

Appeals of Children's Hospital Graduate Medical Education (CHGME)

CHGME is funded through an appropriation to the Department of Health & Human Services, Health Resources & Services Administration, Bureau of Health Professions
<http://bhpr.hrsa.gov/childrenshospitalgme/>

Children's hospitals that operate graduate medical education programs are entitled to payments for direct and indirect expenses associated with operating those programs. The Secretary determines any changes in the number of residents reported by a hospital to determine the final amount payable. The final amount determined is considered a final determination appealable to the Provider Reimbursement Review Board (Board) under 42 U.S.C. § 1395oo. See, 42 U.S.C. § 256e.

Payments to children's hospitals are based on the hospital's share of the total amount of direct and indirect Medicare education funding available in any Federal fiscal year (FFY). This funding is part of a fixed payment pool that is distributed prior to the close of each FFY. As a result, appeals before the Board must be heard on an accelerated hearing schedule so that the providers' reimbursement is accurately determined prior to the end of the FFY. Set forth below are the procedures children's hospital providers need to follow to facilitate the accelerated hearing process.

Process for Filing a CHGME Appeal

The Board recommends that any appeal of the changes in the number of residents be filed immediately upon receipt of the intermediary's issuance of the "CHGME Program Payment Assessment of Full-Time Equivalent Resident Count." The Board acknowledges that the law and regulations provide a 180-day appeal period for any final determination. However, children's hospital providers who delay filing run the risk of not being able to have a hearing and to receive a written decision issued before the end of the applicable FFY.

Please call both Steven R. Kirsh, Director of the Division of Jurisdiction and Case Management at (410) 786-2053 and Melanie Marolf-Fetchik, Esq. at (410) 786-5599 and indicate the date that you will be submitting the Provider's request by overnight mail.

1. The Board will notify you of position paper due dates and the date of hearing within a few days of the receipt of your hearing request. You may have as little as one week to file position papers, depending on the date of your filing and the Board's hearing schedule.
2. Content of the Hearing Request:
 - a. Provider name and complete address;
 - b. Provider number;
 - c. Fiscal year end cost report from which the FTE count was reviewed;
 - d. Fiscal year ends to which the three-year rolling average applies;

- e. A copy of the “CHGME Program Payment Assessment of Full-Time Equivalent Resident Count;”
 - f. The name, address, telephone number and facsimile number of the hospital contact;
 - g. A complete statement of the issues (see examples model issue statements, below);
 - h. If the provider is represented by an agent, a letter authorizing representation on the provider’s letterhead and signed by the person authorized to engage an agent.
3. A copy of the hearing request and all documents that support the provider’s claim for reimbursement must be sent to:

Mark McGinnis, Esq.
Department of Health and Human Services
Office of General Counsel-Public Health Division
Room 4A-63 Parklawn Building
5600 Fishers Lane
Rockville, MD 20857
(301) 443-7844
(301) 443-2639 (fax)

The Office of General Counsel represents the agency in CHGME cases before the Board.

DO NOT send supporting documentation to the Board with the initial hearing request. This information may be submitted with the provider’s position paper. The position paper should refer to the exhibit number and the page number of the exhibit that supports the position. All personal identifying information such as social security numbers must be redacted from Board copies of hearing requests and position papers.

Extensions/Postponements

The Board disfavors requests for extensions of time for filing or postponement of hearings because of the need to conduct hearings and render decisions in a short period of time. Any request for an extension must be in writing and will be considered when extraordinary circumstances exist. An extension will generally not be granted to allow the parties the opportunity to settle the case or conduct negotiations.

Model Statements of the Issues

Offsite Clinic Rotations-The fiscal intermediary disallowed 3.2 and 2.7 FTEs, for FYE 12/31/01 that were determined as resident time spent rotating to offsite clinics. The offsite clinics were subject to preceptor agreements confirming that the physicians were volunteer physicians who received no compensation for their teaching time and incurred

no support costs; yet the resident time spent in the physician offices was deemed non-allowable. Estimated CHGME payments based on FYE 2003 actual funding, is a decrease of \$66,538 in indirect medical education and \$42,662 in direct medical education payments, totaling an estimated FFY 2004 reimbursement of \$109,200.

Research in Neonatology-Perinatal Fellowship Program-The fiscal intermediary disallowed 1.2 FTEs for FYE 2001 for neonatology fellowship time spent in a non-provider setting doing research, which was a requirement to obtain the specialty. Page 39896 of the August 1, 2001 Federal Register was the basis for this adjustment. Related estimated CHGME payments based on FFY 2003 actual funding is a decrease of \$19,531 in indirect and a decrease of \$12,523 in direct medical education payments, a total estimated FFY 2004 reimbursement effect of \$32,054.