GME Financing in Changing Times

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S M A R T

Strategic Thinking.

Measured Decisions

Accountability

Resource Optimization

Transformative Leadership

Conflict of Interest Disclosure

Speaker(s): Douglas McGee, Mary Jo Wagner

Disclosure

None of the speakers for this educational activity have relevant financial relationship(s) to disclose with ineligible companies whose primary business is producing, marketing, selling, re-selling, or distributing health care products used by or on patients.

Doug McGee and Mary Jo Wagner are members of the ACGME EM 10-year revision working group, but they are not speaking today as representatives of the ACGME or the volunteers on the working group but as subject matter experts on GME funding and financing

What is your Institutional CMS Funding?

Robert Graham Center – Data from 2021 (as reported)

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

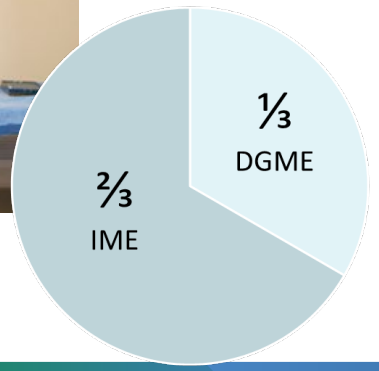
Total 130 residents on 6/30/22

Hospital Name	DME	IME	GME Total	Total DME Resident Cap	# of DME FTEs	DME $$ per resident	Total IME Resident Cap	# of IME FTEs	IME $$ per resident
COVENANT	$ 3,740,503	$ 8,674,796	$12,415,299	49.29	65.93	$75, 157	58.71	65.93	$131,576
ST. MARYS	$ 1,963,901	$ 4,049,581	$ 6,013,482	25.37	38.73	$77,410	23.86	29.58	$137,134
HEALTHSO	$ 414,150	$ -	$ 414,150	17.96	13.1	$23,060	0	13.1	$ -
Total			DME	92.62	117.76	IME	82.57	108.61	

S M A R T

Initial Residency Period (IRP)

- The IRP = required time for board eligibility – EM = 3, Surgery = 5
- DGME is about 1/3 of the funding and IME is about 2/3 of the funding
- When a resident is past the IRP, you are risking about 1/6 of the funding (or 50% of 1/3 of the DGME) of the extra years.



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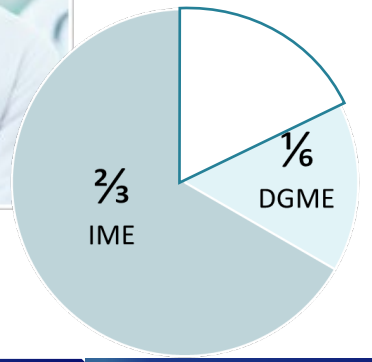

3-year IRP, 4-year Program
One Resident

3 years of training EM IRP = 3

PGY	DME $ Example	IME $ Example
EM 1	$50,000	$100,000
EM 2	$50,000	$100,000
EM 3	$50,000	$100,000
Total each	$150,000	$300,000
Total EM funding	$450,000	

4 years of training EM IRP = 3

PGY	DME $ Example	IME $ Example
EM 1	$50,000	$100,000
EM 2	$50,000	$100,000
EM 3	$50,000	$100,000
EM 4	***$25,000***	$100,000
Total each	$175,000	$400,000
Total EM funding	$575,000 (96% average/yr)	

3-year Program to 4-years Program Cost

3-year training program

PGY	#	Total seniors	*Salary each	**Other expenses
EM 1	12		$67,000	$23,450
EM 2	12		$69,000	$24,150
EM 3	12	12	$72,000	$25,200
Total	36		$2,496,000	$873,600
Total program			$3,369,600	

*AAMC mean 2024
**Benefits/liability/other 35%

4-year of training program

PGY	#	Total Seniors	Salary each	Other expenses
EM 1	9		$67,000	$ 23,450
EM 2	9		$69,000	$ 24,150
EM 3	9	18	$72,000	$ 25,200
EM 4	9		$76,000	$ 26,600
Total	36		$2,556,000	$ 894,600
Total program			$3,450,600 2% greater cost	

CMS funding currently: bottom line

Your institution has available CMS funding

- PGY 4-year residents are eligible for funding right now
  - 100% IME 4-yearg for all 4 years
  - 100% DGME funding for 3 years
  - 50% DGME in the PGY 4
- Since IME is generally 2/3 of total funding, PGY 4 residents are funding at 83%.
- Over the course of the program, 4-year residents are now eligible for 96% funding.

Your institution is over cap

- None of the residents in your hospital, including residents in a 3-year EM program are fully funded.
- Additional residents in any program, however configured, will not receive more CMS funding.
- The 3 versus 4-year issue is not relevant when you're over cap

CMS and IRP History

- Prior to 2016 and Next Accreditation System in Federal Register
  - "Allopathic" EM IRP = 3 years
  - "Osteopathic" EM IRP = 4 years, these programs fully funded
- CMS increased Neurosurgery IRP to 7 years around 2013/14
- CMS will likely follow practice and allow a 4-year IRP
  - ABEM/AOBEM statement on training duration
  - When? As programs transition? When transition is complete?
  - Can we use the prior 4 year-IRP
- CMS advocacy: AAMC, ACEP

Let's talk Politics!

4 scenarios discussion

Managing incremental expenses

Potential finance scenarios for three-year programs

Institution UNDER or BUILDING CMS cap

- Complement stays the same, class size smaller
  - Current: 12 x 3 = 36 residents
  - Future: 9 x 4 = 36 residents
- Complement increases with a 4th class of same size
  - Current: 12 x 3 = 36 residents
  - Future: 12 x 4 = 48 residents

Institution is OVER CAP

- Complement stays the same, class size smaller
  - Current: 12 x 3 = 36 residents
  - Future: 9 x 4 = 36 residents
- Complement increases with a 4th class of same size
  - Current: 12 x 3 = 36 residents
  - Future: 12 x 4 = 48 residents

Under cap. Same complement. Smaller classes. Start at 36. End at 36.

Academic Year	ACGME Approved Complement (with temp increase)	PGY1	PGY2	PGY3	PGY1	PGY2	PGY3	PGY4	Total residents in program
Base	36	12	12	12					36
B+1	36		12	12	12				36
B+2	36			12	9	12			33
B+3	36				9	9	12		30
B+4	36				9	9	9	12	39
B+5	36				9	9	9	9	36

Under cap. Same complement. Smaller classes.

- Permission to use additional cap unnecessary, the program complement is staying the same
- CMS funds the program
- Program finances minimally changed.
- Some slight increase in senior PGY 4 resident salaries

- Advantages: CMS pays for all residents at all levels after transition
- Disadvantages: Transient decrease below base complement

Under cap. Larger complement. Same sized class. Start at 36. End at 48.

Academic Year	ACGME Approved Complement	PGY1	PGY2	PGY3	PGY1	PGY2	PGY3	PGY4	Total residents in program
Base	36	12	12	12					36
B+1	48	18	12	12					40
B+2	48		18	12	12				40
B+3	48			18	12	12			40
B+4	48				12	12	12		36
B+5	48				12	12	12	12	48

Over cap. Larger complement. Same sized classes.

- CMS support unchanged (no one program fully funded)
- Enrollment varies but may not exceed target complement
- Most expensive scenario

- Advantages: Allows for program growth, class size maintained
- Disadvantages: Incremental expenses related to program growth must be covered with incremental program revenue

Cost Avoidance (or cost shifting)

New PR: 8 weeks in low acuity area (Also model for Observation)

- Assume 12 residents per class. Assume 40 hours per week for 8 weeks. Assume that an APC salary is 2.0 higher than a resident. Assume FT is open 12 hours per day for 365 days (4,380 hours annually) and is staffed by APCs. Assume APC works 36 hours x 48 weeks annually (1,728 annually)

- 12 residents x 40 hours x 8 weeks = 3,840 new resident hours. 540 APC hours remain
- 3,840 resident hours/1,728 APC hours = 2.2 FTE of APC now by residents
- 2.2 FTE APC x 2.0 = 4.4 FTE worth of resident salary

New PR:
Senior resident primary caregiver for 4 weeks

- Assume 12 residents per class. Assume 40 hours per week for one month. Assume an ED area is staffed by an attending and an APC.

- 12 residents x 40 hours x 4 weeks = 1920 new resident hours
- 1,920 resident hours/1,728 APC hours = 1.1 APC FTE
- 1.1 FTE APC x 2.0 = 2.2 worth of resident salary

ED Staffing Hours

Per resident

- EM 1-3 – 94 weeks = 3760 hours (40 hrs/week)
- EM 1-4 – 124 weeks = 4960 hours
  - Includes 4 weeks of senior without supervising role
  - Without counting Peds ED months

Per EM Program = 36 residents

- EM 1-3 – 816 weeks
- EM 1-4 – 900 ED weeks

SMART Take Home Points

- The 4th year is now eligible for CMS funding, almost in full.
- Start transition planning now
  - Curriculum planning
  - ED staffing planning
  - Financial planning
- Identify incremental revenue to cover expenses if needed