA = Health Resources and Services Administration; IME = indirect medical education.

SOURCE: Adapted from Wynn, 2012 (Committee of Interns and Residents Policy and Education Initiative White Paper, "Implementing the 2009 Institute of Medicine recommendations on resident physician work hours, supervision, and safety").

TABLE 3-1   Source and Estimated Amount of GME Funding, Selected Years

Funding Source	Fiscal Year	Funding (in billions)
Medicare (total)	2012	**$9.7**
Acute care hospitals		$9.6
Indirect payments		6.8
Direct payments		2.6
Specialty hospitals		0.1
Medicaid	2012	**3.9**
Veterans Health Administration (VHA) (total)	2012	**1.437**
Indirect payments		0.816
Direct payments		0.621
Department of Defense		NA
HRSA (total ~$.464)		
Children's Hospitals GME	2013	0.251
NHSC Loan Repayments	2011	0.096
Teaching Health Centers GME	2011	0.046
Title VII Primary Care Programs	2011	0.071
Other state funding		NA
Private insurers		NA
Other private sources		NA

From: 3, GME Financing

Affiliate Reimbursement Through Medicare: Direct (DGME) 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 DGME 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

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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?

Example	Resident	Fellow/ 2nd Resident
1/3 DME	$30,000	$15,000*
2/3 IME	$60,000	$60,000
Total	**$90,000**	**$75,000**

*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)

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Resident Time Claimable for DGME and IME

DGME

Within Hospital Walls	Non Hospital Owned Clinic
Trainee in Patient Care	Trainee in Patient Care
Vacation/Sick	Vacation/Sick
Didactic	*Didactic (since 2009+)*
Patient-related Research	**NO Research**

Note: Text in *italics* indicates language in the ACA.

IME

Within Hospital Walls	Non Hospital Owned Clinic
Trainee in Patient Care	Trainee in Patient Care
Vacation/Sick	Vacation/Sick
Didactic (since 1983+)	**NO Didactic**
NO Research (after 2001+)*	**NO Research**

* The ACA clarifies that IME research time does not count after October 1, 2001

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2000-2016 Graduate Medical Education For Teaching Hospitals

Export Excel

Search:

FY	CCN	NAME	STATE	BEGIN DATE	END DATE	STATUS	DGME	IME	GME	PC FTES	NON-PC FTES	PC PRA	NON-PC PRA	DGME CAP	FTES	BEDS
Select		TAMPA GENERAL HOSPITAL ×	Select							Select		Select	Select			
2016	100128	TAMPA GENERAL HOSPITAL	FL	10/1/2015	9/30/2016	Amended	$5,925,925	$18,900,000	$24,800,000	97.05	172.2	$85,833	$85,833	208.94	303.2	913
2015	100128	TAMPA GENERAL HOSPITAL	FL	10/1/2014	9/30/2015	Amended	$6,129,337	$18,300,000	$24,400,000	91.92	171.91	$84,991	$84,991	208.94	297.14	905
2014	100128	TAMPA GENERAL HOSPITAL	FL	10/1/2013	9/30/2014	Amended	$5,940,324	$18,300,000	$24,200,000	86.74	164.07	$85,110	$85,110	208.94	282.71	872
2013	100128	TAMPA GENERAL HOSPITAL	FL	10/1/2012	9/30/2013	Amended	$5,382,795	$17,800,000	$23,200,000	94	154.18	$83,663	$83,663	208.94	280.64	866
2012	100128	TAMPA GENERAL HOSPITAL	FL	10/1/2011	9/30/2012	Amended	$5,177,120	$17,000,000	$22,100,000	85.45	142.15	$82,614	$82,614	208.94	293.18	859
2011	100128	TAMPA GENERAL HOSPITAL	FL	10/1/2010	9/30/2011	Amended	$5,305,813	$16,800,000	$22,100,000	79.08	134.48	$80,614	$80,614	208.94	270	857
2010	100128	TAMPA GENERAL HOSPITAL	FL	10/1/2009	9/30/2010	Amended	$5,325,620	$15,900,000	$21,200,000	81.82	156.09	$78,320	$78,327	208.94	301.83	837
2009	100128	TAMPA GENERAL HOSPITAL	FL	10/1/2008	9/30/2009	As submitted	$5,161,937	$15,200,000	$20,400,000	121.06	114.02	$76,574	$76,574	208.94	267.35	817
2008	100128	TAMPA GENERAL HOSPITAL	FL	10/1/2007	9/30/2008	Settled with audit	$5,326,683	$14,700,000	$20,000,000	118.51	134	$77,012	$77,012	208.94	282.45	737
2007	100128	TAMPA GENERAL HOSPITAL	FL	10/1/2006	9/30/2007	Settled with audit	$4,947,673	$14,200,000	$19,100,000	110.27	125.13	$74,079	$74,079	208.94	264.02	697
2006	100128	TAMPA GENERAL HOSPITAL	FL	10/1/2005	9/30/2006	Reopened	$4,891,583	$14,900,000	$19,800,000	102.13	135.12	$72,145	$72,145	208.94	262.61	682
2005	100128	TAMPA GENERAL HOSPITAL	FL	10/1/2004	9/30/2005	Reopened	$4,897,534	$13,200,000	$18,100,000	96.98	123.37	$69,739	$69,739	208.94	243.51	679
2001	100128	TAMPA GENERAL HOSPITAL	FL	10/1/2000	9/30/2001	Reopened	$3,455,023	$9,482,199	$12,900,000	92.27	100.68	$52,280	$52,280	208.94	199.82	671

https://www.graham-center.org/rgc/maps-data-tools/data-tables/gme/00-16.html

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BEGIN DATE	END DATE	STATUS	DGME	IME	GME
10/1/2015	9/30/2016	Amended	$5,925,925	$18,900,000	$24,800,000
10/1/2014	9/30/2015	Amended	$6,129,337	$18,300,000	$24,400,000

PC PRA	NON-PC PRA	DGME CAP	FTES	BEDS
Select	Select			
$85,833	$85,833	208.94	303.2	913
$84,991	$84,991	208.94	297.14	905

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Ensure Correct Rotation Set Up

- All 800+ rotation must have accurate:
  - Physical address
  - Defined activity
  - IME and DGME flags
  - Mapping to a payer (Affiliate)

Rotation Mapping

How Can You Help?

- Maintain accurate block and assignment schedules in New Innovations

- Use rotations appropriately

- Track vacation and sick leave

- Provide data in a timely fashion for audits and requests (be responsive)

- Know your FTE allotment

FTE Report

OB/GYN	ACGME Approved	Funded slots	July Act	Aug Act	Sept Act	Oct Act	Nov Act	Dec Act	Jan Act	Feb Act	Mar Act	Apr Act	May Act	June Act	FY18-19 Avg Actual	Variance
Department		1.00	1.00	1.00	0.77	0.32	1.00	1.00	0.16	1.00	1.00	1.00	1.00	1.00	0.85	-0.15
Moffitt Cancer Center		3.00	2.60	2.53	2.60	2.55	2.57	2.65	2.97	2.79	2.89	2.95	2.87	2.93	2.74	-0.26
Tampa General Hospital		18.00	18.40	18.47	18.63	19.13	18.43	18.35	18.87	18.21	18.11	18.05	18.13	18.07	18.41	0.41
Total	24.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	22.00	0.00

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

Rotation/Site/Assignment Form

Processing time is 6-8 weeks; time is longer if GMEC approval required and/or the rotation occurs at a new site (~3-6 months).

Program Name:	Program Director:
Accreditation Type (e.g. - ACGME):	Current Accreditation Status:
Length of Program in Years:	Total Number of Trainees:

Participating Site Information (required for a rotation definition and for an assignment definition)
Below are questions on the participating site providing educational experience for residents/fellows.

Name of site:	
Is this a new site for your program? ☐ Yes ☐ No	
Physical address of the site:	
Type of facility:	☐ Hospital ☐ Private Practice ☐ Other, specify _____
Name of Site Director responsible for trainee educational experience at the site	
Is there a current PLA for this site? PLAs are required for all sites. ☐ Yes ☐ No	
Is this site required by ACGME? **Note: Please include ACGME wording if a required rotation**	☐ Yes, ACGME wording: ☐ No
What is the duration of rotation/assignment (e.g. - 2 weeks, 4 weeks, 2 months, etc.)?	
Will **all** trainees in the program participate in this rotation/assignment?	☐ Yes ☐ No
Is this site being ☐ Added or ☐ Deleted as a participating site from your program? If deletion, list the rotation(s) and assignment(s) that will be removed because of this deletion in Comments.	

Section 1

☐ This is a new Rotation	OR	☐ This is a new Assignment
A rotation is used in the NI Block Schedule. A rotation is a longer chunk of time (e.g. – 2 weeks, one month, 4 months, etc.). Rotations make up the trainee's schedule for the year. Complete the **Rotation Definition Information** section below.		An assignment is used in the NI Assignment Schedule. An assignment is a shorter chunk of time (e.g. – ½ day, one day, etc.) that notes name, time, and location. Assignments are the daily components used to build the NI Assignment Schedule. Complete the **Assignment Definition Information** section below.

Rotation Definition Information (skip for an assignment definition or site deletion)

Is this rotation replacing an existing rotation? If Yes, what rotation?	☐ Yes, _____ ☐ No
Proposed Name of New Rotation	
Proposed Start Date of New Rotation **Note: Start Date must be at least 3 months out**	
Proposed Funding Source **Note: GME will obtain signature for approval**	
Nature of Rotation:	☐ Patient Care ☐ Didactics ☐ Research
Explain % of didactics and/or research time; write N/A for 100% patient care	

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Scenarios

- I want to add a new rotation. What are some things to consider?

- Can I send trainees to to clinic down the street?

- How do I get more FTEs?

- What about research time?

- Can we do international rotations?

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 25th 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
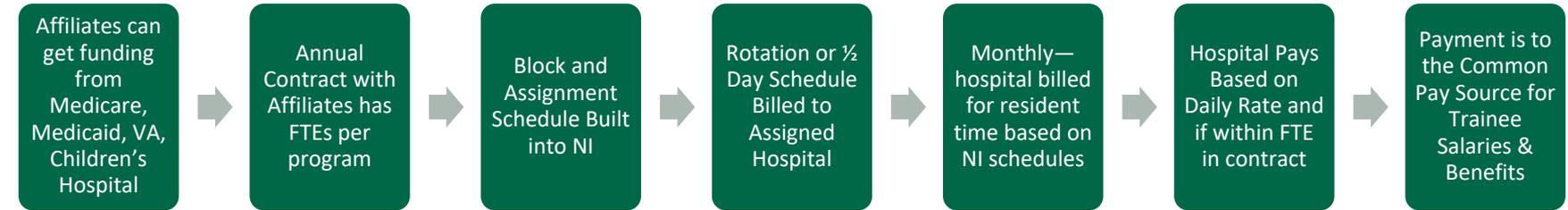
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Education Funds Framework

- 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

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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

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

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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