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HEALTH LAW NEWS

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MANY TEACHING HOSPITALS MAY BENEFIT FROM NEW GME RULES

Recent regulations from the Centers for Medicare & Medicaid Services ("CMS") based on the GME changes in the Consolidated Appropriations Act, 2021 ("CAA") create new funding opportunities for many teaching hospitals. Opportunities are available for hospitals in the following categories:

- CMS will award 1,000 new FTE cap slots over the next five years. CMS will be providing additional information in the near future about the application and award process. Potentially eligible hospitals that are training residents in excess of their DGME or IME FTE caps include:
  - Hospitals that are in rural areas and urban hospitals that have been reclassified as rural
  - Hospitals that were training residents in excess of their DGME or IME FTE caps in the most recent cost report year ending on or before December 27, 2020
  - Hospitals in states with new medical schools or new medical school branches since January 1, 2000
  - Hospitals that serve Health Professional Shortage Areas
- CMS is expanding potential additional reimbursement to both urban and rural hospitals participating in "rural track" training programs. Urban and rural hospitals that participate in rural track programs already, and urban and rural hospitals that create new rural track programs, may benefit.
- CMS is implementing Section 131 of the CAA to potentially afford relief to hospitals with historically low PRAs and/or FTE caps, including:
  - Category A Hospitals: Hospitals with a low per-resident amount ("PRA") and/or DGME/IME FTE caps of less than 1.0 FTE, based on resident training that occurred in a cost reporting period beginning before October 1, 1997
  - Category B Hospitals: Hospitals with a low PRA and or DGME/IME FTE caps of less than 3.0 FTE based on resident training that occurred in a cost reporting period beginning on or after October 1, 1997
  - Other hospitals that may have trained residents in the past but never reported it

As with many aspects of graduate medical education funding, the new regulations are complex and nuanced, and Hall Render's discussion of these regulations is available as Part 5 of our series on Graduate Medical Education.

If you would like assistance with evaluating and positioning your hospital to take advantage of these opportunities, please contact:

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- Your primary Hall Render contact.

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