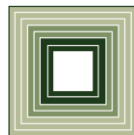# Subcommittee on Graduate Medical Education and Medical Residency Programs

Medicaid GME Payments

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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

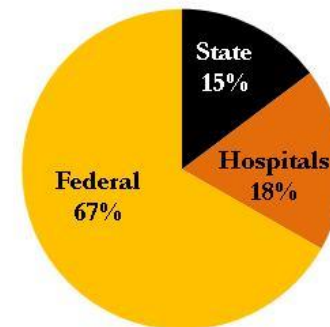   – Supplemental Equity Payment for Hospitals

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

Total Requirements FY 2016-17

Hospital Payment Funding

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

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