

Medicare IME/GME 101

Presented by:

Jeff Wolf – Director of Reimbursement Software



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CPE Credit Requirements

- In order to be awarded the full credits, you must respond to the 3 Knowledge Check questions asked throughout the session.
- Participants will earn 1.0 CPE credit for each session they attend.
 - (Field of Study: Specialized Knowledge)

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Jeff Wolf

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Jeff Wolf is Director of Reimbursement Services at BESLER. Jeff possesses more than 30 years of health care industry specific experience as a regulatory compliance auditor, a hospital CFO, and a consultant to the industry.

Jeff is an Advanced Member of the Healthcare Financial Management Association and a frequent speaker on topical health care subjects including reimbursement planning and strategy, Medicare's APC payment system, and treatment program design and documentation.

Jeff graduated from Arizona State University with a Bachelors degree in Accounting.

Agenda

- IME/GME Reimbursement Overviews
- Important Issues Counting FTEs
- Interns & Residents Demographic Information
- Regulatory Issues to be Aware of
- Cost Report Pages to Understand
 - WS S-2
 - WS E, Part A
 - WS E-3 Parts II & III
 - WS E-4
- Questions and Answers

IME/GME Reimbursement Overview



IME (Indirect Medical Education)

Medicare will pay teaching hospitals for the indirect costs of a certified teaching program through an IME reimbursement formula that is basically driven by a ratio of interns and residents to beds. The lower the beds, the higher the Medicare reimbursement. Beds excluded are those that are considered unavailable based on Medicare rules.

$$\text{DRG Payments} * (\text{IME "Multiplier"}) * [(1 + \text{I\&R to Bed Ratio})^{0.405} - 1]$$

GME (Graduate Medical Education)

Medicare also pays for Graduate Medical Education (GME) costs of a certified teaching program. The payment is based on a per resident payment amount times the number of teaching interns and residents' times the ratio of Medicare patient days to total.

Section 1886(h)(4)(F) of the Act established limits on the number of allopathic and osteopathic residents that hospitals may count for purposes of calculating direct GME payments. For most hospitals, the limits were the number of allopathic and osteopathic FTE residents training in the hospital's most recent cost reporting period ending on or before December 31, 1996.

Medicare approved FTEs * Per Resident Amount * Medicare Utilization (Days)

Important Issues Counting FTEs

Important Issues for Counting I&R FTEs

- Initial Residency Period
 - Minimum number of years required for board eligibility
 - Dental & podiatric programs = minimum numbers of years of formal training necessary
 - Additional years beyond above = Beyond Their Initial Residency Period
- Weighting Factors
 - 50% weighting factor limit for residents beyond their IRP in each respective program
- Rotation Location
 - The time a resident spends within a hospital location/clinic may be counted FTE
 - On site vs. Offsite rotations are critical to review for Affiliation Agreements.
- Definition of FTE for IME/GME

Initial Residency Periods

Top 15 Residencies		
Code	Program	Initial Residency Period
1400	INTERNAL MEDICINE - GENERAL	3
2000	PEDIATRICS - GENERAL	3
1250	EMERGENCY MEDICINE - GENERAL	3
1350	FAMILY MEDICINE - GENERAL	4
1100	ANESTHESIOLOGY - GENERAL	4
2200	PSYCHIATRY - GENERAL	4
2450	SURGERY - GENERAL	5
1750	OBSTETRICS & GYNECOLOGY - GENERAL	5
2400	RADIOLOGY, DIAGNOSTIC - GENERAL	5
1850	ORTHOPAEDIC SURGERY - GENERAL	5
1650	NEUROLOGY - GENERAL	4
1950	PATHOLOGY, ANATOMIC AND CLINICAL - GENERAL	4
2525	TRANSITIONAL YEAR (ALLOPATHIC MED.) - GENERAL	1
1800	OPHTHALMOLOGY - GENERAL	4
1450	INTERNAL MEDICINE/PEDIATRICS - GENERAL	4

Initial Residency Periods

Residencies that provide Bonus Initial Residency Years	
RESCODE	FULLDESC
1351	FAMILY MEDICINE - GERIATRIC MEDICINE
1408	INTERNAL MEDICINE - GERIATRIC MEDICINE
1515	INTERNAL MEDICINE/PREVENTIVE MED. - GENERAL
2150	PREVENTIVE MEDICINE - GENERAL
2151	PREVENTIVE MEDICINE - AEROSPACE MEDICINE
2152	PREVENTIVE MEDICINE - OCCUPATIONAL MEDICINE
2153	OBSOLETE AFTER JUNE 30,2014 USE CODE 2175 (PM) - PUBLIC HEALTH & GEN. PREVEN. ME
2154	PREVENTIVE MEDICINE - UNDERSEA & HYPERBARIC MEDICINE
2155	PREVENTIVE MEDICINE - MEDICAL TOXICOLOGY
2175	PUBLIC HEALTH & GEN. PREVEN. MED. - GENERAL
2202	PSYCHIATRY - GERIATRIC PSYCHIATRY
2765	OBSOLETE AFTER JUNE 30,2012 USE CODE 1515 (IM/PRM) - GENERAL
3602	FAMILY MEDICINE - GERIATRICS
3904	INTERNAL MEDICINE - GERIATRICS
5350	PREV. MED., OCCUP'L & ENVIR'L MED. - GENERAL
5400	PREVENTIVE MEDICINE - GENERAL
5425	PUBLIC HEALTH & PREVENTIVE MEDICINE - GENERAL
5502	PSYCHIATRY - GERIATRIC PSYCHIATRY
1651	NEUROLOGY - CHILD NEUROLOGY

Polls & Questions



Interns & Residents Demographic Information

The background features a teal triangle on the left, a dark blue triangle on the top right, and a light gray triangle on the bottom right. The dark blue and light gray triangles contain horizontal white lines.

Interns & Residents Demographics

- Initial Residency Program/Specialty
- Initial Residency Period
- Years in Program to date
- Current Residency Program
- U.S. and Canadian Medical Schools
- ECMFG Certificates (Foreign Graduates)

Regulatory Issue to be Aware of:

Regulatory Issues

- IME/GME Residency Caps (1996 Base Year)
- Current Year FTEs
- Prior Year FTEs
- Penultimate Year FTEs
- Per Resident Amounts
- Short Period Cost Reports

Cap and Cap Year

Section 1886(d)(5)(B)(v) of the Social Security Act established “caps” on the number of allopathic and osteopathic residents that a hospital operating an approved GME program may count when requesting payment for DME and IME costs. A hospital’s “**cap**” (hereinafter the “**1996 Base Year Cap**”) is currently defined as the “number of unweighted resident FTEs enrolled in a hospital’s allopathic and osteopathic residency programs during the most recent cost reporting period ending on or before December 31, 1996 (the “cap year”).” The cap (i.e., limit) on the number of allopathic and osteopathic residents is effective for all cost reporting periods beginning on or after October 1, 1997. Dental and podiatric residents are **exempt** from the cap, but are included in the resident FTE counts for all relevant years to calculate the rolling average.

FTE Cap Adjustments

The Affordable Care Act amended section 1886(h)(4)(E) of the Act for direct GME purposes (and section 1886(d)(5)(B)(iv) of the Act for IME purposes), effective July 1, 2010, to allow a hospital to count residents training in non-provider settings if the residents are engaged in patient care activities and if the hospital incurs the costs of the stipends and fringe benefits of the resident during the time the residents spend in that setting. In addition, effective July 1, 2009, for direct GME purposes only, the time residents spend in certain nonpatient care activities that occur in a non-provider setting that is primarily engaged in furnishing patient care may also be counted.

For IME purposes, residents training in non-provider settings must spend their time in patient care activities in order to be counted. The implementing regulations at §413.78(g) for direct GME and at §412.105(f)(1)(ii)(E) for IME require that the hospital must either have a written agreement with the non-provider setting, or the hospital must pay for the costs of the stipends and fringe benefits of the residents concurrently during the time the residents spends in that setting.

FTE Cap Redistributions

- Section 5503: Distribution of Additional Residency Positions, 7/1/2011
- Section 5506: Preservation of Resident Cap Positions from Closed Hospitals, August 2016
- Section 126: Distribution of Additional Residency Positions, Consolidated Appropriations Act (CAA) 2021
- Section 131: Adjustment of Low Per Resident Amount (Direct GME) and Low FTE Resident Caps (Direct GME and IME) for Certain Hospitals, CAA 2021 and IPPS 2022

Current Year FTEs

- Enter in column 1, the weighted FTE count for primary care physicians and OB/GYN residents in an allopathic or osteopathic program for the current year. Enter in column 2, the weighted FTE count for all other physicians in an allopathic or osteopathic program for the current year. Exclude FTE residents in the initial period of years of the new program, which for urban or rural hospitals that began training residents in a new program under [42 CFR 413.79\(e\)\(1\) or \(e\)\(3\)](#), prior to October 1, 2012, means that the program has not yet completed one cycle of the program (i.e., “period of years,” or minimum accredited length of the program. [\(42 CFR 413.79\(d\)\(5\) and \(e\)\)](#)). For new programs started prior to October 1, 2012, contact your contractor for instructions on how to complete this line if you have a new program for which the period of years is less than or more than three years. For urban hospitals that began participating in training residents in a new program for the first time on or after October 1, 2012 under [42 CFR 413.79\(e\)\(1\)](#), do not include FTE residents in a new program on this line if this cost reporting period is prior to the cost reporting period that coincides with or follows the start of the sixth program year of the first new program started (i.e., the initial years, see [79 FR 50110 \(August 22, 2014\)](#)). For rural hospitals participating in a new program on or after October 1, 2012 under [42 CFR 413.79\(e\)\(3\)](#), each new program in which the rural hospital participates has its own initial years before the rural hospital’s FTE resident cap is adjusted based on each new program. Therefore, for rural hospitals, do not include FTE residents in a new program on this line if this cost reporting period is prior to the cost reporting period that coincides with or follows the start of the sixth program year of each individual new program started (see [79 FR 50110 \(August 22, 2014\)](#)). For both urban and rural hospitals, report FTE residents in the initial years of the new program on line 15. Exclude FTE residents displaced by hospital or program closures that are in excess of the cap for which a temporary cap adjustment is needed ([42 CFR 413.79\(h\)](#)). Enter in column 3, the sum of columns 1 and 2.

Current Year FTEs

In English!

- Current year cost report, i.e. FYE 2022, unweighted and weighted FTE count for all allopathic or osteopathic programs based on IRIS detailed reports
- Current year Dental/Podiatric programs based on IRIS detailed reports
- Current year MAC approved New Program based on IRIS detailed reports

Polls & Questions



Prior Year FTEs

- Immediate fiscal year prior to current year's FTEs
- Enter in column 1, the weighted FTE count for primary care residents for the prior year, other than those in the initial years of the program that meet the criteria for an exception to the averaging rules ([42 CFR 413.79\(d\)\(5\)](#)). However, if the period of years during which the FTE residents in any of your new training programs were exempted from the rolling average has expired (see [42 CFR 413.79\(d\)\(5\)](#)), also enter on this line the count of FTE residents in that specific primary care (or OB/GYN) program included in Form CMS-2552-96, Worksheet E-3, Part IV, line 3.22, or Form CMS-2552-10, Worksheet E-4, from line 15 of the prior year's cost report. If subject to the cap in the prior year Form CMS-2552-96 cost report, report the result of Worksheet E-3, Part IV, line 3.07, times (line 3.04/line 3.05). If subject to the cap in the prior year Form CMS-2552-10 cost report, report the result of Worksheet E-4, column 1, line 8 times (line 5/line 6).

Prior Year FTEs- Continued

- Enter in column 2, the weighted FTE count for nonprimary care residents for the prior year, other than those in the initial years of the program that meet the criteria for an exception to the averaging rules ([42 CFR 413.79\(d\)\(5\)](#)). However, if the period of years during which the FTE residents in any of your new training programs were exempted from the rolling average has expired (see [42 CFR 413.79\(d\)\(5\)](#)), also enter on this line the count of FTE residents in that specific nonprimary care program included in Form CMS-2552-96, Worksheet E-3, Part IV, line 3.16, or Form CMS-2552-10, Worksheet E-4, from line 15 of the prior year's cost report. If subject to the cap in the prior year Form CMS-2552-96 cost report, report the result of Worksheet E-3, Part IV, line 3.08, times (line 3.04/line 3.05), plus line 3.11. If subject to the cap in the prior year Form CMS-2552-10 cost report, report the result of Worksheet E-4, column 2, line 8, times (line 5/line 6) plus line 10.

Prior Year FTEs

In English!

- Immediate prior year cost report, i.e. FYE 2021, unweighted and weighted FTE count for all allopathic or osteopathic programs based on IRIS detailed reports or last filed cost report
- Prior year Dental/Podiatric programs based on IRIS detailed reports
- Prior year MAC approved New Program based on IRIS detailed reports

Penultimate Year FTEs

- Next to last fiscal year prior to current year's FTEs
- Line 13--Enter in column 1, the weighted FTE count for primary care (or OB/GYN) residents for the cost reporting year before last, other than those in the initial years of the program that meet the criteria for an exception to the averaging rules ([42 CFR 413.79\(d\)\(5\)](#)). However, if the period of years during which the FTE residents in any of your new training programs were exempted from the rolling average has expired (see [42 CFR 413.79\(d\)\(5\)](#)), also enter on this line the count of FTE residents in that specific primary care (or OB/GYN) program included on Form CMS-2552-96, line 3.22, or Form CMS-2552-10, from line 15 of that year's cost report. If subject to the cap in the year before last Form CMS-2552-96 cost report, report the result of line 3.07, times (line 3.04/line 3.05). If subject to the cap in that year Form CMS-2552-10 cost report, report the result of column 1, line 8, times (line 5/line 6).

Penultimate Year FTEs- Continued

- Enter in column 2, the weighted FTE count for nonprimary care residents for the cost reporting year before last, other than those in the initial years of the program that meet the criteria for an exception to the averaging rules ([42 CFR 413.79\(d\)\(5\)](#)). However, if the period of years during which the FTE residents in any of your new training programs were exempted from the rolling average has expired (see [42 CFR 413.79\(d\)\(5\)](#)), also enter on this line the count of FTE residents in that specific nonprimary care program included in Form CMS-2552-96, line 3.16, or Form CMS-2552-10, from line 15 of that year's cost report. If subject to the cap in the cost reporting year before last, Form CMS-2552-96 cost report, report the result of line 3.08, times (line 3.04/line 3.05), plus line 3.11. If subject to the cap in that year Form CMS-2552-10 cost report, report the result of column 2, line 8, times (line 5/line 6), plus line 10.

Penultimate Year FTEs

In English!

- Next to last fiscal year prior to current year's (penultimate), i.e. FYE 2020, unweighted and weighted FTE count for all allopathic or osteopathic programs based on IRIS detailed reports or last filed cost report
- Penultimate year Dental/Podiatric programs based on IRIS detailed reports
- Penultimate year MAC approved New Program based on IRIS detailed reports

Per Resident Amounts

- Primary care and OB/GYN per resident amount and nonprimary care per resident amount provided by MAC annually

Short Period Cost Reports – “Base Year”

- New programs must be approved by ACGME, Dental Accreditation or Podiatric Medicine Education of the American Podiatric Medical Association
- Determine the ratio of short period to full 12-month cost report
- Medicare determines “new base year” Per Resident Amount (PRA) lower of either:
- Claimed expenses in **1st full year** with GME claimed 12 months cost report
- FTE weighted average PRA of all current teaching hospitals in wage index mix, CBSA
- **GME Computation of Program Patient Load**– Compute the ratio of program inpatient days to the total inpatient days. For this calculation, total inpatient days include inpatient days of the hospital along with its subproviders, including distinct part units excluded from the PPS. Record hospital inpatient days of Medicare beneficiaries whose stays are paid by risk basis HMOs and organ acquisition days as non-Medicare days. Do not count inpatient days applicable to nursery, hospital-based SNFs and other nursing facilities, and other non-hospital level of care units for the purpose of determining the Medicare patient load.

Cost Report Pages to Understand

The background features a teal triangle on the left, a dark blue triangle on the top right, and a light grey triangle on the bottom right. The dark blue and light grey areas contain horizontal white lines.

Cost Report Worksheets

- WS S-2, Lines 56 – 67, General Facility Questions
- WS E, Part A, Lines 5 – 29.01, Acute IME Calculations
- WS E-3, Part II, Lines 4 – 11, Psych Unit Add-on Calculations
- WS E-3, Part III, Lines 5 – 11, Rehab Unit Add-on Calculations
- WS E-4, Direct GME Reimbursement Calculations, including Medicare Advantage Utilization Percentages

iRotations System Financial Tracking



Sample iRotations Summary Page

FYB: 09/01/2020
 FYE: 08/31/2021

GME FTE Breakdown - E4

	Allopathic / Osteopathic		Dental / Podiatric		GME FTE Total	
	Weighted	Un-Weighted	Weighted	Un-Weighted	Weighted	Un-Weighted
Primary	83.42 (a)	83.75	0.00	0.00	83.42	83.75 (h)
Non-Primary	104.53 (b)	152.15	0.00	0.00	104.53	152.15 (i)
Total	187.95	235.90 (c)	0.00 (d)	0.00 (j)	187.95	235.90

IME FTE Breakdown - E, Part A

	IME FTE Total	
Total	235.90 (e)	0.00 (f)

Count of Residents: 741

- (a) Line 8, Column 1 excluding FTEs in new programs included on Worksheet E-4 Line 15, Column 1, and excluding FTEs for displaced residents included on Worksheet E-4, Line 16, Column 1.
- (b) Line 8, Column 2 excluding FTEs in new programs included on Worksheet E-4 Line 15, Column 2, and excluding FTEs for displaced residents included on Worksheet E-4, Line 16, Column 2.
- (c) Line 6 excluding FTEs in initial years of New Programs
- (d) Worksheet E-4, Line 10, Column 2.
- (e) Line 10 excluding FTEs in new programs included in line worksheet E, Part A Line 16
- (f) Worksheet E, Part A Line 11
- (g) Worksheet S-3
- (h) Worksheet S-2 Pt I Line 67 Column 4
- (i) Worksheet S-2 Pt I Line 66 Column 2
- (j) Worksheet E-4, Line 10.01, Column 2

Polls & Questions

Minimal Demographics Needed for IRIS

- Residents' full names
- Individual social security numbers
- Initial resident program, converted to CMS resident program code
- Current resident program, converted to CMS resident program code
- Name of Medical School graduation and date
- ECFMG certification date

Sample iRotations Demographics Page

Demographics | Rotations | Notes | Add New Resident | Assign Program | Documents

Last / First / Middle:

SSN:

Medical School:

Medical School Graduation Date:

Initial Residency Code:

Year One Non-IRP Residency Code:

Simultaneous Match Resident:

Foreign Certification Date:

Foreign Certificate Valid Thru:

Foreign Certification ID:

Residency Start Date:

Active End Date:

Displaced Resident Start:

Home Region:

Created: 02/24/2021 Last Modified: 02/24/2021 [Review](#)

Sample Institution Rotation Schedule

Begin Date	End Date	Cur Res Code	Yrs Cmp	F/P%	GME%	IME%	Weight	GME FTE	IME FTE	UnWtd FTE	Employer	Provider Number	FYB	FYE	Non Provider Setting Percentage	IPF%	IRF%	New Program	Displaced Resident
7/1/2011	7/31/2011	1400	3	100	71	16	0.5	0.0232	0.0104	0.0463	Dach - Metz	160058	7/1/2011	6/30/2012		0	0	0Y	N
9/1/2011	9/30/2011	1400	3	100	82	53	0.5	0.0313	0.0404	0.0625	Dach - Metz	160058	7/1/2011	6/30/2012		0	0	1.06Y	N
10/1/2011	10/31/2011	1400	3	100	87	74	0.5	0.0368	0.0627	0.0737	Dach - Metz	160058	7/1/2011	6/30/2012		0	0	0Y	N
11/1/2011	11/30/2011	1400	3	100	80	58	0.5	0.0328	0.0475	0.0656	Dach - Metz	160058	7/1/2011	6/30/2012		55.72	0	13.45Y	N
12/1/2011	12/31/2011	1400	3	100	84	68	0.5	0.0356	0.0576	0.0711	Dach - Metz	160058	7/1/2011	6/30/2012		0	0	0Y	N
1/1/2012	1/31/2012	1400	3	100	87	68	0.5	0.0368	0.0576	0.0737	Dach - Metz	160058	7/1/2011	6/30/2012		0	0	0Y	N
2/1/2012	2/29/2012	1400	3	100	97	97	0.5	0.0384	0.0769	0.0769	Dach - Metz	160058	7/1/2011	6/30/2012		0	0	0Y	N
3/1/2012	3/31/2012	1400	3	100	84	60	0.5	0.0356	0.0508	0.0711	Dach - Metz	160058	7/1/2011	6/30/2012		0	0	7.99Y	N
4/1/2012	4/30/2012	1400	3	100	88	88	0.5	0.0361	0.0721	0.0721	Dach - Metz	160058	7/1/2011	6/30/2012		0	0	0Y	N
5/1/2012	5/31/2012	1400	3	100	84	71	0.5	0.0356	0.0601	0.0711	Dach - Metz	160058	7/1/2011	6/30/2012		0	0	0Y	N
6/1/2012	6/30/2012	1400	3	100	85	68	0.5	0.0348	0.0557	0.0697	Dach - Metz	160058	7/1/2011	6/30/2012		0	0	10.11Y	N



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Questions?





Easy Work Papers is a software solution that automates the majority of the preparation for hospital cost reports and supporting workpapers.



Cost Report Preparation is an end-to-end service that includes completion and submission of the cost report to a hospital's specific Medicare Administrative Contractor.



Cost Report Reviews can fix common errors allowing hospitals to receive corrected payments without having to wait for final settlement of the Medicare Cost Report.

Email update@besler.com to tell us how we can help your reimbursement team

Medicare Cost Report Reviews and Preparation

Disproportionate Share Reviews (DSH)

S10 Review and Refiling

Medicare Geographic Classifications

Wage Index Opportunity and Analysis

Medicare Appeals and Regulatory Analysis

Reimbursement Technology

Organ Acquisition



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