



Teaching Hospital & GME Program Closures

AODME

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Medicare
Regulatory
Framework



Closed Hospitals

- ▶ For Medicare purposes, closed hospital = termination of Medicare provider agreement
- ▶ Doesn't include hospitals that close one or more residency programs
- ▶ Doesn't include mergers where one hospital's provider agreement survives the merger



Before the Affordable Care Act -

- ▶ Displaced residents could finish training in other hospitals if certain requirements were met
- ▶ Hospital accepting residents requested temporary cap adjustment (if slots funded)
- ▶ Temporary slots disappeared when residents finished training



Pursuant to the ACA -

- ▶ HHS Secretary must establish process for redistributing resident caps of hospitals that closed on or after March 23, 2008
- ▶ Initiated by Federal Register notice
- ▶ Notice specifies criteria, priorities, application & filing deadline



Criteria & Priorities

- ▶ Hospital must show “demonstrated likelihood” of filling slots within 3 years (several options)
- ▶ In filling slots priority given to applications in order of proximity (same or contiguous CBSA)
- ▶ Evaluation criteria include hospitals that accept displaced residents, use slots for certain specialties, are located in HPSAs

Slot Awards

- ▶ Nonteaching hospital that receive slots because they take entire specialty programs won't qualify to start training under "new program" rules
- ▶ Hospitals receiving slots under other criteria can start programs that will qualify as "new programs"
- ▶ FTE slot awards are announced via Federal Register notice

Most Recent Distributions

- ▶ Results of Rounds 4 & 5 announced 2/13/14 in CMS MLN Connects Provider eNews
- ▶ Results also on Direct GME page of CMS website (CMS.gov → Medicare → Hospital → Acute Inpatient → DGME)
- ▶ Page also contains key links & downloads

Closed Programs

Displaced residents can finish training in other hospitals if –

- ▶ Original hospital notifies Medicare contractor that it agrees to temporarily reduce its cap
- ▶ Within 60 days, accepting hospital requests temporary adjustment (who & for how long)
- ▶ Slots ultimately revert to original hospital

Caveats

- ▶ Residents are considered “displaced” AFTER program closure
- ▶ “New program” interpreted narrowly - excludes programs that previously existed at another hospital
- ▶ Therefore new teaching hospitals should exercise caution when taking large numbers of displaced residents at same time as building own programs



Questions

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