



Funding New Graduate Medical Education Slots in FY18

July 21, 2016





GME Budget Amendment

306.FFFF. Out of this appropriation, \$1,250,000 from the general fund and \$1,250,000 from nongeneral funds the second year shall be used to fund 25 new medical residency slots. The Department of Medical Assistance Services shall submit a State Plan amendment to make supplemental payments for new graduate medical education residency slots effective July 1, 2017. Supplemental payments shall be made for up to 25 new medical residency slots in fiscal year 2018. Of the 25 new residency slots, 13 shall be for primary care and 12 shall be for high need specialties. In addition, preference shall be given for residency slots located in underserved areas. The department shall adopt criteria for primary care, high need specialties and underserved areas developed by the Virginia Health Workforce Development Authority. The authority shall submit these criteria to the department by September 1, 2016. The supplemental payment for each new qualifying residency slot shall be \$100,000 annually minus any Medicare residency payment for which the hospital is eligible. Supplemental payments shall be made for up to three years for each new qualifying resident. The hospital will be eligible for the supplemental payments as long as the hospital maintains the number of residency slots in total and by category as a result of the increase in fiscal year 2018. If the number of qualifying residency slots exceeds the available number of supplemental payments, the Virginia Health Workforce Development Authority shall determine which new residency slots to fund based on priorities developed by the authority. Payments shall be made quarterly following the same schedule for other medical education payments. In order to be eligible for the supplemental payment, the hospital must make an application to the department by November 1, 2016. The department shall identify hospitals and the number of new residency slots to be awarded supplemental payments by April 1, 2017. Subsequent to the award of a supplemental payment, the hospital must provide documentation annually by June 1 that they continue to meet the criteria for the supplemental payments and report any changes during the year to the number of residents. The department shall require all hospitals receiving medical education funding to report annually by June 1 on the number of residents in total and by specialty/subspecialty. The supplemental payments are subject to federal Centers for Medicare and Medicaid Services approval. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act.



Application Process: Timelines

- Implementing the budget amendment requires an application and approval process a year in advance of the actual funding
- Residency Matching begins with residency programs “advertising” their programs to graduating medical students
- Residency programs cannot offer new residency slots until they have secured ACGME approval and funding
- The application timelines in the budget amendment are not consistent with the need for GME programs to have funding commitments by October prior to implementation
- DMAS is working with VHWDA on accelerated timelines



Development Activities

- As directed in the budget amendment, DMAS has worked closely with the Virginia Healthcare Workforce Development Authority (VHWDWA) on the criteria and application process
- VHWDWA convened a stakeholder meeting on May 2, 2016 to discuss criteria for primary care, high need specialties and underserved areas as well as the application process
- VHWDWA convened a meeting on June 22, 2016 to review a draft application
- DMAS submitted the application to the Office of Attorney General for review
- Information and a timeline is available on the DMAS web site at http://www.dmas.virginia.gov/Content_pgs/pr-gme.aspx



Criteria

- Primary Care-Family Medicine, General Internal Medicine and General Pediatrics
- High Needs Specialties-Including but not limited to General Obstetrics and Gynecology, General Surgery, Psychiatry and Urology (up to applicant to make the case for high need)
- Underserved Areas-Designated by the US Department of Health and Human Services as a Health Professional Shortage Area (HPSA), Medically Underserved Area (MUA), or Medically Underserved Population (MUP)



Evaluation Process

- DMAS will review applications for technical compliance
- If there are more than 13 applications for primary care slots or 12 applications for high need specialty slots, VHWDA will convene a review committee to evaluate applications based on priorities developed by the authority and make recommendations to the DMAS director
- Decision of the DMAS director will be final
- Agreements between DMAS and the sponsoring institution/hospital will be executed



Verification that Slots Are New

- Supplemental payments are only for new residency slots
- Excluded any hospital that has not reached its Medicare funding cap (to avoid duplicate funding)
- Require each hospital to report its current residency slots with the application so that DMAS can verify a new slot
- Require each hospital to report by June 1 that they filled the new slot (not all slots that are advertised are filled with a match) and it remains filled



CMS Review and Approval

- DMAS has consulted with CMS on whether CMS will approve a State Plan Amendment
- While this is not a typical State Plan reimbursement methodology, CMS will work with DMAS to develop an approvable plan
 - The State Plan needs to spell out the criteria for who is eligible for the payment
 - DMAS must be ultimately responsible for administering the program
- DMAS plans to submit the State Plan Amendment by the end of September to allow time to work with CMS on the plan



Questions about the Program for the GA

- Is the funding guaranteed?
- If the residency program is longer than 3 years (most specialties), will the funding continue until the end of the residency?
- Will there be funding for additional cohorts of new slots?
- Given current Medicaid funding for UVA and VCU, are there ways for them to get additional funding?