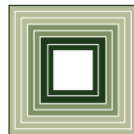


Subcommittee on Graduate Medical Education and Medical Residency Programs

Medicaid GME Payments

**Steve Owen,
Fiscal Research Division**

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FISCAL RESEARCH DIVISION
A Staff Agency of the North Carolina General Assembly

Discussion Guide

Graduate Medical Education (GME) in North Carolina includes appropriations for AHEC's, Medical Schools at UNC/ECU and payments through Medicaid

- Medicaid GME Payments Defined
- North Carolina Payment Methodology
- Hospital Payments in Context
- Legislative Actions

Medicaid GME Payments Defined

- Medicaid GME payments reimburse the **hospital** for Medicaid's share of the direct and indirect cost of participating in the medical education program
- *Direct costs are those directly related to the residency program*
- *Indirect costs represent the impact on services, supplies, staffing and other spending that results from the residents' training*

NC GME Payment Methodology

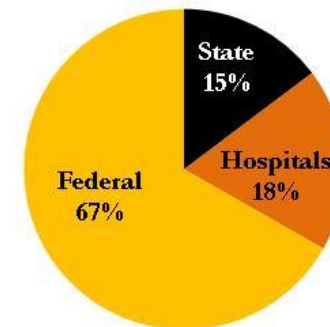
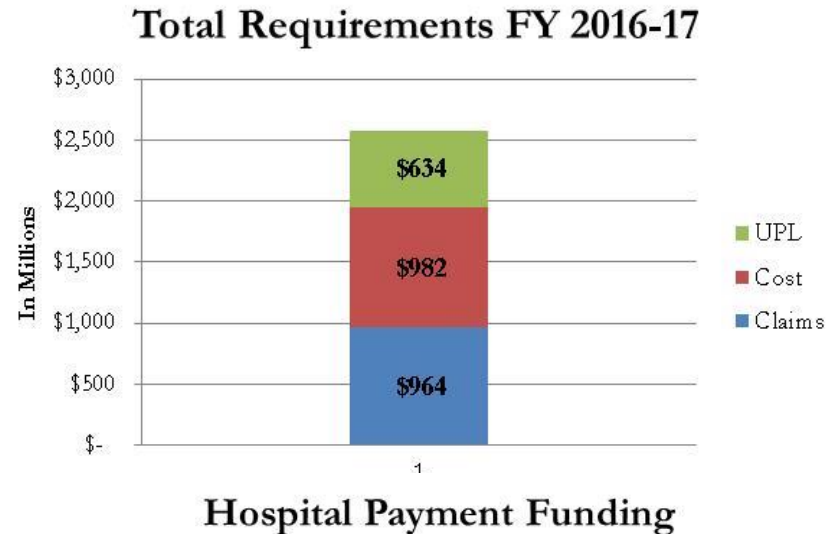
- Add-on % to Claims for services at teaching hospitals

ADDITIONALLY GME PAYMENTS ARE A COMPONENT OF:

- Effective Cost Settlement for UNC
- Cost Settlement for ECU
- Enhanced Payments to Hospitals
- Supplemental Equity Payment for Hospitals

Hospital Payments in Context

- GME add-on represented about \$90 million of the FY 2016-17 claims payments
- We are working with the Department to break out the portion of cost and UPL payments that relate to GME
- Hospital funding is provided through intergovernmental transfers (IGT) and assessments
- Assessments also include a 28.85% state retention
- There are 18 hospitals in NC that receive GME payments



SOURCE: June 30, 2017 BD 701

Legislative Actions

- Change to Regional Base Rates : *FY 2013-14*
- Change to Single Base Rate : *FY 2014-15*
- Elimination of GME Add-on % : *FY 2015-16*
- Non-Recurring Restoration : *FY 2017-18*
- Cape Fear Appropriation for
Loss in Medicare Reimbursement : *FY 2016-17*
eliminated in FY 2017-18

QUESTIONS

**Steve Owen – steve.owen@ncleg.net
919-733-4910**