Understanding the Costs and Financing of GME

Institute of Medicine
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Medicaid: Largest Payer for Children

• Medicaid is the largest payer of children’s health care services

• Children account for half of all Medicaid beneficiaries

• On average, 54% of patients at a children’s hospital are enrolled in Medicaid

Payer Mix in Children's Hospitals (by Discharges), 2011

- Medicaid: 54%
- Private Insurance: 40%
- Self Pay: 2%
- Other Non-govt. Payers: 3%
- Other Gov't Payers: 2%
Funding for Pediatric Training

Funding support determined by hospital structure

• Medicare Graduate Medical Education (GME)

  Children’s hospitals within hospitals receive support for pediatric training through the system’s GME funding

• Children’s Hospitals Graduate Medical Education (CHGME)

  Freestanding children’s hospitals receive very little GME funding, therefore, Congress enacted the CHGME program to help provide support
Summary of CHGME

• Enacted in 1999 with goal of providing freestanding children’s hospitals the same federal GME funding as other teaching hospitals receive through Medicare

• CHGME supports the teaching of about 6,000 physicians at 55 children’s hospitals

• Discretionary Appropriation, 5-year Authorization

• CHGME funding per hospital based on two factors:
  • A hospital’s rolling average of the weighted resident FTE count for DME payments
  • A hospital’s rolling average of unweighted FTE counts for IME payments
Eligibility for CHGME

A hospital is eligible for CHGME:

• Participates in an approved GME program

• Medicare Provider Agreement

• Excluded from Medicare Inpatient Prospective Payment System

• Operates as a “freestanding” children’s teaching hospital
CHGME Reporting Requirements

CHGME program requires annual reporting:

• Types of residency training programs
• Number of positions for residents (recruited/filled)
• Types of training provided for residents related to the health care needs of different populations
• Changes in residency training
• Number of residents who completed training
• Care for children within the hospital service area
• Care for children within the state of the hospital
<table>
<thead>
<tr>
<th>Program</th>
<th>% Residents at CHGME Hospitals</th>
<th>Total #Residents in Country</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pediatric rehabilitation medicine</td>
<td>100%</td>
<td>13</td>
</tr>
<tr>
<td>Pediatric transplant hepatology</td>
<td>100%</td>
<td>1</td>
</tr>
<tr>
<td>Neurodevelopmental disabilities</td>
<td>95%</td>
<td>19</td>
</tr>
<tr>
<td>Pediatric otolaryngology</td>
<td>94%</td>
<td>16</td>
</tr>
<tr>
<td>Pediatric pathology</td>
<td>87%</td>
<td>15</td>
</tr>
<tr>
<td>Pediatric urology</td>
<td>76%</td>
<td>21</td>
</tr>
<tr>
<td>Pediatric critical care</td>
<td>69%</td>
<td>384</td>
</tr>
<tr>
<td>Pediatric surgery</td>
<td>66%</td>
<td>71</td>
</tr>
<tr>
<td>Pediatrics</td>
<td>45%</td>
<td>8,111</td>
</tr>
</tbody>
</table>
Per resident, CHGME hospitals receive 68% of the support Medicare GME provides.
Challenges Still Remain

Children’s hospitals across the country continue to experience significant shortages in pediatric specialties

- Limited supply of specialists
- Rising debt burden
- Non-competitive salaries
- Changing lifestyles and a decline in physicians seeking specialty training
Specialties with Long Vacancies

% of Hospitals Reporting Vacancies 12 Months or Longer

- Pediatric Neurology: 38.8%
- Pediatric General Surgery: 29.9%
- Developmental Pediatrics: 28.4%
- Pediatric Gastroenterology: 25.4%
- Pediatric Pulmonology: 25.4%
- Pediatric Rheumatology: 25.4%

Champions for Children’s Health
Challenges Accessing Care

Average wait times for clinical services

• Developmental Pediatrics 14.5 weeks
• Genetics 10.8 weeks
• Pediatric Neurology 8.9 weeks
• Pediatric Rheumatology 7.9 weeks
• Child and Adolescent Psychiatry 7.5 weeks

Actual wait times for surgical specialties

• Pediatric Urology 4.1 weeks
• Pediatric Orthopedic Surgery 3.8 weeks
Recommendations

• Need more stable and predictable funding

• CHGME intended as a short-term solution

• Lift the residency cap

• Ensure a strong pipeline of pediatricians and pediatric subspecialists

• Any impact on GME program may have unintended consequences on pediatrics