# GME @ Dentons

Welcome to GME @ Dentons, a newsletter designed to provide you with monthly updates on issues related to
**graduate medical education (GME)**
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Our DC-based team—
**Holley Thames Lutz**
and
**Susan Banks**
—regularly advise clients on all aspects of GME and write the GME @ Dentons newsletter to help you navigate the ever-evolving GME regulatory landscape.

Holley has, for more than a decade, represented a broad array of health care providers with respect to Medicare coverage and reimbursement issues, including those relating to graduate medical education. Finally, Susan's Medicare and Medicaid compliance and reimbursement consulting experience has a large GME component, including advising on GME-related contracting requirements in connection with the establishment of new medical and dental residency programs.

## What can you expect from *GME @ Dentons*?

- Hot topics and insights into key developments in the complex world of GME reimbursement.
- Updates on proposed GME regulations and other guidance from the Centers for Medicare & Medicaid Services (CMS).
- Alerts and analysis regarding significant proposed GME legislation.

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## Key contacts

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## HRSA reveals new tool for rural GME

April 12, 2016

In the face of rural physician shortages, the Health Resources and Services Administration (HRSA) unveiled a new tool on April 11 to help assess whether a rural hospital is currently a teaching hospital. Knowing whether a hospital is eligible to begin receiving Medicare funding for new programs is critical, given Medicare funding caps on existing teaching hospitals' ability to grow residency programs as well as rules permitting non-teaching hospitals to start training residents and begin receiving Medicare graduate medical education (GME) funding.

## Establishing a hospital's per resident amount: Be careful, as the result is permanent!

April 7, 2016

A teaching hospital's direct graduate medical education (DGME) payments are made on a per-resident basis and are based on each hospital’s unique per-resident amount (PRA). This PRA, once established, is permanent and cannot be modified or reset, other than by annual updates for inflation.

## The "predicate facts" rule: Providers, be vigilant!

March 17, 2016

Medicare GME payments do not compensate teaching hospitals for their actual costs of training residents in a given year. Rather, Medicare GME reimbursement is determined, in part, on the basis of historic cost data and historic training levels at the hospital. Thus, for example, direct GME payments are dependent upon, and limited by, two such historic metrics: (1) the hospital's per-resident amount (PRA); and (2) its full-time equivalent (FTE) resident cap, or FTE cap.

## Congress introduces bipartisan legislation to help teaching hospitals with vexing "resident rotator" issue

March 14, 2016

On March 14, 2016, the US Senate and the US House of Representatives both introduced the Advancing Medical Resident Training in Community Hospitals Act. If passed, this legislation would

solve the so-called "resident rotator" problem described in detail in a recent GME @ Dentons article, "Be careful with resident rotators: What you don't know might hurt your hospital's ability to receive Medicare GME payments in the future."

## What the President's FY 2017 budget request says about GME

March 3, 2016

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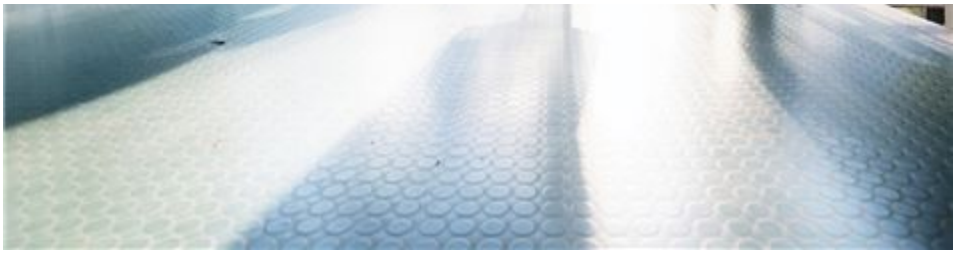
On February 9, 2016, the Obama administration released its fiscal year (FY) 2017 budget request. Released on an annual basis, the President's budget request generally plays three key roles in shaping federal policy: (1) articulating the President's recommendations for overall fiscal policy (how much the federal government should be taxing and spending); (2) laying out the President's relative priorities for various federal programs (how much should be spent on healthcare, education, defense and agriculture, for example); and (3) sending signals to Congress regarding recommended spending and tax policy changes.

## Partnering with nonprovider sites: Tips to keep in mind

February 4, 2016



Provided applicable requirements are met, the Medicare program reimburses teaching hospitals for resident training that occurs both at the hospital itself and at clinical nonprovider locations, including, for example, freestanding medical and dental clinics and physicians' offices. Nonprovider site training programs represent an opportunity for providers to partner with other healthcare entities to expand primary care training in underserved areas and in care settings that are underrepresented within the universe of residency programs.

## Length of funded training: Initial Residency Period (IRP) issues

January 21, 2016

The payment rules for Medicare graduate medical education (GME) reimbursement inherently incentivize training during a resident's "initial residency period" (IRP), which is defined as the minimum accredited length for each specialty. Although Medicare indirect medical education (IME) payments are not tied to the length of a resident's training, direct graduate medical education (DGME) payments are reduced by half after a resident's IRP has expired.

## The Single GME Accreditation System and Medicare GME funding: A new set of challenges

January 7, 2016

To date, two major accreditation bodies—the Accreditation Council for Graduate Medical Education (ACGME) and the American Osteopathic Association (AOA)—have accredited the majority of medical residency training programs in the United States.

## The Medicare payment basics of becoming a new teaching hospital

December 17, 2015

Approximately 1,000 of the 5,000 hospitals in the United States that are paid under the inpatient prospective payment system (IPPS) are teaching hospitals that receive federal funding for graduate medical education (GME) through the Medicare program. Non-teaching hospitals may—for a variety of reasons including physician workforce shortages, recruitment and a desire to innovate—decide to adopt a training mission and begin educating residents.

## How training more fellows can reduce DGME payments — even at over-the-cap hospitals

December 3, 2015

Since 1997, Congress has placed a limit or "cap" on the number of full-time equivalent (FTE) residents each hospital may claim and for which the hospital may be reimbursed through Medicare direct graduate medical education (DGME) and indirect medical education (IME) payments. Under current law, the Centers for Medicare & Medicaid Services (CMS) is required to apply a weighting methodology to convert each teaching hospital's direct graduate medical education (DGME) cap to a weighted cap.