

Program Memorandum

Intermediaries

Department of Health and
Human Services (DHHS)
**HEALTH CARE FINANCING
ADMINISTRATION (HCFA)**

Transmittal A-01-75

Date: JUNE 15, 2001

CHANGE REQUEST NUMBER 1736

SUBJECT: Children's Hospital Graduate Medical Education (CHGME)

The Health Resources and Services Administration (HRSA) has implemented the CHGME payment program to fund children's hospitals for support of Graduate Medical Education (GME). The authority for the program is under Title III, §340E of the Public Health Service Act as amended by Public Law 106-129 and 106-310. The statute requires that payments to freestanding children's hospitals be based on the full-time equivalent (FTE) resident count reported on the filed Medicare cost report for hospitals that report residents to Medicare.

As the CHGME program will need to verify FTE resident counts submitted by children's hospitals, the CHGME program would like the Fiscal Intermediary (FI) to provide this information directly to HRSA for the CHGME application process.

Guidelines for HCFA Fiscal Intermediaries

For children's hospitals that have filed a worksheet E-3, Part IV on their cost report at any time from 1996 and forward, the CHGME program would like the following to occur:

- 1) 30 days prior to the CHGME application deadline, submit an FTE count from the cost report for each relevant year to both HRSA and the children's hospital.
- 2) Work with hospitals for the subsequent 30 days to resolve discrepancies in FTE resident counts and make any adjustments to the counts deemed acceptable and appropriate according to HCFA standards.
- 3) Resubmit an FTE count to HRSA and the children's hospital if there are any revisions by the application deadline.

These submitted FTE resident counts are to be used for the CHGME program purposes only.

Conduct your FTE resident count review according to your normal course of business using HCFA standards.

Report whether the FTE resident counts were from cost reports that were

- Settled
- As filed
- Amended (prior to any settlement) *
- Preliminary. **

*The CHGME program will accept changed FTE resident counts from amended re-opened cost reports only if you performed some validation of the change. Once the check is done, submit it to the CHGME program as a "preliminary" FTE resident count (see definition below).

**If the cost report has undergone any type of desk review or audit, either during the course of an initial settlement or a reopening, then the CHGME program would like any "preliminary" FI-determined FTE resident count (according to HCFA standards) as of 30 days prior to the application deadline.

HCFA Pub. 60A

Specific Information Requested

The CHGME program would like the following information from all worksheet E-3, Part IV, from the 1996 cap year and forward.

- 1) Unweighted FTE count of allopathic and osteopathic residents in its most recent cost reporting period ending on or before December 31, 1996, (cap – line 3.01 from most recently filed Medicare cost report).
- 2) For Medicare cost reports ending between January 1, 1997, and September 30, 1997:
 - Total unweighted FTE count for all residents (allopathic, osteopathic, dental, podiatric).
 - Total weighted FTE resident count for all residents – Line 1 and 1.01
- 3) From all Medicare cost reports, HCFA 2552-96, Worksheet E-3, Part IV, beginning on or after October 1, 1997:
 - Line 3.04 – FTE Adjustment Cap
 - Line 3.05 – Unweighted Resident FTE Count for Allopathic and Osteopathic programs
 - Line 3.09 – Sum of lines 3.07 and 3.08 (total unweighted FTE resident count for allopathic and osteopathic programs)
 - Line 3.12 – Sum of lines 3.10 and 3.11 (total unweighted FTE residents for all programs)
 - Unweighted FTE count of dental and podiatric residents

Federal Fiscal Year (FFY) Due Dates for Information

FFY 2001 – Information from the FIs to be sent to CHGME program and hospitals by July 2, 2001. The application deadline is August 2, 2001, so all discrepancies must be resolved by then.

FFY 2002 Application – Information to be sent to the CHGME program and hospitals by August 13, 2001. The application deadline is September 10, 2001. If the information has been updated since July, the CHGME program would like to receive the most recently updated information.

FFY 2002 Reconciliation – Information to be sent to CHGME program and hospitals in late March or early April. If the information has been updated since August, the CHGME program would like to receive the most recently updated information.

Where to Send Information

Information is to be e-mailed to childrenshospitalgme@hrsa.gov or faxed to Ayah E. Johnson, Ph.D. at fax (301) 443-1879. She can be reached by phone at (301) 443-9977 or (301) 443-1058. An original, signed copy of the information should also be sent to Ayah E. Johnson, Ph.D., Children's Hospital GME Program, Graduate Medical Education Branch, Division of Medicine and Dentistry, Bureau of Health Professions, Health Resources and Services Administration, Parklawn Building, 5600 Fishers Lane, Room 9A-05, Rockville, MD 20857.

The *effective date* for this Program Memorandum (PM) is July 1, 2001.

The *implementation date* for this PM is July 1, 2001.

The instructions contained in this PM should be implemented within your current operating budget.

This PM may be discarded after June 30, 2002.

For any contractor related questions, please contact Ayah Johnson from HRSA at (301) 443-9977. If you have any other questions, contact Dave Czerski at (410) 786-1292.