

U.S. Department of Health and Human Services



Bureau of Health Workforce

Division of Medicine and Dentistry

**Children's Hospitals Graduate Medical Education (CHGME)
Payment Program**

Funding Opportunity Number: HRSA-23-012

Funding Opportunity Type(s): New and Competing Continuation

Assistance Listings (AL/CFDA) Number: 93.255

NOTICE OF FUNDING OPPORTUNITY

Fiscal Year 2023

PHASE 1: Application Due Date in Grants.gov: August 1, 2022

**PHASE 2: Supplemental Information Program Specific Forms Due
Date in HRSA EHB: September 1, 2022**

**Ensure your SAM.gov and Grants.gov registrations and passwords are current
immediately!**

HRSA will not approve deadline extensions for lack of registration.

Registration in all systems may take up to 1 month to complete.

Issuance Date: June 29, 2022

Lisa Flach-Fulcher
Budget Analyst, Graduate Medical Education Branch
Phone: (301) 443-0365
Email: aflach-fulcher@hrsa.gov

See [Section VII](#) for a complete list of agency contacts.

Authority: 42 U.S.C. § 256e (§ 340E of the Public Health Service Act)

508 COMPLIANCE DISCLAIMER

Note: Persons using assistive technology may not be able to fully access information in this file. For assistance, email or call one of the HRSA staff listed in [Section VII. Agency Contacts](#).

EXECUTIVE SUMMARY

The Health Resources and Services Administration (HRSA) is accepting applications for the fiscal year (FY) 2023 Children's Hospitals Graduate Medical Education Payment Program. The purpose of this program is to fund freestanding children's hospitals to support the training of pediatric and other residents in graduate medical education (GME) programs.

Funding Opportunity Title:	Children's Hospitals Graduate Medical Education Payment Program
Funding Opportunity Number:	HRSA-23-012
Due Date for Applications:	Phase 1: Grants.gov: August 1, 2022 at 11:59 p.m. ET. Phase 2: HRSA EHBs: September 1, 2022 at 5:00 p.m. ET.
Anticipated FY 2023 Total Annual Available	\$332,000,000
Estimated Number and Type of Award(s):	Up to 62 program awards
Estimated Award Amount:	Formula awards, varies; subject to the availability of appropriated funds.
Cost Sharing/Match Required:	No
Period of Performance:	October 1, 2022 through September 30, 2023 (1 year)
Eligible Applicants:	Freestanding children's hospitals whose inpatients are predominantly under 18 years of age, who participate in an approved GME program, and who have a Medicare provider agreement. See Section III.1 of this notice of funding opportunity (NOFO) for complete eligibility information.

Application Guide

You (the applicant organization/agency) are responsible for reading and complying with the instructions included in HRSA's [SF-424 R&R Two-Tier Application Guide](https://www.hrsa.gov/sites/default/files/hrsa/grants/apply/applicationguide/sf-424-research-related-2tier-guide-v2.pdf), available online at <https://www.hrsa.gov/sites/default/files/hrsa/grants/apply/applicationguide/sf-424-research-related-2tier-guide-v2.pdf>, except where instructed in this NOFO to do otherwise.

Submissions

The CHGME Payment Program requires two submissions during the federal FY: (1) an initial application to determine interim payments, and (2) a reconciliation application to finalize the number of full-time equivalent (FTE) resident counts and subsequently determine final payments. CHGME Payment Program awardees applying for the Quality Bonus System (QBS) payment must submit complete individual level documentation for all residents supported by the CHGME Payment Program in the FY 2023 Annual Performance Report (AY 2022-2023). See NOFO Section V.3 Quality Bonus System for more information.

If you fail to comply with all requirements, including federal registrations stated in this NOFO, your application will be deemed non-responsive, and your application will not be considered for funding under this notice. Please note that registration or renewals in SAM.gov and Grants.gov may take up to 30 days to complete.

Technical Assistance

HRSA will hold a pre-application technical assistance (TA) webinar for applicants seeking funding through this opportunity. The webinar will provide an overview of pertinent information in the NOFO and an opportunity for applicants to ask questions. Visit the HRSA Bureau of Health Workforce's open opportunities website at <https://bhw.hrsa.gov/fundingopportunities/default.aspx> to learn more about the resources available for this funding opportunity.

Table of Contents

I. PROGRAM FUNDING OPPORTUNITY DESCRIPTION.....	1
1. <i>Purpose</i>	1
2. <i>Background</i>	2
II. AWARD INFORMATION	3
1. <i>Type of Application and Award</i>	4
2. <i>Summary of Funding</i>	4
III. ELIGIBILITY INFORMATION.....	5
1. <i>Eligible Applicants</i>	5
2. <i>Cost Sharing/Matching</i>	7
3. <i>Other</i>	7
IV. APPLICATION AND SUBMISSION INFORMATION.....	8
1. <i>Address to Request Application Package</i>	9
2. <i>Content and Form of Application Submission</i>	11
i. <i>Program-Specific Forms</i>	11
ii. <i>Attachments</i>	12
3. <i>Unique Entity Identifier (UEI) and System for Award Management (SAM)</i>	13
4. <i>Submission Dates and Times</i>	14
5. <i>Funding Restrictions</i>	14
V. APPLICATION REVIEW INFORMATION	15
1. <i>Review Criteria</i>	15
2. <i>Review and Selection Process</i>	16
3. <i>Quality Bonus System (QBS) Payment</i>	16
4. <i>Assessment of Risk</i>	17
VI. AWARD ADMINISTRATION INFORMATION	18
1. <i>Award Notices</i>	18
2. <i>Administrative and National Policy Requirements</i>	18
3. <i>Reporting</i>	20
VII. AGENCY CONTACTS.....	22
VIII. OTHER INFORMATION	24
APPENDIX: A	25

I. Program Funding Opportunity Description

1. Purpose

This notice announces the opportunity to apply for funding under the Children's Hospitals Graduate Medical Education (CHGME) Payment Program.

The purpose of the CHGME Payment Program is to compensate for the disparity in the level of Federal GME funding for freestanding children's teaching hospitals versus other types of teaching hospitals. Federal funding for graduate medical education (GME) is primarily provided by the Centers for Medicare & Medicaid Services (CMS) and goes to full service teaching hospitals that serve primarily adult patients. Freestanding children's hospitals receive little to no GME funding from Medicare because children's hospitals have a low Medicare caseload. The CHGME Payment Program is administered by the Bureau of Health Workforce (BHW), Health Resources and Services Administration (HRSA), U.S. Department of Health and Human Services (HHS).

Program Goals

To achieve this purpose in a timely and effective manner, the CHGME Payment Program provides support to freestanding children's teaching hospitals by providing a payment established by a formula in accordance with 42 U.S.C. § 256e.

Program Objective

This program supports the education and training of future pediatricians, pediatric sub-specialists, and other non-pediatric residents in freestanding children's teaching hospitals, including the training of residents in dentistry and psychiatry. In FY 2021, the CHGME Payment Program distributed approximately \$330 million to 59 eligible awardees; in which funding assists these hospitals to care for low-income children across the country.

Eligible entities must be ready to continue programmatic activities in the event of a public health emergency – both those that are expected and unexpected. A training-focused emergency preparedness plan is critical for HRSA-funded projects and helps ensure that recipients are able to continue programmatic activities, can coordinate effectively, and can implement recovery plans when emergencies disrupt project activities. You must develop and maintain a flexible training-focused emergency preparedness plan in case of public health emergencies to ensure continuation of programmatic and training activities.

2. Background

This program is authorized by 42 U.S.C. § 256e. In 1999, Congress addressed the difference of explicit GME funding between freestanding children's teaching hospitals and other teaching hospitals by passing the Healthcare Research and Quality Act, which established the CHGME Payment Program. There have been several amendments to the program's statutory authority, including in April 2014 where the eligibility of the program was expanded to include certain hospitals (see Section III. Eligibility Information) and most recently in September 2018, amended by the Dr. Benjy Frances Brooks Children's Hospital GME Support Reauthorization Act of 2018 (P.L. 115-241).

The CHGME Payment Program supports HRSA's mission to improve health outcomes and address health disparities through access to quality services, a skilled health workforce, and innovative, high-value programs. HRSA improves the health of underserved and vulnerable populations by strengthening the health workforce and connecting skilled professionals to communities in need. HRSA oversees several grant programs that support the placement of providers, provide financial support to students in health professions programs, provide continuing education to current health professionals, and foster the development of curricula that promote quality health care.

The CHGME Payment Program is designed to support freestanding children's teaching hospitals by:

- Educating and training future pediatricians, pediatric sub-specialists, and other non-pediatric residents,
- Providing care for vulnerable and underserved children, and
- Conducting innovative and valuable pediatric research.

Funding children's hospitals is a part of supporting HRSA's strategic plan to: 1) improve access to quality health care and services; and 2) foster a health care workforce able to address current and emerging needs.

The nearly 60 freestanding CHGME funded children's teaching hospitals across the country support 51 percent of all pediatric residents and 50 percent of pediatric specialists training in the United States (U.S.) annually, and provide valuable training for physicians in many other specialties.¹ These are the physicians who care for America's youngest population – its children. In Academic Year 2020-2021 CHGME funded over

¹ U.S. Department of Health and Human Services, Health Resources and Services Administration, "HRSA Health Workforce: Children's Hospital Graduate Medical Education Program, Academic Year 2020-2021, <https://bhwh.hrsa.gov/sites/default/files/bureau-health-workforce/funding/chgme-accomplishments-2020-2021.pdf>

13,000 physician and dental residents and fellows.² The program supported the training of 5,628 Pediatric residents and 2,904 Pediatric medical subspecialty fellows, including training 198 Child and Adolescent Psychiatry fellows. Moreover, CHGME funding supported the training of 4,572 Adult Medical and Surgical Specialty Residents who rotate through children's hospitals for their pediatrics training. There were also 430 CHGME-funded Advanced General Dentistry residents, including 340 Pediatric Dentistry and 21 Pediatric Orthodontist residents. CHGME-funded hospitals reported having 1,538 patient safety initiatives and programs, with their medical residents and fellows providing over 5.5 million hours of patient care in medically underserved communities.

The CHGME Payment Program statute allows the Secretary of HHS to establish a Quality Bonus System (QBS), whereby the Secretary distributes bonus payments to hospitals participating in the program that meet standards specified by the Secretary. The goal of the QBS is to recognize CHGME Payment Program awardees that provide high quality training and to incentivize the participating children's hospitals to meet the pediatric workforce needs of the nation.

In fiscal year (FY) 2017, HRSA began engaging stakeholders in efforts to develop the CHGME QBS. In FY 2018, HRSA released a [Federal Register Notice](#) (FRN) seeking public comment on the proposed CHGME QBS and addressed comments received in a later released [FRN](#). Target outcomes included highlighting children's hospitals' initiatives that have the greatest impact on patient access and quality and those that involve the most residents and/or involve the highest level of resident engagement.

HRSA awarded a QBS evaluation contract in FY 2019 to conduct an environmental scan of GME quality measures, develop quality measures for GME programs in the identified priority areas, and manage an organized stakeholder engagement process on the final QBS standards and measures. Recommendations from the QBS contract and data collected help support HRSA's plan to implement quality measures in FY 2023, should funds become available for this purpose. See Notice of Funding Opportunity (NOFO) Section V.3 Quality Bonus System for more information.

A glossary containing general definitions for terms used throughout the Bureau of Health Workforce NOFOs can be located at the HRSA [Health Workforce Glossary](#)

II. Award Information

² Ibid.

1. Type of Application and Award

Types of applications sought: New and Competing Continuation.

HRSA will provide funding in the form of a grant award formula-based payment program. The amount of funding awarded to each recipient will be determined according to a formula in accordance with 42 U.S.C. § 256e and implementing Federal Register notices. The funds available for the CHGME Payment Program are distributed among participating eligible children's hospitals. Hospitals that meet eligibility requirements in Section III.1 receive funds based on the annual appropriation.

The CHGME Payment Program makes payments throughout the year to distribute the Direct Medical Education (DME) and Indirect Medical Education (IME) funding. Each of the funding amounts is determined by a formula, and a hospital receives its proportion of the total CHGME Payment Program funding based on the calculation of the formula. The formula was established by CHGME policy published in the [June 19, 2000 Federal Register notice](#) and the [July 20, 2001 Federal Register notice](#). For DME, the CHGME Payment Program funding is proportional to the number of residents the hospital trains. Furthermore, the DME payment formula accounts for a hospital's specific geographic variations in costs, and inflation. For IME, the CHGME formula takes into account the severity of illness of its inpatients, the number of inpatient discharges, the number of available beds, and the number of residents the hospital trains.

2. Summary of Funding

HRSA estimates approximately \$332,000,000 to be available annually to fund up to 62 recipients; this includes an estimated amount of up to \$3 million for the CHGME QBS. The actual amount of CHGME Payment Program funding available, if any, will not be determined until the enactment of the final FY 2023 federal appropriation. This NOFO program notice is subject to the appropriation of funds, and is a contingency action taken to ensure that, should funds become available for this purpose, HRSA can process applications and award funds appropriately. The period of performance is October 1, 2022 through September 30, 2023 (one year).

In April 2014, the CHGME Payment Program was reauthorized to expand eligibility to "Newly Qualified Hospitals" that meet the eligibility requirements in Section III.1.b. The reauthorization permits the Secretary, "to make available up to 25 percent of the total amounts in excess of \$245,000,000 ...but not to exceed \$7,000,000"³ for the purpose of making CHGME Payment Program payments to these Newly Qualified Hospitals and for the QBS.

In FY 2022, Congress appropriated \$375 million to the CHGME Payment Program. Of this amount, up to \$4 million in payments are targeted to these newly qualified hospitals.

³ 42 U.S.C. § 256e(h)(1), <https://www.govinfo.gov/app/details/USCODE-2010-title42/USCODE-2010-title42-chap6A-subchapII-partD-subpartix-sec256e>

If funding levels and mechanisms remain constant, it is estimated that up to approximately \$3 million may be available in FY 2023 for the CHGME QBS. If the total amount available for the CHGME QBS in FY 2023 is less than \$2 million, HRSA does not plan to implement the CHGME QBS in FY 2023 to minimize the administrative burden on the hospitals. In this case, the funds will be disbursed to all eligible hospitals (including those newly qualified) according to the CHGME Payment Program formula payment methodology.

All HRSA awards are subject to the Uniform Administrative Requirements, Cost Principles, and Audit Requirements at [45 CFR part 75](#).

III. Eligibility Information

1. Eligible Applicants

There are two categories of children's hospitals that may be eligible for CHGME payments in FY 2023, depending on the funding appropriated to the program – “Currently Eligible Hospitals” and “Newly Qualified Hospitals.” Hospitals that are applying for the first time for the CHGME Payment Program may be hospitals that are new to the CHGME Payment Program but qualify under the “Currently Eligible Hospitals” requirements or are eligible as a “Newly Qualified Hospital.”

a. **Currently Eligible Hospitals:** Includes freestanding children's hospitals that meet the original eligibility requirements for CHGME payments that were established prior to the Children's Hospital GME Support Reauthorization Act of 2013. These freestanding children's hospitals must meet the following criteria:

- 1) Have a Medicare provider agreement;
- 2) Are excluded from the Medicare Inpatient Prospective Payment System (IPPS) pursuant to section 1886(d)(1)(B)(iii) ⁴ of the Social Security Act (SSA) and its accompanying regulations; and
- 3) Participate in an approved GME residency training program as defined in section 1886(h)(5)(A) of the SSA.

b. **Newly Qualified Hospitals:** As per the Children's Hospital GME Support Reauthorization Act of 2013, a freestanding hospital may be eligible for CHGME

⁴ The exclusion of children's hospitals from IPPS set forth under section 1886(d)(1)(B)(iii) of the SSA states this exclusion exists for hospitals “whose inpatients are predominantly individuals under 18 years of age”.

payments depending on the level of funding appropriated to the program if it meets the following criteria:

- 1) Has a Medicare provider agreement;
- 2) Is excluded from Medicare IPPS pursuant to section 1886(d)(1)(B) of the SSA and its accompanying regulations;
- 3) Its inpatients are predominantly individuals under 18 years of age;
- 4) Has an approved medical residency training program as defined in section 1886(h)(5)(A) of the SSA; and
- 5) Is not otherwise qualified to receive payments as a Currently Eligible Hospital as defined by section 1886(h) of the SSA.

For those freestanding children's hospitals that met the above requirements for Newly Qualified Hospitals as of April 7, 2014, and the Secretary had not previously determined an average number of FTE residents under section 1886(h)(4) of the SSA, the Secretary may establish such number of FTE residents for the purposes of calculating CHGME Payment Program payments.

Any public or private nonprofit and for-profit children's teaching hospital with an accredited residency training program (as defined below), that meets all of the above requirements for either category of eligibility may apply, though final eligibility for receiving funds as a "currently eligible hospital" or as a "newly qualified hospital" will depend on appropriated funding levels. Children's hospitals applying for the CHGME Payment Program must train residents during the fiscal year for which they apply for funds.

Residents may be included in a hospital's FTE resident count for CHGME Payment Program purposes if the residency program (in which the resident is enrolled) meets one of the following criteria:

1. The program must lead toward board certification of its graduates by the American Board of Medical Specialties (ABMS) and also be approved for education and training activities by one of the following accrediting bodies:

- Accreditation Council for Graduate Medical Education
- American Osteopathic Association
- Commission on Dental Accreditation of the American Dental Association
- Council of Podiatric Medicine Education of the American Podiatric Medical Association

2. The program may count towards certification of the resident in a specialty or subspecialty listed in the current edition (at the time of the audit review) of the Directory

of Graduate Medical Education Programs (published by the American Medical Association) or the Annual Report and Reference Handbook (published by the American Board of Medical Specialties).

2. Cost Sharing/Matching

Cost sharing/matching is not required for this program.

3. Other

Payments will be determined in compliance with all program mandates, rules, regulations, policies, and guidance.

Deadline

HRSA may not consider an application for funding if it fails to satisfy the deadline requirements referenced in Section IV.4.

Multiple Applications

Multiple applications from an organization are not allowable. If for any reason (including submitting to the wrong funding opportunity number or making corrections/updates), an application is submitted more than once prior to the application due date, HRSA will only accept your last validated electronic submission, under the correct funding opportunity number, prior to the Grants.gov application due date as the final and only acceptable application.

Failure to include all required documents as part of the application may result in an application being considered incomplete or non-responsive. **Applications received without the appropriate tables will be deemed non-responsive to the NOFO and will not be considered for funding under this notice.**

Hospitals that qualified to receive CHGME funds as “Newly Qualified Hospitals” under the Children’s Hospital GME Support Reauthorization Act of 2013, as of April 7, 2014, and that do not already have a CMS cap established and are not able to apply for a CMS cap as a new residency training program, will have a “CHGME cap” established. The “CHGME cap” will be established using the number of FTE residents trained during the most recent Medicare cost report period completed on or before April 7, 2014. This value will be entered on sections 4, 5, and 6, of the HRSA 99-1, on lines 4.06, 5.06, and 6.06 as applicable. The “CHGME cap” reported by newly qualified hospitals will be verified by the CHGME auditors during the FY 2023 audit process.

Hospitals are responsible for the accuracy of application data submitted to HRSA and are subject to an audit. Hospitals are not required to submit documentation with their initial application to support resident counts reported on their CHGME Payment Program application. However, hospitals should be prepared to produce documentation in accordance with 42 CFR § 413.75(d) in any subsequent audit carried out by HHS or

its delegate. The CHGME Payment Program has in place a FTE Resident Assessment (audit) process in place. Auditors conduct an assessment of the FTE resident counts each fiscal year between October and March. The results of these FTE resident assessments are the basis for the hospitals' reconciliation applications. The audit methodology complies with the requirements under 42 CFR § 413.75(d) and parallels a similar GME audit process carried out by CMS to adjudicate the number of residents training in teaching hospitals that treat primarily adult patients. Children's hospitals that do not report FTE resident counts to Medicare are **not exempt** from this policy. An official of the hospital must verify the information provided in the application used to support the number of FTE residents for a particular cost-reporting period.

The audit is conducted to verify that the FTE resident counts reported by the participating children's hospitals are accurate; and to identify the FTE residents claimed for CHGME payment during the same period of training time claimed for reimbursement from any other source of federal GME funding, to include GME programs within HRSA (e.g. THCGME Program), CMS, and the Department of Defense. If a FTE resident's time is reported to any other federal GME programs for the purposes of receiving payment, the children's hospitals cannot also claim that same time for payment from the CHGME Payment Program. It is the responsibility of the children's hospital to resolve any overlaps (i.e., two or more hospitals claim a resident for the same or an overlapping period of time) before a disputed FTE resident will be included in the final FTE resident count used for calculation of CHGME Payment Program funding.

HRSA requires applicants to coordinate with affiliated teaching hospitals and teaching health centers in order to avoid over-reporting of CHGME- supported FTE residents.

The FTE Resident Assessment audit contractor will review the institutional agreement (also known as an affiliation agreement, memorandum of understanding, inter-institutional agreement, letter of commitment, letter of affiliation, letter of agreement, or written agreement) between a children's hospital and the sponsoring institution/residency program if the children's hospital is not the sponsoring institution or a major participating institution.

The institutional agreement is to identify the name(s) of the sponsoring institution(s), the residency program in which the residents are enrolled, the children's hospital, the residency program or department at the children's hospital where the residents will be rotating, the number of FTE residents allowed (e.g. 1 FTE per month), effective and expiration dates of the agreement, and financial arrangements. Agreements may vary slightly by specialty due to varying accrediting body residency review committee requirements for institutional agreements.

IV. Application and Submission Information

1. Address to Request Application Package

HRSA **requires** you to apply electronically. HRSA encourages you to apply through [Grants.gov](https://www.grants.gov) using the SF-424 Research and Related (R&R) Two-Tier workspace application package associated with this notice of funding opportunity (NOFO), following the directions provided at [Grants.gov: HOW TO APPLY FOR GRANTS](https://www.grants.gov). If you use an alternative electronic submission, see [Grants.gov: APPLICANT SYSTEM-TO-SYSTEM](https://www.grants.gov).

The NOFO is also known as “Instructions” on Grants.gov. You must select “Subscribe” and provide your email address for HRSA 23-012 in order to receive notifications including modifications, clarifications, and/or republications of the NOFO on Grants.gov. You will also receive notifications of documents placed in the RELATED DOCUMENTS tab on Grants.gov that may affect the NOFO and your application. You are ultimately responsible for reviewing the [For Applicants](#) page for all information relevant to this NOFO.

A budget information is NOT required for this funding opportunity. In conjunction with the application requirements and instructions in Section 5 of HRSA’s [SF-424 R&R Two-Tier Application Guide](#), please note the following:

Initial Application Process Overview

Phase 1. Grants.gov application: Required information must be complete and successfully validated under the correct funding opportunity number by 11:59 P.M. Eastern Time (ET) on August 1, 2022.

Phase 1 Steps:

Step 1: Confirmation of current registration with the System for Award Management (SAM.gov)

Step 2: Registration & Finding the CHGME NOFO on Grants.gov

Step 3: Completion of the SF-424 (R&R) short form in Grants.gov

The following should be included as part of the Grants.gov submission:

- a) SF-424 R&R cover page;
- b) Project/Performance Site Location(s) form;
- c) Project Abstract (required); and
- d) Disclosure of Lobbying Activities (SF-LLL), if applicable.

Only applicants who have successfully submitted a validated application in Grants.Gov (i.e., have completed Phase 1) by the August 1, 2022 deadline due date may submit the additional information on the CHGME Payment Program data forms in the HRSA EHBs (in order to complete Phase 2).

A project abstract is REQUIRED to be submitted in Phase 1 to consider an application complete. The project abstract is a new requirement for the CHGME Payment Program and should accurately describe your organization's objectives and goals within the context of a summary of the project. As an applicant, please seek guidance from your organization's Designated Institutional Official (DIO) to complete the project abstract form. Starting April 4, 2022, the UEI (SAM) will be the unique entity identifier for federal funding opportunities.

Phase 2. HRSA EHBs: Registration and CHGME applications must be completed and successfully submitted and validated by 5:00 P.M. Eastern Time on September 1, 2022, by your organization's designated Authorizing Official that has been designated to the CHGME Payment Program.

Please note that you can only begin Phase 2 in the HRSA EHBs after Phase 1 in Grants.gov has been completed by the application due date and HRSA has assigned a tracking number to the application a tracking number. A complete CHGME application includes the submission of supplemental information, which are completed data forms HRSA- 99, HRSA 99-1 (1 through 4), HRSA 99-2, and HRSA 99-5, as well as the required Attachments as identified in this NOFO.

Phase 2 Steps:

Step 1: Registration in HRSA Electronic Handbooks (EHBs)

Step 2: Access, complete, and submit of CHGME application in HRSA EHBs

2. Content and Form of Application Submission

Unless indicated otherwise in this NOFO, you must submit the information outlined in the SF-424 R&R Two-Tier Application Guide in addition to the program specific information below. You should not attach any supporting documentation that contains personal identifying information with the application including rotation schedules, IRIS data, etc. You are responsible for reading and complying with the instructions included in HRSA's SF-424 R&R Two-Tier Application Guide except where instructed in the NOFO to do otherwise. You must submit the application in the English language and must be in the terms of U.S. dollars (45 CFR § 75.111(a)).

See Section 9.5 of the SF-424 R&R Two-Tier Application Guide for the Application Completeness Checklist. Applications must be complete and validated by Grants.gov under the correct funding opportunity number prior to the Phase 1 deadline, and supplemental information must be submitted in the EHBs prior to the Phase 2 deadline, to be considered under this notice. See Section 5 of the HRSA [SF-424 R&R Two-Tier Application Guide](#) for Instructions for Completing the SF-424 R&R for Two-Tier Application.

Debarment, Suspension, Ineligibility, and Voluntary Exclusion Certification

- 1) You certify on behalf of the applicant organization, by submission of your proposal, that neither you nor your principals are presently debarred, suspended, proposed for debarment, declared ineligible, or voluntarily excluded from participation in this transaction by any federal department or agency.
- 2) Failure to make required disclosures can result in any of the remedies described in [45 CFR § 75.371](#), including suspension or debarment. (See also 2 CFR parts 180 and 376, and 31 U.S.C. § 3321).
- 3) If you are unable to attest to the statements in this certification, you must include an explanation in *Attachment #5: Other Relevant Documents*.

See Section 4.1 viii of HRSA's [SF-424 R&R Two-Tier Application Guide](#) for additional information on all certifications.

Program-Specific Instructions

In addition to application requirements and instructions in Section 4 of HRSA's [SF-424 R&R Two-Tier Application Guide](#) include the following:

i. Program-Specific Forms

The CHGME application includes four (4) forms that are available electronically in the EHBs:

- a) HRSA 99: Demographic and Contact Information Form
- b) HRSA 99-1: Determination of Weighted and Unweighted Resident FTE Count Form
- c) HRSA 99-2: Determination of Indirect Medical Education Data Related to the Teaching of Residents Form
- d) HRSA 99-5: Application Checklist

Copies of these forms are included in the NOFO for your reference (Appendix A). Do not include these tables as part of the Grants.gov application submission since you will be entering the data online in the HRSA EHBs by accessing the CHGME web application as part of Phase 2.

ii. Attachments

Provide the following items in the order specified below to complete the content of the application. **Unless otherwise noted, attachments count toward the application page limitation within the EHBs.** Any *hyperlinked* attachments will *not* be reviewed/opened by HRSA.

Please provide the following items to complete the content of the application. Each attachment must be clearly labeled, and is to be submitted during Phase 2 of the application directly in the EHBs.

Attachment 1 – If the hospital files a full Medicare Cost Report with CMS, attach Worksheet E-3 part IV or Worksheet E-4 of the Medicare Cost Reports for each of the Medicare Cost Report periods (where applicable).

Attachment 2 – Medicare Affiliation agreements when the hospital utilizes such agreements to increase/decrease its 1996 FTE resident cap, including a letter indicating that the affiliation agreements were filed with CMS prior to July 1 of that affiliation agreement's academic year.

Attachment 3 – Documents providing support of additions or reductions to FTE resident cap, if applicable.

Attachment 4 – Evidence of non-profit status, if applicable.

Attachment 5 – Delinquency on federal debt explanation and/or Debarment, Suspension, Ineligibility, and Voluntary Exclusion Certification explanation, if applicable.

3. Unique Entity Identifier (UEI) and System for Award Management (SAM)

The UEI, a “new, non-proprietary identifier” assigned by the System for Award Management ([SAM.gov](https://sam.gov)), has replaced the UEI Data Universal Numbering System (DUNS) number.

Effective April 4, 2022:

- You will no longer use a DUNS number and that number will not be maintained in any Integrated Award Environment (IAE) systems (SAM.gov, CPARS, FAPIIS, eSRS, FSRS, FPDS-NG). For more details, visit the following webpages: [Planned UEI Updates in Grant Application Forms](#) and [General Service Administration’s UEI Update](#).

You must register with SAM and continue to maintain active SAM registration with current information at all times when you have an active federal award; an active application, or an active plan under consideration by an agency (unless you are an individual or federal agency that is exempted from those requirements under 2 CFR § 25.110(b) or (c), or you have an exception approved by the agency under 2 CFR § 25.110(d)). For your SAM.gov registration, you must submit a notarized letter appointing the authorized Entity Administrator.

If you are chosen as a recipient, HRSA will not make an award until you have complied with all applicable SAM requirements. If you have not fully complied with the requirements by the time HRSA is ready to make an award, you may be deemed not qualified to receive an award, and HRSA may use that determination as the basis for making an award to another applicant.

If you have already completed Grants.gov registration for HRSA or another federal agency, confirm that the registration is still active and that the Authorized Organization Representative (AOR) has been approved.

The Grants.gov registration process requires information in two separate systems:

- SAM (<https://sam.gov/content/home> | SAM.gov Knowledge Base)
- Grants.gov (<https://www.grants.gov/>)

For more details, see Section 3.1 of HRSA’s [SF-424 R&R Two-Tier Application Guide](#).

If you fail to allow ample time to complete registration with SAM or Grants.gov, you will not be eligible for a deadline extension or waiver of the electronic submission requirement.

4. Submission Dates and Times

Application Due Date

The application due dates under this NOFO is are

- Phase 1: Grants.gov: August 1, 2022 at 11:59 p.m. ET.
- Phase 2: HRSA EHBs: September 1, 2022 at 5:00 p.m. ET.

Only applicants who successfully have successfully submitted an application validated in Grants.Gov (Phase 1) by the August 1, 2022 due date may submit the additional information CHGME Payment Program data forms in the HRSA EHBs (Phase 2). A project abstract is REQUIRED to be submitted.

HRSA suggests submitting applications to Grants.gov at least **3 calendar days before the deadline** to allow for any unforeseen circumstances. See Section 8.2.5 – Summary of emails from Grants.gov of HRSA's [SF-424 R&R Two-Tier Application Guide](#) for additional information.

5. Intergovernmental Review

Children's Hospitals Graduate Medical Education Payment Program is not subject to the provisions of Executive Order 12372, as implemented by 45 CFR part 100.

See Section 4.1 ii of HRSA's [SF-424 R&R Two-Tier Application Guide](#) for additional information.

6. Funding Restrictions

You may request funding for a period of performance of up to one year. This program NOFO is subject to the appropriation of funds, and is a contingency action taken to ensure that, should funds become available for this purpose, HRSA can process applications and award funds appropriately.

It is anticipated that funds awarded under this payment program will be for direct and indirect graduate medical expenses. Funding is dependent on the availability of funds and the amount of funding will be determined based on congressionally appropriated dollars.

Funds under this notice may not be used for purposes specified in HRSA's SF-424 R&R Two-Tier Application Guide under "Funding Restrictions."

The General Provisions in Division H of the Consolidated Appropriations Act, 2022 (P.L. 117-103) apply to this program. Please see Section 5.1.iv of HRSA's SF-424 R&R Two-Tier Application Guide for additional information. Note that these or other restrictions may apply in following fiscal years, as required by law.

You are required to have the necessary policies, procedures, and financial controls in place to ensure that your organization complies with all legal requirements and restrictions applicable to the receipt of federal funding including statutory restrictions on use of funds for lobbying, executive salaries, gun control, abortion, etc. Like all other applicable CHGME Payment Program award requirements, the effectiveness of these policies, procedures, and controls is subject to audit.

Be aware of the requirements for HRSA recipients and subrecipients at 2 CFR § 200.216 regarding prohibition on certain telecommunications and video surveillance services or equipment. For details, see the [HRSA Grants Policy Bulletin Number: 2021-01E](#).

V. Application Review Information

1. Review Criteria

The Children's Hospitals Graduate Medical Education (CHGME) Payment Program is a formula-based payment program. HRSA has procedures for assessing the technical merit of applications and to assist you in understanding the standards against which your application will be reviewed. HRSA will review each application for completeness and eligibility, and compliance with the requirements outlined in this NOFO. The CHGME Payment Program funds are distributed among eligible entities as formula-payment based payments awards according to data supplied in your application. HRSA will calculate FY 2023 award amounts based on the application data submitted in the initial application and reconciliation application.

Application review is conducted at HRSA by HRSA staff, and Fiscal Intermediaries (FI) conduct an independent assessment of FTE resident count. Section 340E(e)(3) of the Public Health Service Act states, in part, "[t]he Secretary shall determine any changes to the number of residents reported by a hospital in the application of the hospital for the current fiscal year to determine the final amount payable to the hospital for the current fiscal year for both direct expense and indirect expense amounts." The assessment of the FTE resident count by FIs occurs within a six-month period from the start of the federal fiscal year to the spring of the same federal fiscal year, to allow for reconciliation of payments within the appropriation year for which payments are made. CHGME FIs carry out the FTE assessment of residents each fiscal year, and each of the children's hospitals participating in the program is subject to this assessment. The final amount

determined through the reconciliation process is subject to administrative and judicial review under section 1878 of the SSA.

2. Review and Selection Process

The funds appropriated for the CHGME Payment Program are distributed among participating institutions as a formula-based payment program. Program data reported on HRSA forms are used to determine funding and administer the program. All required tables must be submitted electronically in the HRSA EHBs with the Phase 2 submission. Applications received without the appropriate tables will be deemed non-responsive to the NOFO and will not be considered for funding under this notice.

3. Quality Bonus System (QBS) Payment

The FY 2023 CHGME NOFO includes up to an estimated \$3 million that may be available for the CHGME QBS, which focuses on quality measurement and improvement. The goals of the QBS further are to recognize hospitals for quality improvement and GME transformation efforts in high priority focus areas and build standards to increase engagement and involvement of residents in broader initiatives involving high priority focus areas. which supports HRSA's efforts to improve the quality of the data collected about our programs, which will in turn assist in measuring and demonstrating long-term programmatic impacts and effectiveness.

In order to qualify for the QBS payment,

1. CHGME awardees must complete individual level documentation for all residents supported by the CHGME Payment Program in the FY 2023 Annual Performance Report (AY 2022-2023); and
2. CHGME awardees must report at 90% or greater response rate, excluding the "Not Reported" response option, in any individual level demographic including ethnicity, race, rural background and disadvantaged background, and training level data including training in telehealth and interprofessional teams in the FY 2023 Annual Performance Report (AY 2022-2023); and
3. Awardees must provide 50% or greater complete post-residency employment data in the FY 2023 Annual Performance Report (AY 2022- 2023).

See [CHGME Annual Performance Report \(AY 2021–2022\) Instruction Manual](#) for further information about the required performance measures collected.

Payment Structure: QBS payments in FY 2023 are targeted to be disbursed at the end of the fiscal year to ensure CHGME follows legislative mandates. CHGME hospitals that submit the required documentation outlined above will receive a portion of the available funds for the CHGME QBS payment. Amounts will be distributed according to a three tiered payment structure that recognizes the different annual payment levels received by CHGME hospitals. A QBS base payment rate will be determined from the total

amount available and the number of hospitals that qualify for the CHGME QBS in a fiscal year. Hospitals that meet the QBS standards will be divided into three tiers based on their combined direct and indirect fiscal year payment amounts, as calculated per the established CHGME Payment Program formulas:

Tier 1: Hospitals that qualify for the quality bonus payment that are in the lowest third of calculated CHGME annual payments among hospitals that qualify for the quality bonus payment will receive the QBS base payment.

Tier 2: Hospitals that qualify for the quality bonus payment that are in the middle third of calculated CHGME annual payments among hospitals that qualify for the quality bonus payment will receive two times the QBS base payment.

Tier 3: Hospitals that qualify for the quality bonus payment that are in the highest third of calculated CHGME annual payments among hospitals that qualify for the quality bonus payment will receive three times the QBS base payment.

4. Assessment of Risk

HRSA may elect not to fund applicants with management or financial instability that directly relates to the organization's ability to implement statutory, regulatory, or other requirements (45 CFR § 75.205).

HRSA reviews applications receiving a favorable objective review for other considerations that include past performance, as applicable; cost analysis of the project/program budget; assessment of your management systems, ensuring continued applicant eligibility; and compliance with any public policy requirements, including those requiring just-in-time submissions. HRSA may ask you to submit additional programmatic or administrative information (such as an updated budget or "other support" information) or to undertake certain activities (such as negotiation of an indirect cost rate) in anticipation of an award. However, even at this point in the process, such requests do not guarantee that HRSA will make an award. Following review of all applicable information, HRSA's approving and business management officials will determine whether HRSA can make an award, if special conditions are required, and what level of funding is appropriate.

Award decisions are discretionary and are not subject to appeal to any HRSA or HHS official or board.

HRSA is required to review and consider any information about your organization that is in the [Federal Awardee Performance and Integrity Information System \(FAPIIS\)](#). You may review and comment on any information about your organization that a federal awarding agency previously entered. HRSA will consider your comments, in addition to other information in [FAPIIS](#) in making a judgment about your organization's integrity, business ethics, and record of performance under federal awards when completing the

review of risk as described in [45 CFR § 75.205 HHS Awarding Agency Review of Risk Posed by Applicants](#).

HRSA will report to FAPIIS a determination that an applicant is not qualified ([45 CFR § 75.212](#)).

VI. Award Administration Information

1. Award Notices

HRSA will intends to release the Notice of Award (NOA) on or around the start date of October 1, 2022, subject to availability of funds. See Section 5.4 of HRSA's [SF-424 R&R Two-Tier Application Guide](#) for additional information.

HRSA intends to issue the Notice of Award (NOA) to "Currently Eligible Hospitals", subject to the availability of funds, through following the enactment of an annual appropriation or a continuing resolution. HRSA intends to issue the Notice of Award (NOA) in accordance with CHGME Payment Program legislation, to "Newly Qualified Hospitals" only if an annual appropriation is passed and only if the annual appropriation is funded at \$245,000,000 or more for FY 2023 in accordance with 42 U.S.C. § 256e(h).

See Section 6.4 of HRSA's SF-424 R&R Two-Tier Application Guide for additional information.

For "Newly Qualified Hospitals," the reauthorization permits the Secretary, "to make available up to 25 percent of the total amounts in excess of \$245,000,000" but "not to exceed \$7,000,000." "Newly Qualified Hospitals" will not receive an award, if any, until after an annual appropriation has been passed, and only if the annual appropriation is funded at \$245,000,000 or more for FY 2023.

2. Administrative and National Policy Requirements

See Section 2.1 of HRSA's [SF-424 R&R Two-Tier Application Guide](#).

If you are successful and receive a NOA, in accepting the award, you agree that the award and any activities thereunder are subject to:

- all provisions of 45 CFR part 75, currently in effect or implemented during the period of the award,
- other federal regulations and HHS policies in effect at the time of the award or implemented during the period of award, and
- applicable statutory provisions.

Accessibility Provisions and Non-Discrimination Requirements

Should you successfully compete for an award, recipients of federal financial assistance (FFA) from HHS must administer their programs in compliance with federal civil rights laws that prohibit discrimination on the basis of race, color, national origin, disability, age and, in some circumstances, religion, conscience, and sex (including gender identity, sexual orientation, and pregnancy). This includes ensuring programs are accessible to persons with limited English proficiency and persons with disabilities. The HHS Office for Civil Rights (OCR) provides guidance on complying with civil rights laws enforced by HHS. See [Providers of Health Care and Social Services](#) and [HHS Nondiscrimination Notice](#).

- Recipients of FFA must ensure that their programs are accessible to persons with limited English proficiency. For guidance on meeting your legal obligation to take reasonable steps to ensure meaningful access to your programs or activities by limited English proficient individuals, see [Fact Sheet on the Revised HHS LEP Guidance](#) and [Limited English Proficiency](#).
- For information on your specific legal obligations for serving qualified individuals with disabilities, including reasonable modifications and making services accessible to them, see [Discrimination on the Basis of Disability](#).
- HHS-funded health and education programs must be administered in an environment free of sexual harassment. See [Discrimination on the Basis of Sex](#).
- For guidance on administering your program in compliance with applicable federal religious nondiscrimination laws and applicable federal conscience protection and associated anti-discrimination laws, see [Conscience Protections for Health Care Providers](#) and [Religious Freedom](#).

Please contact the [HHS Office for Civil Rights](#) for more information about obligations and prohibitions under federal civil rights laws or call 1-800-368-1019 or TDD 1-800-537-7697.

The HRSA Office of Civil Rights, Diversity, and Inclusion (OCRDI) offers technical assistance, individual consultations, trainings, and plain language materials to supplement OCR guidance and assist HRSA recipients in meeting their civil rights obligations. Visit [OCRDI's website](#) to learn more about how federal civil rights laws

and accessibility requirements apply to your programs, or contact OCRDI directly at HRSACivilRights@hrsa.gov.

Executive Order on Worker Organizing and Empowerment

Pursuant to the Executive Order on Worker Organizing and Empowerment (E.O. 14025) HRSA strongly encourages applicants to support worker organizing and collective bargaining and to promote equality of bargaining power between employers and employees. This may include the development of policies and practices that could be used to promote worker power. Applicants can describe their plans and specific activities to promote this activity in the application.

Requirements of Subawards

The terms and conditions in the NOA apply directly to the recipient of HRSA funds. The recipient is accountable for the performance of the project, program, or activity; the appropriate expenditure of funds under the award by all parties; and all other obligations of the recipient, as cited in the NOA. In general, the requirements that apply to the recipient, including public policy requirements, also apply to subrecipients under of awards, and it is the recipient's responsibility to monitor the compliance of all funded subrecipients. See [45 CFR § 75.101 Applicability](#) for more details.

3. Reporting

Award recipients must comply with Section 6 of HRSA's [SF-424 R&R Two-Tier Application Guide](#) and the following reporting and review activities:

Audit Requirements - HHS, or any other authorized federal agency, may conduct an audit to determine whether the applicant has complied with all governing laws and regulations in its application for funding. All information submitted to HRSA by an applicant or participating hospital during or after the award of funds is subject to review in an audit. In addition, a FTE Resident Assessment will be conducted between October and March of each fiscal year. A CHGME FI is assigned to each children's hospital currently receiving CHGME Payment Program funding.

The CHGME FI conducts an assessment of FTE resident counts reported by the children's hospital in its initial application (HRSA 99-1) for CHGME Payment Program funding to determine any changes to those FTE resident counts prior to the CHGME Payment Program reconciliation application cycle. The CHGME FI follows a detailed protocol based on CMS rules and regulations designed to ensure that each FTE resident claimed by the children's hospital is documented in accordance with 42 CFR 413.75(d).

Resident counts are based on the number of residents training at the hospital complex and certain non-hospital/non-provider settings/sites throughout the hospital's fiscal year. Residents are counted as FTEs based on the total time necessary to fill a full-time

residency slot for the year.

1) **Progress Report(s).**

- 2) For this program, Government Performance and Results Act performance data tables are submitted as part of the reconciliation application, using the HRSA 99-4 form.

3) **Performance Reports.**

The annual performance report will address all academic year activities from July 1 to June 30, and will be due to HRSA on or around July 31 each year. The CHGME Payment Program mandates an annual submission of a Performance Report. Recipients must submit a Performance Report to HRSA via the EHBs on an annual basis, as required by Section 340E(b)(3) of the Public Health Service (PHS) Act, 42 U.S.C. § 256(e)(b)(3), as an addendum to the hospital's application for CHGME funding. All HRSA recipients are required to collect and report performance data so that HRSA can meet its obligations under the Government Performance and Results Modernization Act of 2010, and recipients of CHGME funding must also specifically submit the information required under Section 340E(b)(3)(B) of the PHS Act. HRSA may impose the 25 percent payment reduction specified under Section 340E(b)(3)(A) of the PHS Act for failure to submit a completed Annual Performance Report and/or enforce actions permitted by the Uniform Administrative Requirements, such as withholding support or restricting drawdown of payments, if the Annual Performance Report is not received by HRSA in the form and manner as instructed by the required due date.

Recipients who fail to comply with the submission requirements shall be notified and be provided a maximum of 30 days to submit required information, beginning on the date of such notice, before penalties shall be imposed.

For the CHGME Payment Program, the performance report will be completed based on most recent academic year data. Required measures include, but are not limited to, program characteristics, individual resident demographics, experiential training details, curriculum enhancement and development, and discharge data. The CHGME Payment Program will release the Annual Report forms in or around the 3rd Quarter of each fiscal year and the completed Annual Report forms are due on or around July 31 of the calendar year until and including FY 2023 (or until a new requirement is mandated). An overview of the required performance measures as well as a detailed instruction manual for performance

reporting are available at the following site:
<https://bhw.hrsa.gov/grants/reportonyourgrant>.

- 4) **Integrity and Performance Reporting.** The NOA will contain a provision for integrity and performance reporting in [FAPIIS](#), as required in [45 CFR part 75 Appendix XII](#).

Reducing Recipient Reporting Burden

Office of Management and Budget (OMB) Memorandum M-18-24, issued on September 5, 2018, titled “Strategies to Reduce Grant Recipient Reporting Burden” (OMB Memo), was issued on September 5, 2018. This memorandum was issued in response to the Digital Accountability and Transparency Act (DATA Act) requirement that OMB provide guidance to federal agencies to implement lessons learned from the DATA Act Pilot Program Report which was intended to identify new common data standards, to build efficient reporting tools, and to provide new solutions that reduce administrative burden on awardees and the Government workforce. For more details, see HRSA Grants Policy Bulletin 2019-05 OMB Memo Reducing Grant Recipient Reporting Burden.

Note that the OMB revisions to Guidance for Grants and Agreements termination provisions located at [2 CFR § 200.340 - Termination](#) apply to all federal awards effective August 13, 2020. No additional termination provisions apply unless otherwise noted.

VII. Agency Contacts

You may request additional information and/or technical assistance regarding business, administrative, or fiscal issues related to this NOFO by contacting:

Jamie King
Grants Management Specialist
Division of Grants Management Operations, OFAM
Health Resources and Services Administration
5600 Fishers Lane, Mailstop 10SWH03
Rockville, MD 20857
Telephone: (301) 443-1123
Email: JKing@hrsa.gov

You may request additional information regarding the overall program issues and/or technical assistance related to this NOFO by contacting:

Lisa Flach-Fulcher
Budget Analyst, Graduate Medical Education Branch
Division of Medicine
Attn: Children's Hospitals Graduate Medical Education Payment Program
Bureau of Health Workforce
Health Resources and Services Administration
5600 Fishers Lane, Room 15N190A
Rockville, MD 20857
Telephone: (301) 443-0365
Email: AFlach-Fulcher@hrsa.gov

You may need assistance when working online to submit your application forms electronically. Always obtain a case number when calling for support.

SAM.gov – For assistance with registration to do business with the federal government, contact SAM.gov, Monday to Friday, 8:00 a.m. to 8:00 p.m. ET:
SAM.gov Contact Center

Contact our supporting Federal Service Desk at www.fsd.gov or by telephone at 866-606-8220 (toll free) or +1 334-206-7828 (internationally), for free help with creating an account, assigning roles to an account, entity registrations.

Frequently Asked Questions: <https://www.sam.gov/SAM/pages/public/loginFAQ.jsf>
Self-Service Knowledge Base:
<https://www.sam.gov/SAM/pages/public/help/samQUserGuides.jsf>

For assistance with submitting the application in Grants.gov, contact Grants.gov 24 hours a day, 7 days a week, excluding federal holidays at:

Grants.gov Contact Center
Phone: 1-800-518-4726 (International callers dial 606-545-5035)
Email: support@grants.gov
Self-Service Knowledge Base: <https://grants-portal.psc.gov/Welcome.aspx?pt=Grants>

Successful applicants/recipients may need assistance when working online to submit information and reports electronically through [HRSA's Electronic Handbooks \(EHBs\)](#). Always obtain a case number when calling for support. For assistance with submitting in the EHBs, contact the HRSA Contact Center, Monday–Friday, 7 a.m. to 8 p.m. ET, excluding federal holidays at:

HRSA Contact Center
Telephone: (877) 464-4772 / (877) Go4-HRSA
TTY: (877) 897-9910
Web: <http://www.hrsa.gov/about/contact/ehbhelp.aspx>

VIII. Other Information

Technical Assistance

HRSA will hold a pre-application technical assistance (TA) webinar for applicants seeking funding through this opportunity. The webinar will provide an overview of pertinent information in the NOFO and an opportunity for applicants to ask questions. Visit the HRSA Bureau of Health Workforce's open opportunities website at <https://bhw.hrsa.gov/fundingopportunities/> to learn more about the resources available for this funding opportunity.

Note: Follow the instructions in the Appendix A unless instructed to do differently in this NOFO.

Appendix: A

Department of Health and Human Services
Health Resources and Services Administration
Bureau of Health Workforce

OMB No. 0915-0247
Expiration Date: 01/31/2023

Dear Applicant:

The Children's Hospitals Graduate Medical Education (CHGME) Payment Program application package, including all applicable forms, guidance and instructions, is available on-line within Health Resources and Services Administration's Electronic Handbook (EHB). It is very important to thoroughly read the detailed application guidance and instructions before completing the required application forms. The material contains information related to submission of both the initial and reconciliation applications.

Your completed application must be submitted through the EHB following the guidance provided in the "Application Cycle and Deadlines" section of the application package. Applications must be received by the stated deadlines to be considered for CHGME Payment Program funding.

If you have questions regarding the application, please call Dr. Kennita Carter, Branch Chief to the Graduate Medical Education Branch at 301-945-3505 or e-mail at kcarter@hrsa.gov

Sincerely yours,

/s/ Luis Padilla

Associate Administrator

Enclosures

Children's Hospitals Graduate Medical Education (CHGME) Payment Program Application Package

Table of Contents

<i>Section I: Overview of the CHGME Payment Program</i>	
Introduction	6
Administration	7
<i>Section II: Application Cycle and Deadlines</i>	
Initial Application	8
Interim Payment Determination and Disbursement (Based Upon the Initial Application)	8
Assessment of Resident Full-Time Equivalent Counts Reported in Initial Applications	9
Reconciliation Application	10
Final Payment Determination and Disbursement (Based Upon the Reconciliation Application)	11
<i>Section III: CHGME Payment Program Application Forms</i>	
HRSA 99: Demographic and Contact Information	15
HRSA 99-1: Determination of Weighted and Unweighted Resident Full-Time Equivalent Counts	17
HRSA 99-2: Determination of Indirect Medical Education Data Related to the Teaching of Residents	22
HRSA 99-4: Government Performance and Results Act Tables	25
HRSA 99-5: Application Checklist	28

<i>Section IV: Hospital Eligibility</i>	
Eligibility Criteria	29

Changes in Eligibility	30
------------------------	----

<i>Section V: Payment Methodology</i>	
--	--

Payment Methodology	31
---------------------	----

<i>Section VI: Hospital Data Needed to Complete the CHGME Payment Program Application</i>	
--	--

Data Sources for Children’s Hospitals that File Full Medicare Cost Reports	33
--	----

Data Sources for Children’s Hospitals that File Low- or No-Utilization Medicare Cost Reports	33
--	----

Data Sources for Children’s Hospitals that Have Not Completed Three (3) Medicare Cost Report Periods	34
--	----

Data Sources for Children’s Hospitals that Have Not Completed One (1) Medicare Cost Report Period	35
---	----

<i>Section VII: Determining the Total Number of Resident Full-Time Equivalents</i>	
---	--

Cap and Cap Year	37
------------------	----

Adjustments to a Hospital’s Cap	38
---------------------------------	----

Exceeding the Cap	41
-------------------	----

Eligible Residency Programs (Approved Training Programs)	43
--	----

Eligible Residents	44
--------------------	----

International Medical Graduates (IMGs)	44
--	----

Resident Full-Time Equivalent Counts	45
--------------------------------------	----

Initial Residency Period	45
--------------------------	----

Weighting of Resident Full-Time Equivalent Counts	46
---	----

Where Residents are Counted	47
-----------------------------	----

Hospital Complex	48
Non-Provider/Non-Hospital Settings and Written Agreements	48
Partial Resident Full-Time Equivalents	49
Research Time	50
Resident Full-Time Equivalent Count Accuracy and Documentation	50
Section VIII: <i>Special Instructions for Calculating Reductions and Increases to a Hospital's 1996 Base Year Cap as a Result of §422 of the Medicare Modernization Act of 2003</i>	
Decrease to a Hospital's 1996 Base Year Cap (§422 Cap Reduction)	51
Increase to a Hospital's 1996 Base Year Cap (§422 Cap Increase)	51
Section IX: <i>Special Instructions for Calculating Reductions and Increases to a Hospital's 1996 Base Year Cap as a Result of §5503 of the Affordable Care Act of 2010</i>	
Decrease to a Hospital's 1996 Base Year Cap (§5503 Cap Reduction)	53
Increase to a Hospital's 1996 Base Year Cap (§5503 Cap Increase)	53
Section X: <i>Special Instructions for Calculating Indirect Medical Education Payment Variables</i>	
Number of Inpatient Discharges	55
Case Mix Index	55
Number of Available Beds	56
Intern/Resident to Bed Ratio	56
Section XI: <i>Special Calculation Instructions for Hospitals that Have Not Completed a Medicare Cost Reporting Period</i>	
Determining the Period of Eligibility	58
Calculating the Resident Full-Time Equivalent Count for an Incomplete Cost Reporting Period	59

Calculating the Case Mix Index for an Incomplete Cost Reporting Period	60
Calculating Discharges for an Incomplete Cost Reporting Period	60
Calculating the Number of Available Beds for an Incomplete Cost Reporting Period	61
Calculating Inpatient Days for an Incomplete Cost Reporting Period	62
Calculating Outpatient Services for an Incomplete Cost Reporting Period	62
<i>Section XII:</i> <i>Special Calculation Instructions for Establishing a “CHGME cap” for Newly Qualified Hospitals</i>	
Calculating a “CHGME cap” for Newly Qualified Hospitals	63
<i>Section XIII:</i> <i>CHGME Payment Program Application Form Instructions</i>	
HRSA 99: Hospital Demographic and Contact Information	64
HRSA 99-1: Determination of Weighted and Unweighted Resident Full-Time Equivalent Counts	65
HRSA 99-2: Determination of Indirect Medical Education Data Related to the Teaching of Residents	72
HRSA 99-4: Government Performance and Results Act Tables	74
HRSA 99-5: Application Checklist	77
<i>Section XIV:</i> <i>References</i>	
Commonly Used Acronyms	78

Section I

Overview of the CHGME Payment Program

Introduction

In 1999, Congress addressed the disparity of explicit graduate medical education (GME) funding between freestanding children's teaching hospitals and other teaching hospitals by passing the Healthcare Research and Quality Act, which established the Children's Hospitals Graduate Medical Education (CHGME) Payment Program. The act was signed on December 6, 1999 and the legislation authorized the program for Federal fiscal year (FY) 2000 and FY 2001. On October 17, 2000, the Children's Health Act of 2000 amended the Healthcare Research and Quality Act of 1999 extending the CHGME Payment Program through FY 2005. On December 23, 2004, additional amendments under Public Law 108-490 were made to Section 340E of the Public Health Service Act affecting the CHGME Payment Program. In October 2006, the Children's Hospital GME Support Reauthorization Act of 2006 reauthorized the CHGME Payment Program through FY 2011. In April 2014, the Children's Hospital GME Support Reauthorization Act of 2013 reauthorized the CHGME Payment Program through FY2019, and included a provision to allow newly qualified hospitals to apply for CHGME funding. Most recently, the CHGME Payment Program was reauthorized by the Dr. Benjy Frances Brooks Children's Hospital GME Support Reauthorization Act of 2018 (P.L. 115-241). The Program continues to operate through an appropriation.

CHGME funding supports the education and training of physician and dental residents, and enhances their ability to care for low-income patients. The CHGME program funds nearly 60 freestanding children's teaching hospitals across the country that train 51 percent of the Nation's pediatricians and 50 percent of pediatric specialists trained in the United States⁵

These are the physicians who care for America's youngest population – its children. Almost 50 percent of the patient care that children's teaching hospitals provide is for

⁵ Percentages are based on the Accreditation Council for Graduate Medical Education's Data Resource Book for Academic Year 2020-2021.

low-income children, including those covered by Medicaid and those who are uninsured. In addition, these hospitals are regional and national referral centers for very sick children, often serving as the only source of care for many critical pediatric services. In Academic Year 2020-2021, CHGME funded hospitals served as sponsoring institutions for 42 medical residency programs and 246 fellowship programs⁶.

The CHGME Payment Program provides a more adequate level of support for GME training in U.S. children's teaching hospitals that have a separate Medicare provider payment agreement. These hospitals receive relatively little funding from Medicare for GME. In 2018, Medicare paid \$15 billion in funding to support GME training at 1,319 hospital, with an average payment of \$11 million per hospital.⁷

In FY 2021, the CHGME Payment Program provided \$330,032,625 in GME payments to 59 children's hospitals in 30 states, the District of Columbia and Puerto Rico. Since the inception of this program in 1999, the program has disbursed approximately \$5.8 billion in Federal GME support to freestanding children's teaching hospitals.

Administration

The CHGME Payment Program is administered by the Graduate Medical Education Branch (GMEB) of the Division of Medicine and Dentistry (DMD), Bureau of Health Workforce (BHW), Health Resources and Services Administration (HRSA), Department of Health and Human Services (DHHS). The objective of the GMEB is to provide the assistance that freestanding children's hospitals need to ensure a future pediatric workforce that will treat U.S. children and to protect the safety net hospitals that address the needs of the underserved. Questions regarding the CHGME Payment Program should be directed to the:

Department of Health and Human Services
Health Resources and Services Administration
Bureau of Health Workforce
Division of Medicine and Dentistry
Graduate Medical Education Branch
Attn: Dr. Kennita Carter, MD
5600 Fishers Lane
Room 15N116

⁶ Health and Human Services, Health Resources and Services Administration, "HRSA Health Workforce: Children's Hospital Graduate Medical Education Program, Academic Year 2020-2021, [hyperlink to be added when available].

⁷ United States Government Accountability Office (GAO). Report to Congressional Requesters. PHYSICIAN WORKFORCE: Caps on Medicare-Funded Graduate Medical Education: An Overview. GA0-21-391, May, 2021.

Section II

Application Cycle and Deadlines

For hospitals to be considered for CHGME Payment Program funding, they must comply with statutory eligibility requirements described herein and participate in the CHGME Payment Program's application cycle, which consists of specific processes for any given FY. These processes are guided by the CHGME Payment Program's statute and are described below.

Initial Application

For children's hospitals, meeting all statutory and eligibility requirements, to receive CHGME Payment Program funding, they must submit a completed initial application for CHGME Payment Program funding in accordance with the established deadlines noted below. During the initial application process, eligible children's hospitals provide the CHGME Payment Program with information relevant to the interim determination of payments.

Initial applications for CHGME Payment Program funding must include the following forms:

- i. HRSA 99: Demographic and Contact Information
- ii. HRSA 99-1: Determination of Weighted and Unweighted Resident FTE Counts
- iii. HRSA 99-2: Determination of Indirect Medical Education Data Related to the Teaching of Residents
- iv. HRSA 99-5: Application Checklist

Applications accepted for review must be completed following the application guidance and instructions provided herein, submitted in English and include the above completed forms and supporting documentation as identified in the HRSA 99-5 (Application Checklist). The forms HRSA 99, HRSA 99-1, HRSA 99-2, and HRSA 99- 5 must be submitted electronically through the secure EHB web-application system.

Interim Payment Determination and Disbursement (Based Upon the Initial Application)

In accordance with CHGME Payment Program statutory requirements, information provided by participating children's hospitals in their initial applications for CHGME Payment Program funding is used by the CHGME Payment Program to calculate payments for all eligible children's hospitals prior to the beginning of the FY (October

1st) for which children's hospitals have applied for CHGME Payment Program funding. CHGME Direct Medical Education (DME), and Indirect Medical Education (IME) payments, allocated to eligible children's hospitals, are based on the information reported in their initial applications for CHGME Payment Program funding. Each of the payments is determined by formula, and a hospital receives its proportion of the total

CHGME funding based on the calculation of the formula. For DME, the CHGME funding is proportional to the number of residents the hospital trains. Furthermore, the DME payment formula accounts for a hospital's specific geographic variations in costs, and inflation. For IME, the CHGME funding takes into account the severity of illness of its inpatients, the number of available beds, as well as the number of residents the hospital trains.

DME and IME payment calculations are subject to all rules, regulations, and policies governing the CHGME Payment Program.

On or after October 1st of the FY for which eligible children's hospitals have applied for CHGME Payment Program funding, the CHGME Payment Program will begin making interim payments. CHGME Program payments to eligible children's hospitals will be contingent upon enactment of the FY 2023 Federal budget. Children's hospitals will be notified, in writing, of the Secretary's interim payment determination. In accordance with the CHGME Payment Program statute, payments will reflect up to a 25 percent withholding from each interim installment (payment) for both DME and IME payments, as necessary, to ensure that a hospital will not be overpaid on an interim basis.

Assessment of FTE Resident Counts Reported in Initial Applications

The CHGME Payment Program statute, at 42 USC 256e(e)(3), mandates that "the Secretary shall determine any changes to the number of residents reported by a hospital in the application of the hospital for the current fiscal year to determine the final amount payable to the hospital for the current fiscal year for both direct expense and indirect expense amounts." Therefore, prior to the end of the FY for which children's hospitals have applied for CHGME Payment Program funding, the Secretary must determine (reconcile) any changes to the number of FTE residents reported by a hospital in its initial application for the current FY, which will impact final payments made by the CHGME Payment Program to all eligible children's hospitals. This determination is done by conducting a comprehensive assessment of the FTE resident counts claimed by children's hospitals in their initial applications for CHGME Payment Program funding.

The CHGME Payment Program has contracted with CHGME FIs to carry out an assessment of FTE resident counts (hereinafter the "FTE Resident Assessment Program") reflected in participating children's hospitals initial applications for CHGME Payment Program funding to determine any changes to the FTE resident counts initially reported. An assessment of FTE resident counts reported by children's hospitals in their initial applications for CHGME Payment Program funding is performed regardless of the

type(s) of Medicare cost report (MCR) the hospital files (e.g., full, low- or no-utilization) for purposes of receiving CHGME Payment Program funding. This process is designed to assess FTE resident counts for all children's hospitals in an equitable fashion and within CHGME Payment Program time constraints.

The FTE Resident Assessment Program requires participating children's hospitals to comply with requests from the CHGME FIs, within the time constraints provided, as any changes to FTE resident counts in one children's hospital's application for CHGME Payment Program funding affects the distribution of funds among all eligible children's hospitals. To minimize public burden, CHGME FIs use and build upon work previously conducted by CHGME and/or Medicare Administrative Contractors (MACs) in prior years. The CHGME Payment Program has made available several guidance documents on the CHGME Payment Program's website at <https://bhw.hrsa.gov/grants/medicine/chgme> which provide further information about the FTE Resident Assessment Program and documentation recommendations related to the assessment of FTE resident counts.

At the conclusion of the FTE Resident Assessment Program, the CHGME FIs will forward final assessment reports to the respective children's hospitals, the MACs, and the CHGME Payment Program explaining the results of the review. The assessment reports include CHGME FI-generated HRSA 99-1's, which children's hospitals must use to complete their reconciliation applications (see Reconciliation Application below). The assessment reports may also include supporting documentation including, but not limited to: adjustment reports, updates to the intern and resident database, adjustments to the Centers for Medicare and Medicaid Services (CMS) form 2552-10 Worksheet E-4 (2552-96 Worksheet E-3, Part IV), or letters to the (MAC requesting the reopening of one or more MCRs.

Reconciliation Application

During the third quarter of each FY (typically April 1st) for which payments are being made, the CHGME Payment Program will release a reconciliation application for use by participating children's hospitals to report changes in the FTE resident counts reported in their initial applications for CHGME Payment Program funding. For children's hospitals to continue receiving CHGME Payment Program funding, they must submit a completed reconciliation application for CHGME Payment Program funding in accordance with established deadlines noted below. The FTE resident counts reported by children's hospitals in their reconciliation applications must be for the same MCR period(s) identified in the hospital's initial application for the subject FY and consistent with those reported in the CHGME FIs FTE resident final assessment report to be accepted by the CHGME Payment Program.

The FTE resident counts from the final assessment reports are used to determine the final amounts payable to children's hospitals for the current FY for both DME and IME.

Children's hospitals whose FTE resident counts have not changed are not exempt from completing and submitting a CHGME Payment Program reconciliation application.

Reconciliation applications for CHGME Payment Program funding must include the following forms:

- i. HRSA 99: Hospital Demographic and Contact Information
- ii. HRSA 99-1: Determination of Weighted and Unweighted Resident FTE Counts
- iii. HRSA 99-2: Determination of Indirect Medical Education Data Related to the Teaching of Residents
- iv. HRSA 99-4: Government Performance and Results Act Tables
- v. HRSA 99-5: Application Checklist

Applications accepted for review must be completed following the application guidance and instructions provided herein, submitted in English and include the above completed forms and supporting documentation as identified in the HRSA 99- 5 (Application Checklist). The forms HRSA 99, HRSA 99-1, HRSA 99-2, HRSA 99-4 and HRSA 99-5 must be submitted electronically through the secure EHB web- application system.

If a children's hospital fails to complete and return a reconciliation application according to the terms and conditions of the CHGME Payment Program, the DHHS may suspend the award, pending corrective action, or may terminate the award for cause.

Children's hospitals that were not eligible to participate or did not apply for funding during the initial application process for a given FY are not eligible to apply for and receive funding during the reconciliation application process for the same FY. These hospitals must wait until the next (initial) application cycle to apply for CHGME Payment Program funding.

Final Payment Determination and Disbursement (Based Upon the Reconciliation Application)

The Secretary will determine any balance due or any overpayment made to individual hospitals following the determination of changes, if any, to the number of FTE residents reported by children's hospitals in their reconciliation applications as a result of the FTE Resident Assessment Program. Children's hospitals will be notified, in writing, of the Secretary's final reconciliation payment determination during the fourth quarter (July 1st – September 30th) of the FY in which payments are being made.

Children's hospitals that have been notified of an overpayment will have 30 days to return the overpayment to the DHHS without accrual of interest. Children's hospitals that fail to return overpayments within the specified timeframe will accrue and be responsible for any interest.

Reconciliation payments will be made to individual hospitals on or before the end of the FY (September 30th) in which payments are being made. The Secretary will include in the reconciliation payments funding initially withheld in accordance with statutory requirements. All hospitals, whether or not they report changes to their FTE resident counts during the reconciliation process, can expect changes to their final payment determination as a result of FTE resident count changes reported by other participating children's hospitals. This is due to the methodology used to determine CHGME Payment Program payments. More detailed information is available on the CHGME Payment Program payment methodology in Section V of this application package.

The DME and IME payment calculations are subject to all statutes, rules and regulations, and accompanying policies relating to the CHGME Payment Program, including the June 19, 2000 Federal Register notice for DME, the July 20, 2001 Federal Register notice for IME, §422 of the Medicare Modernization Act (MMA) of 2003, and sections 5503, 5504, 5505, and 5506 of the Affordable Care Act (ACA) of 2010.

At the end of the FY, the CHGME Payment Program may make a final payment to distribute any remaining funds, including those funds that have been returned to the DHHS during the course of the FY as a result of overpayment or hospitals' loss of eligibility.

Section III

Department of Health and Human Services
Health Resources and Services Administration

OMB No. 0915-0247
Expiration Date: 01/31/2023

CHILDREN'S HOSPITALS GRADUATE MEDICAL EDUCATION PAYMENT PROGRAM

APPLICATION FORMS

**CHILDREN'S HOSPITALS GRADUATE MEDICAL
EDUCATION PAYMENT PROGRAM**

APPLICATION FORM HRSA 99

Public Burden Statement

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control number for this project is 0915-0247. Public reporting burden for this collection of information is estimated to average 0.33 hours per response, including the time for reviewing instructions, searching existing data sources, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to HRSA Reports Clearance Officer, 5600 Fishers Lane, Room 14N136B, Rockville, Maryland, 20857 or paperwork@hrsa.gov.

Children's Hospitals Graduate Medical Education Payment Program
Demographic and Contact Information

Name of Applicant:

City, State:

Medicare Provider Number:

FFY in which Applying for CHGME PP Funding: **FFY**

Type of Application (check box to the left): **Initial Application** **Reconciliation Application**

1. Contact and business information for the applicant hospital:

Official Name of the
Hospital:

Physical Address of the
Hospital:

Tax ID:

County where hospital is
physically located:

Medicare Provider
Number:

D&B D-U-N-S Number:

Hospital Website:

2. Contact information for the individual to be notified if the application is funded.

Name:

Title:

Mailing Address:

Telephone Number:

Email Address:

3. Contact information for the individual authorized to sign for the applicant institution. (This individual should be the same person who signs as the authorizing individual on HRSA 99-3.)

Name:

Title:

Mailing Address:

Telephone Number:

Email Address:

Signature and Date:

Children's Hospitals Graduate Medical Education Payment Program
Demographic and Contact Information

Name of Applicant:

City, State:

Medicare Provider Number:

FFY in which Applying for CHGME PP Funding: **FFY**

Type of Application (check box to the left): **Initial Application** ☐ **Reconciliation Application** ☐

4. Contact information for the Director of Graduate Medical Education.

Name: _____
Title: _____
Mailing Address: _____
Telephone Number: _____
Email Address: _____
Signature and Date: _____

5. Contact information for the individual who can provide the documentation for the information submitted since, like all Federal programs, this proposal is subject to audit.

Name: _____
Title: _____
Mailing Address: _____
Telephone Number: _____
Email Address: _____

6. Contact information for the individual who prepared and/or completed this application package for the applicant hospital and can answer questions related to the information submitted.

Name: _____
Title: _____
Mailing Address: _____
Telephone Number: _____
Email Address: _____

**CHILDREN'S HOSPITALS GRADUATE MEDICAL
EDUCATION PAYMENT PROGRAM**

APPLICATION FORM HRSA 99-1

Public Burden Statement

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control number for this project is 0915-0247. Public reporting burden for this collection of information is estimated to average 26.5 hours per response, including the time for reviewing instructions, searching existing data sources, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to HRSA Reports Clearance Officer, 5600 Fishers Lane, Room 14N136B, Rockville, Maryland, 20857.

Children's Hospitals Graduate Medical Education Payment Program Determination of Weighted and Unweighted Resident FTE Counts						
Name of Applicant:						
City:		State:		Zip Code:		
Medicare Provider Number:						
Fiscal Year in which applying for funding:		FFY				
Type of Application (check box to the left)		Initial Application		Reconciliation Application		
Are you a new children's hospital that has not completed three full Medicare cost reporting periods? (Please place 'n' for no or 'y' for yes in the cell to the right)						
Section 1	DETERMINATION OF RESIDENT FTE CAP FOR THE HOSPITAL'S MOST RECENT COST REPORTING PERIOD ENDING ON OR BEFORE DECEMBER 31, 1996			To be completed by hospital	For CHGME FI Use Only	
				HOSPITAL DATA	MCR DATA	FI DATA
1.01	Inclusive dates of the subject cost reporting period	(From)	10/01/1995			
		(To)	09/30/1996			
1.02	Status of MCR		S/R/P			
1.03	Unweighted resident FTE count for allopathic and osteopathic programs (from the 1996 cap year)		0.00	0.00	0.00	
Section 2	AVERAGE OF UNWEIGHTED RESIDENT FTE COUNTS			HOSPITAL DATA	MCR DATA	FI DATA
2.01	Total unweighted resident FTE count for the hospital's most recently completed cost reporting period		0.00	0.00	0.00	
2.02	Total unweighted resident FTE count for the hospital's prior cost reporting period		0.00	0.00	0.00	
2.03	Total unweighted resident FTE count for the hospital's penultimate cost reporting		0.00	0.00	0.00	
2.04	Rolling average of unweighted resident FTE count		0.00	0.00	0.00	
2.05	Add On: Unweighted resident FTE count meeting the criteria for an exception		0.00	0.00	0.00	
2.06	Adjusted rolling average of unweighted resident FTE count		0.00	0.00	0.00	
2.07	Add On: Unweighted resident FTE count from MMA §422		0.00	0.00	0.00	
2.08	Grand Total: Unweighted resident FTE Count		0.00	0.00	0.00	
Section 3	AVERAGE OF WEIGHTED RESIDENT FTE COUNTS			HOSPITAL DATA	MCR DATA	FI DATA
3.01	Total weighted resident FTE count for the hospital's most recently completed cost reporting period		0.00	0.00	0.00	
3.02	Total weighted resident FTE count for the hospital's prior cost reporting period		0.00	0.00	0.00	
3.03	Total weighted resident FTE count for the hospital's penultimate cost reporting		0.00	0.00	0.00	
3.04	Rolling average of weighted resident FTE count		0.00	0.00	0.00	
3.05	Add On: Weighted resident FTE count meeting the criteria for an exception		0.00	0.00	0.00	
3.06	Adjusted rolling average of weighted resident FTE count		0.00	0.00	0.00	
3.07	Add On: Weighted resident FTE count from MMA §422		0.00	0.00	0.00	
3.08	Grand Total: Weighted resident FTE Count		0.00	0.00	0.00	
HRSA 99-1 Page 1 of 4 (Rev. 04-2016) Created in MS Excel 7.0						

Children's Hospitals Graduate Medical Education Payment Program Determination of Weighted and Unweighted Resident FTE Counts						
Name of Applicant:		0				
City:	0	State:	0	Zip Code:		0
Medicare Provider Number:		0				
Fiscal Year in which applying for funding:		FFY				
Type of Application (check box to the left)		Initial Application		Reconciliation Application		
Section 4	DETERMINATION OF FTE RESIDENT COUNT THE HOSPITAL'S RECENTLY COMPLETED COST REPORTING PERIOD	FOR MOST	HOSPITAL DATA		For CHGME FI Use Only	
			1996 CAP YEAR	§422 of the MMA	MCR DATA	FI DATA
4.01	Inclusive dates of the subject cost reporting period	(From)				
		(To)				
4.02	Status of MCR					
4.03	Unweighted resident FTE count for allopathic and osteopathic programs (from the 1996 cap year)		0.00		0.00	0.00
4.04	Addition (to the cap) for the unweighted resident FTE count for allopathic and osteopathic programs due to 42 CFR 413.79(e) (add-on)		0.00		0.00	0.00
4.04a	Reduction (to the cap) for the unweighted resident FTE count for allopathic and osteopathic programs due to § 422 of the MMA		0.00		0.00	0.00
4.04b	Reduction (to the cap) for the unweighted resident FTE count for allopathic and osteopathic programs due to § 5503 of ACA		0.00		0.00	0.00
4.05	Adjustment (plus or minus) for the unweighted resident FTE count for allopathic and osteopathic programs for affiliated programs		0.00		0.00	0.00
4.05a	Addition (to the cap) for the unweighted resident FTE count for allopathic and osteopathic programs due to § 5503 of ACA		0.00		0.00	0.00
4.05b	Addition (to the cap) for the unweighted resident FTE count for allopathic and osteopathic programs due to § 5506 of ACA (add-on)		0.00		0.00	0.00
4.06	FTE adjusted cap or 2013 CHGME Reauthorization cap due to Public Law 113-98		0.00	0.00	0.00	0.00
4.07	Unweighted resident FTE count for allopathic and osteopathic programs.		0.00	0.00	0.00	0.00
4.08	Enter the lesser of lines 4.06 and 4.07		0.00	0.00	0.00	0.00
4.09	Unweighted resident FTE count for allopathic and osteopathic residents in their initial residency period		0.00	0.00	0.00	0.00
4.10	Unweighted resident FTE count for allopathic and osteopathic residents beyond their initial residency period		0.00	0.00	0.00	0.00
4.11	Weighted resident FTE count for allopathic an osteopathic residents beyond their initial residency period		0.00	0.00	0.00	0.00
4.12	Weighted resident FTE count for allopathic osteopathic programs		0.00	0.00	0.00	0.00
4.13	Weighted resident FTE count for allopathic and osteopathic programs following application of the resident FTE adjusted cap		0.00	0.00	0.00	0.00
4.14	Unweighted resident FTE count for dental and podiatric programs		0.00		0.00	0.00
4.15	Unweighted resident FTE count for dental and podiatric residents in their initial residency period		0.00		0.00	0.00
4.16	Unweighted resident FTE count for dental and podiatric resident beyond their initial residency period		0.00		0.00	0.00
4.17	Weighted resident FTE count for dental and podiatric residents beyond their initial residency period		0.00		0.00	0.00
4.18	Weighted resident FTE count for dental and podiatric programs		0.00		0.00	0.00
4.19	Total unweighted resident FTE count		0.00	0.00	0.00	0.00
4.20	Total weighted resident FTE count		0.00	0.00	0.00	0.00

Children's Hospitals Graduate Medical Education Payment Program Determination of Weighted and Unweighted Resident FTE Counts						
Name of Applicant:		0				
City:	0	State:	0	Zip Code:	0	
Medicare Provider Number:		0				
Fiscal Year in which applying for funding:		FFY				
Type of Application (check box to the left)		Initial Application		Reconciliation Application		
Section 5	DETERMINATION OF FTE RESIDENT COUNT FOR THE HOSPITAL'S PRIOR COST REPORTING PERIOD			HOSPITAL DATA	For CHGME FI Use Only	
				1996 Cap Year	MCR DATA	FI DATA
5.01	Inclusive dates of the subject cost reporting period	(From)	10/01/2009	10/01/2009		
		(To)	09/30/2010	09/30/2010		
5.02	Status of MCR		S	S	S	
5.03	Unweighted resident FTE count for allopathic and osteopathic programs (from the 1996 cap year)		0.00	0.00	0.00	
5.04	Addition (to the cap) for the unweighted resident FTE count for allopathic and osteopathic programs due to 42 CFR 413.79(e) (add-on)		0.00	0.00	0.00	
5.04a	Reduction (to the cap) for the unweighted resident FTE count for allopathic and osteopathic programs due to § 422 of the MMA		0.00	0.00	0.00	
5.04b	Reduction (to the cap) for the unweighted resident FTE count for allopathic and osteopathic programs due to § 5503 of ACA		0.00	0.00	0.00	
5.05	Adjustment (plus or minus) for the unweighted resident FTE count for allopathic and osteopathic programs for affiliated programs		0.00	0.00	0.00	
5.05a	Addition (to the cap) for the unweighted resident FTE count for allopathic and osteopathic programs due to § 5503 of ACA		0.00	0.00	0.00	
5.05b	Addition (to the cap) for the unweighted resident FTE count for allopathic and osteopathic programs due to § 5506 of ACA (add-on)		0.00	0.00	0.00	
5.06	FTE adjusted cap or 2013 CHGME Reauthorization cap due to Public Law 113-98		0.00	0.00	0.00	
5.07	Unweighted resident FTE count for allopathic and osteopathic programs.		0.00	0.00	0.00	
5.08	Enter the lesser of lines 5.06 and 5.07		0.00	0.00	0.00	
5.09	Unweighted resident FTE count for allopathic and osteopathic residents in their initial residency period		0.00	0.00	0.00	
5.10	Unweighted resident FTE count for allopathic and osteopathic residents beyond their initial residency period		0.00	0.00	0.00	
5.11	Weighted resident FTE count for allopathic and osteopathic residents beyond their initial residency period		0.00	0.00	0.00	
5.12	Weighted resident FTE count for allopathic osteopathic programs		0.00	0.00	0.00	
5.13	Weighted resident FTE count for allopathic and osteopathic programs following application of the resident FTE adjusted cap		0.00	0.00	0.00	
5.14	Unweighted resident FTE count for dental and podiatric programs		0.00	0.00	0.00	
5.15	Unweighted resident FTE count for dental and podiatric residents in their initial residency period		0.00	0.00	0.00	
5.16	Unweighted resident FTE count for dental and podiatric resident beyond their initial residency period		0.00	0.00	0.00	
5.17	Weighted resident FTE count for dental and podiatric residents beyond their initial residency period		0.00	0.00	0.00	
5.18	Weighted resident FTE count for dental and podiatric programs		0.00	0.00	0.00	
5.19	Total unweighted resident FTE count		0.00	0.00	0.00	
5.20	Total weighted resident FTE count		0.00	0.00	0.00	
HRSA 99-1 Page 3 of 4 (Rev. 04-2016) Created in MS Excel 7.0						

Children's Hospitals Graduate Medical Education Payment Program Determination of Weighted and Unweighted Resident FTE Counts					
Name of Applicant:		0			
City:	0	State:	0	Zip Code:	0
Medicare Provider Number:		0			
Fiscal Year in which applying for funding:		FFY			
Type of Application (check box to the left)		Initial Application		Reconciliation Application	
Section 6	DETERMINATION OF FTE RESIDENT COUNT FOR THE HOSPITAL'S PENULTIMATE COST REPORTING PERIOD		HOSPITAL DATA	For CHGME FI Use Only	
			1996 Cap Year	MCR DATA	FI DATA
6.01	Inclusive dates of the subject cost reporting period	(From)	10/01/2008	10/01/2008	
		(To)	09/30/2009	09/30/2009	
6.02	Status of MCR				
6.03	Unweighted resident FTE count for allopathic and osteopathic programs (from the 1996 cap year)		0.00	0.00	0.00
6.04	Addition (to the cap) for the unweighted resident FTE count for allopathic and osteopathic programs due to 42 CFR 413.79(e) (add-on)		0.00	0.00	0.00
6.04a	Reduction (to the cap) for the unweighted resident FTE count for allopathic and osteopathic programs due to § 422 of the MMA		0.00	0.00	0.00
6.04b	Reduction (to the cap) for the unweighted resident FTE count for allopathic and osteopathic programs due to § 5503 of ACA		0.00	0.00	0.00
6.05	Adjustment (plus or minus) for the unweighted resident FTE count for allopathic and osteopathic programs for affiliated programs		0.00	0.00	0.00
6.05a	Addition (to the cap) for the unweighted resident FTE count for allopathic and osteopathic programs due to § 5503 of ACA		0.00	0.00	0.00
6.05b	Addition (to the cap) for the unweighted resident FTE count for allopathic and osteopathic programs due to § 5506 of ACA (add-on)		0.00	0.00	0.00
6.06	FTE adjusted cap or 2013 CHGME Reauthorization cap due to Public Law 113-98		0.00	0.00	0.00
6.07	Unweighted resident FTE count for allopathic and osteopathic programs.		0.00	0.00	0.00
6.08	Enter the lesser of lines 6.06 and 6.07		0.00	0.00	0.00
6.09	Unweighted resident FTE count for allopathic and osteopathic residents in their initial residency period		0.00	0.00	0.00
6.10	Unweighted resident FTE count for allopathic and osteopathic residents beyond their initial residency period		0.00	0.00	0.00
6.11	Weighted resident FTE count for allopathic and osteopathic residents beyond their initial residency period		0.00	0.00	0.00
6.12	Weighted resident FTE count for allopathic osteopathic programs		0.00	0.00	0.00
6.13	Weighted resident FTE count for allopathic and osteopathic programs following application of the resident FTE adjusted cap		0.00	0.00	0.00
6.14	Unweighted resident FTE count for dental and podiatric programs		0.00	0.00	0.00
6.15	Unweighted resident FTE count for dental and podiatric residents in their initial residency period		0.00	0.00	0.00
6.16	Unweighted resident FTE count for dental and podiatric resident beyond their initial residency period		0.00	0.00	0.00
6.17	Weighted resident FTE count for dental and podiatric residents beyond their initial residency period		0.00	0.00	0.00
6.18	Weighted resident FTE count for dental and podiatric programs		0.00	0.00	0.00
6.19	Total unweighted resident FTE count		0.00	0.00	0.00
6.20	Total weighted resident FTE count		0.00	0.00	0.00
HRSA 99-1 Page 4 of 4 (Rev. 04-2016)				Created in MS Excel 7.0	

CHILDREN'S HOSPITALS GRADUATE MEDICAL EDUCATION PAYMENT PROGRAM

APPLICATION FORM HRSA 99-2

Public Burden Statement

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control number for this project is 0915-0247. Public reporting burden for this collection of information is estimated to average 11.33 hours per response, including the time for reviewing instructions, searching existing data sources, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to HRSA Reports Clearance Officer, 5600 Fishers Lane, Room 14N-136B, Rockville, Maryland, 20857.

Children's Hospitals Graduate Medical Education Payment Program Determination of Indirect Medical Education Data Related to the Teaching of Residents							
Name of Applicant:		0					
City	0	State	0	Zip Code:	0		
Medicare Provider Number		0					
Fiscal Year in which Applying for Funding:			FFY				
Type of Application (check box to the left)			Initial Application		Reconciliation Application		
Inpatient Data for the Current Medicare Cost Report (MCR) Period							
1.01	Inclusive dates of the current MCR period			<i>From:</i>		<i>To:</i>	
1.02	Number of Inpatient Days						
1.03	Number of Inpatient Discharges						
1.04	Case Mix Index (CMI)						
				Hospitals that elect not to submit a CMI are required to initial the box to the left acknowledging their ineligibility for IME payments. The initials to the left must be consistent with the signature on HRSA 99-3.			
IRB Ratio for the Current MCR Period							
1.05	3-year adjusted unweighted resident FTE rolling average for the current MCR period			0.00			
1.06	Bed count for the current MCR period			0			
1.07	IRB ratio for the current MCR period			0.000000			
IRB Ratio for the Previous MCR Period							
1.08	Inclusive dates of the previous MCR period			<i>From:</i>		<i>To:</i>	
1.09	Unweighted resident FTE count for the previous MCR period			0.00			
1.10	Bed count for previous MCR period			0.00			
1.11	IRB ratio for the previous MCR period			0.000000			
IRB Cap							
1.12	IRB Cap (lesser of 1.07 or 1.11)			0.000000			
§422 of the MMA IRB Ratio for the Current MCR Period							
1.13	§422 of the MMA unweighted resident FTE count for the current MCR period			0.00			
1.14	Bed count for the current MCR period			0.00			
1.15	§422 of the MMA IRB ratio for the current MCR period			0.000000			
Outpatient Data							
1.16	Number of Ambulatory Surgery Visits			0.00			
1.17	Number of Radiology Visits			0.00			
1.18	Number of Urgent Care Visits			0.00			
1.19	Number of Emergency Department Visits			0.00			
1.20	Number of Clinic Visits			0.00			
HRSA 99-2 Page 1 of 1 Created in MS Excel 7.0 (Rev. 04-2016)							

**CHILDREN'S HOSPITALS GRADUATE MEDICAL
EDUCATION PAYMENT PROGRAM**

APPLICATION FORM HRSA 99-4

Public Burden Statement

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control number for this project is 0915-0247. Public reporting burden for this collection of information is estimated to average 12.5 hours per response, including the time for reviewing instructions, searching existing data sources, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to HRSA Reports Clearance Officer, 5600 Fishers Lane, Room 14N-136B, Rockville, Maryland, 20857.

**Children's Hospitals Graduate Medical Education Payment Program
Government Performance and Results Act (GPRA) Tables**

Name of Applicant: #REF!	
City: #REF!	State: #REF! Zip Code: #REF!
Medicare Provider Number: #REF!	
Fiscal Year in which applying for funding: FFY #REF!	
Type of Application (check box to the left)	For submission with Reconciliation Application only.

Table 1. Number of FTE Residents Enrolled in Approved Residency Programs Supported by or Rotating at the Children's Hospital

Number of FTE Residents Enrolled in Approved Residency Programs		Family Medicine Residents	General Internal Medicine Residents	Preventive Medicine Residents	Geriatric Medicine Residents	Osteopathic General Practice Residents	General Surgery Residents	All Other Non-Pediatric Residents	General Pediatric Residents	Subspecialty Pediatric Residents (Fellows)	Total Non-Pediatric Residents	Total
1.01	Sponsored by the Children's Hospital and Rotating at the Children's Hospital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.02	Sponsored by the Children's Hospital and Rotating at Non-Provider sites	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.03	Sponsored by Other Hospitals and Rotating at the Children's Hospital	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.04	Sum of Lines 1.01 through 1.03 (above)	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
1.05	Sponsored by the Children's Hospital and Rotating at Other Hospitals	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Children's Hospitals Graduate Medical Education Payment Program Government Performance and Results Act (GPRA) Tables				
Name of Applicant:		#REF!		
City:	#REF!	State:	#REF!	Zip Code: #REF!
Medicare Provider Number:		#REF!		
Fiscal Year in which applying for funding:		FFY	#REF!	
Type of Application (check box to the left)		For submission with Reconciliation Application only.		

Table 2. Hospital's Total and Operating Margins	
Total Margins	
Operating Margins	

Table 3. Hospital's Allowable Operating Expenses	
Total Allowable Operating Expenses	

Table 4. Hospital's Revenue, Gross Revenue and Expenses Attributed to Patient Care							
Revenue and Expense Type				Inpatient		Outpatient	
1. Hospital's gross revenue attributed to Medicaid & SCHIP							
2. Hospital's gross revenue attributed to Medicare							
3. Hospital's gross revenue attributed to self-pay							
4. Hospital's gross revenue attributed to other sources							
5. Hospital's total gross revenue attributed to patient care				\$0.00		\$0.00	
6. Hospital's total expenses attributed to uncompensated care							
7. Hospital's total expenses attributed to charity care							
HRSA 99-4 Page 2 of 2						Created in MS Excel 7.0	
(Rev. 04-2016)							

CHILDREN'S HOSPITALS GRADUATE MEDICAL EDUCATION PAYMENT PROGRAM

APPLICATION FORM HRSA 99-5

Public Burden Statement

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number. The OMB control number for this project is 0915-0247. Public reporting burden for this collection of information is estimated to average 1.55 hours per response, including the time for reviewing instructions, searching existing data sources, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to HRSA Reports Clearance Officer, 5600 Fishers Lane, Room 14N-136B, Rockville, Maryland, 20857.

Children's Hospitals Graduate Medical Education Payment Program Application Checklist

Name of Applicant:

Medicare Provider Number:

FFY in which Applying for CHGME PP Funding: FFY

Type of Application (check box to the left): Initial Application Reconciliation Application

Application Forms and Supporting Documentation	This Column to be Completed by the Applicant Hospital	This Column to be Completed by the CHGME PP
Is the Listed Item Completed and Attached?		
Forms and Supporting Documentation Required to be Submitted by All Participating Hospitals		
HRSA-99 (2 pages)	☐ Yes ☐ No	☐ Yes ☐ No
HRSA 99-1 (4 pages)	☐ Yes ☐ No	☐ Yes ☐ No
HRSA 99-2 (1 page)	☐ Yes ☐ No	☐ Yes ☐ No
HRSA 99-3 (6 pages)	☐ Yes ☐ No	☐ Yes ☐ No
HRSA 99-4 (2 pages) – Required at Reconciliation only	☐ Yes ☐ No	☐ Yes ☐ No
HRSA 99-5 (1 page)	☐ Yes ☐ No	☐ Yes ☐ No
Computer Disk Containing Completed HRSA Forms	☐ Yes ☐ No	☐ Yes ☐ No
One (1) Copy of the Hospital's Completed Application Package. The copy should include all required forms and supporting documentation s presented in the original package.	☐ Yes ☐ No	☐ Yes ☐ No
Additional Supporting Documentation		
The forms and supporting documentation listed below may not applicable to all hospitals. Hospitals should contact their CHGME PP regional manager for assistance and/or clarification.		
Cover letter detailing any issues that may impact the processing or approval of the children's hospital's application for CHGME PP funding.	☐ Yes ☐ No	☐ Yes ☐ No
CMS 2552-96 MCR Worksheet E-3, Part IV(s) Required for each cost reporting period identified in the HRSA 99-1 in which the hospital filed a full MCR.	☐ Yes ☐ No	☐ Yes ☐ No
Affiliation Agreement for an Aggregate Cap Required for each cost reporting period identified in the HRSA 99-1 in which the hospital established a Medicare GME Affiliation Agreement. Please ensure that the most recent version/update is provided (i.e., reflecting any adjustments made to the agreement during the academic year).	☐ Yes ☐ No	☐ Yes ☐ No
CMS Letter(s) addressing changes to the Hospital's 1996 Base Year Cap as a result of §422 of the MMA and/or §5503 of the ACA (increases and/or decreases).	☐ Yes ☐ No	☐ Yes ☐ No
HRSA 99-5 Page 1 of 1 (Rev. 04-2016)	Created in MS Word 6.0	

Section IV

Hospital Eligibility Criteria

According to Public Law 106-310, a children's teaching hospital must meet the following eligibility criteria for CHGME Payment Program funding. The hospital must:

1. participate in an approved GME program;
2. have a Medicare Provider Agreement;
3. be excluded from the Medicare inpatient prospective payment system (PPS) under section 1886(d)(1)(B)(iii) of the Social Security Act, and its accompanying regulations⁽¹⁾; and
4. operate as a "freestanding" children's teaching hospital, as defined by the CHGME Payment Program.⁽²⁾

As per the Children's Hospital GME Support Reauthorization Act of 2013 (Public Law 113-98), a freestanding hospital that meets the following criteria may be eligible as a newly qualified hospital for CHGME payments depending on the level of funding appropriated to the program:

1. It has an approved medical residency training program as defined in section 1886(h)(5)(A) of the Social Security Act;
2. It has a Medicare provider agreement and is excluded from the Medicare inpatient hospital prospective payment system (IPPS) pursuant to section 1886(d)(1)(B) of the Social Security Act and its accompanying regulations;
3. Its inpatients are predominantly individuals under 18 years of age;
4. It is not otherwise qualified to receive payments under this section or section 1886(h) of the Social Security Act. For those free-standing children's hospitals that met the above requirements as of April 7, 2014, when the Secretary has not previously determined an average number of FTE residents under section 1886(h)(4) of the Social Security Act, the Secretary may establish such number of FTE residents for the purposes of calculating CHGME program payments.

⁽¹⁾ A hospital with a 3300 series Medicare provider number would meet this criterion (i.e., 55- 3300).

⁽²⁾ A children's teaching hospital is considered "freestanding" if it does not operate under a Medicare hospital provider number assigned to a larger health care entity that receives Medicare GME payments.

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ CHGME Payment Program, Federal Register Notice, March 1, 2001 (66 FR 12940)

Changes in Eligibility

A hospital remains eligible for CHGME Payment Program funding as long as it meets the eligibility criteria listed above and trains residents as a “freestanding” children’s hospital during the FY for which CHGME Program payments are being made.

If a hospital becomes ineligible for payments:

1. it must notify the CHGME Payment Program immediately of the change in status and the date of the change; and
2. it will be liable for the reimbursement, with interest, of any funds received during the period of ineligibility.

Additional references:

- ❖ *CHGME Payment Program, Federal Register Notice, March 1, 2001 (66 FR 12940)*

Section V

Payment Methodology

CHGME Payment Program funding to individual children’s hospitals is based upon a number of variables, including the rolling average of weighted and un-weighted FTE resident counts, which are used to calculate DME and IME payments, respectively. Payment variables and calculations are subject to all other statutes, rules and regulations, and accompanying policies relating to the CHGME Payment Program statute, including the June 19, 2000 Federal Register Notice for DME (65 FR 37985), the March 1, 2001 Federal Register Notice (66 FR 12940), the July 20, 2001 Federal Register Notice for IME (66 FR 37980), the October 22, 2003 Federal Register Notice (68 FR 60396), §422 of the MMA of 2003, as well as and Sections 5503, 5504, 5505, and 5506 of the ACA of 2010.

The rolling average is the average of the FTE resident counts reported by the children’s hospital for the ⁽¹⁾:

1. most recently filed MCR (or the most recently completed MCR period); and
2. the prior two years.

⁽¹⁾ CHGME Payment Program funding to a children’s hospital that has not completed three (3) MCR periods will be based upon the hospital’s FTE resident count from its “most recently filed” or “most recently completed” MCR period until three (3) MCR periods have been completed.

The rolling average FTE resident count includes all residents except those that qualify for an adjustment after the averaging rules are applied in accordance with 42 CFR 413.77.

The FTE resident count for any MCR period is based upon the number of:

1. allopathic and osteopathic residents following application of the “cap”, where applicable; and
2. dental and podiatric residents.

Effective “for portions of cost reporting periods occurring on or after July 1, 2005”, the CHGME Payment Program will not include FTE residents counted against the \$422 cap increase in the 3- year rolling average calculation for purposes of DME and IME payments. Additional information regarding the CHGME Payment Program’s implementation of §422 of the MMA of 2003 is included in Sections VII and VIII of this application package.

Effective “for portions of cost reporting periods ending on or after July 1, 2011”, the CHGME Payment Program will include FTE residents counted against the \$5503 cap increase in the 3- year rolling average calculation for purposes of DME and IME payments. Additional information regarding the CHGME Payment Program’s implementation of §5503 of the ACA of 2010 is included in Sections VII and VIII of this application package.

Additional references:

- ❖ *Social Security Act, Section 1886*
- ❖ *CMS, 42 CFR 413.77*
- ❖ *CMS, Federal Register Notice, August 11, 2004 (69 FR 48916)*
- ❖ *CMS, Federal Register Notice, November 24, 2010 (75 FR 72194)*
- ❖ *CHGME Payment Program , Federal Register Notice, June 19, 2000 (65 FR 37985)*
- ❖ *CHGME Payment Program , Federal Register Notice, March 1, 2001 (66 FR 12940)*
- ❖ *CHGME Payment Program , Federal Register Notice, July 20, 2001 (66 FR 37980)*
- ❖ *CHGME Payment Program , Federal Register Notice, October 22, 2003 (68 FR 60396)*

Applicable to the following application forms: HRSA-99-1, HRSA-99-2, and HRSA-99-4

Section VI

Hospital Data Needed to Complete the CHGME Payment Program Application

Data Sources for Children’s Hospitals that File Full MCRs

To complete a CHGME Payment Program application, hospitals that file full MCRs (i.e., report residents to Medicare on CMS 2552-10, Worksheet E-4 (formerly named CMS 2552-96, Worksheet E-3, Part IV)) must use the data as reflected in their:

1. most recently filed MCR for the period ending on or before December 31, 1996 (the “cap year”);
2. most recently filed MCR; and the
3. prior two years.

In addition, hospitals who received adjustments to their cap (increases or decreases) as a result of §422 of the MMA of 2003 must use data included in and provide a copy of their written notification from CMS regarding these adjustments on CMS 2552-10, Worksheet E-4 (formerly named CMS 2552-96, Worksheet E-3, Part VI). Additional information regarding the CHGME Payment Program’s implementation of §422 of the MMA of 2003 is included in Sections VII and VIII of this application package.

Also, hospitals who received adjustments to their cap (increases or decreases) as a result of §5503 of the ACA of 2010 must use data included in and provide a copy of their written notification from CMS regarding these adjustments on CMS 2552-10, Worksheet E-4 (formerly named CMS 2552-96, Worksheet E-3, Part IV). Additional information regarding the CHGME Payment Program’s implementation of §5503 of the ACA of 2010 is included in Sections VII and VIII of this application package.

Additional references:

- ❖ *Social Security Act, Section 1886*
- ❖ *CMS, 42 CFR 413.77*
- ❖ *CMS, Federal Register Notice, August 11, 2004 (69 FR 48916)*
- ❖ *CMS, Federal Register Notice, November 24, 2010 (75 FR 72192)*
- ❖ *CHGME Payment Program , Federal Register Notice, March 1, 2001 (66 FR 12940)*

Applicable to the following application forms: HRSA-99-1, HRSA-99-2, and HRSA-99-4

Data Sources for Children’s Hospitals that File Low- or No-Utilization MCRs

To complete a CHGME Payment Program application, hospitals that file low- or no-utilization MCRs (i.e., do not report residents to Medicare on CMS 2552-10, Worksheet E-4 (formerly named CMS 2552-96, Worksheet E-3, Part IV)) must use the data as reflected in their hospital records for the:

1. most recently completed MCR period for the period ending on or before December 31, 1996 (the “cap year”);
2. most recently completed MCR period; and the
3. completed MCR periods for the prior two years.

In addition, hospitals who received adjustments to their cap (increases or decreases) as a result of §422 of the MMA of 2003 must use data included in and provide a copy of their written notification from CMS regarding these adjustments. Additional information regarding the CHGME Payment Program's implementation of §422 of the MMA of 2003 is included in Sections VII and VIII of this application package.

Also, hospitals who received adjustments to their cap (increases or decreases) as a result of §5503 of the ACA of 2010 must use data included in and provide a copy of their written notification from CMS regarding these adjustments. Additional information regarding the CHGME Payment Program's implementation of §5503 of the ACA of 2010 is included in Sections VII and VIII of this application package.

Hospitals whose most recently completed MCR period ends less than five (5) months prior to the stated CHGME Payment Program initial application deadline may report as their most recently completed MCR period FTE resident counts from their most recently completed or the previously completed MCR period.

Example:

Charlie's Angels Children's Center (CACC) will file a low-utilization MCR for its 06/30/08 year- end. The CHGME Payment Program application deadline for FY 2009 is August 1, 2008 (approximately 1 month after CACC's year-end). CACC has the option of reporting as its "most recently completed MCR period" data from its 6/30/07 or 6/30/08 year-end. Since CACC needs time to close-out its FTE resident counts and financial records for its 6/30/08 year-end, it decides to use the FTE resident count data from its 6/30/07 cost reporting period to complete Section 4 of HRSA-99-1. Consequently, CACC must use data from its 6/30/06 and 6/30/05 MCR periods to complete Sections 5 and 6 of the HRSA-99-1, respectively. CACC must also use its hospital data from its 6/30/07 cost reporting period to complete all subsequent application forms (i.e., HRSA- 99-2, HRSA-99-4, etc.). CACC cannot use the FTE resident count data from its 6/30/08 MCR period until the next CHGME Payment Program initial application cycle (FY 2010).

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ CMS, 42 CFR 413.77
- ❖ CMS, Federal Register Notice, August 11, 2004 (69 FR 48916)
- ❖ CMS, Federal Register Notice, November 24, 2010 (75 FR 72152)
- ❖ CHGME Payment Program , Federal Register Notice, March 1, 2001 (66 FR 12940)

Applicable to the following application forms: HRSA-99-1, HRSA-99-2, and HRSA-99-4

Data Sources for Children's Hospitals that Have Not Completed Three (3) MCR Periods

If a hospital has completed at least one (1), but not more than two (2) MCR periods, CHGME Payment Program funding to the children's hospital will be based upon data from the hospital's "most recently filed" or "most recently completed" MCR period until three (3) MCR periods have been completed. Hence, the hospital will not complete sections 5 and 6 of HRSA-99-1 and its DME and IME payments will not be based upon a three-year rolling average FTE resident count.

Upon completion of three (3) MCR periods, the hospital will complete sections 5 and 6 of HRSA-99-1 and will receive DME and IME payments based upon a three-year rolling average FTE resident count.

In addition, hospitals who received adjustments to their cap (increases or decreases) as a result of §422 of the MMA of 2003 must use data included in and provide a copy of their written notification from CMS regarding these adjustments. Additional information regarding the CHGME Payment Program's implementation of §422 of the MMA of 2003 is included in Sections VII and VIII of this application package.

Also, hospitals who received adjustments to their cap (increases or decreases) as a result of §5503 of the ACA of 2010 must use data included in and provide a copy of their written notification from CMS regarding these adjustments. Additional information regarding the

CHGME Payment Program's implementation of §5503 of the ACA of 2010 is included in Sections VII and VIII of this application package.

Additional references:

- ❖ CHGME Payment Program , Federal Register Notice, July 20, 2001 (66 FR 37980)
- ❖ CMS, Federal Register Notice, August 11, 2004 (69 FR 48916)
- ❖ CMS, Federal Register Notice, November 24, 2010 (75 FR 72152)

Applicable to the following application forms: HRSA-99-1, HRSA-99-2, and HRSA-99-4

Data Sources for Children's Hospitals that Have Not Completed One (1) MCR Period

New children's teaching hospitals (new to the CHGME Payment Program) training residents who were originally trained in a program that received and will continue to receive funding under the CHGME Payment Program are required to wait until they have completed a MCR period before applying for CHGME Payment Program funding. These hospitals must also apply the 3-year rolling average (to their FTE resident counts) in accordance with Medicare regulations. Over a 3-year period, the "new children's teaching hospital" will gradually increase its number of FTE residents that can be claimed in the CHGME Payment Program as the children's hospital that originally

trained those FTE residents gradually decreases its FTE resident count for determining payments from the CHGME Payment Program.

New children's teaching hospitals (new to the CHGME Payment Program) training residents previously trained at a hospital that never received (or is no longer receiving) funding under the CHGME Payment Program are eligible for CHGME Payment Program funding without having completed a MCR period. In addition, a hospital that becomes newly eligible for the CHGME Payment Program by starting its own "new medical residency training program" according to Medicare regulation 42 CFR 413.79(e)(1) will also be eligible for CHGME Payment Program funding without having completed a MCR period.

Hospitals that are eligible to receive CHGME Payment Program funding without having completed a MCR period must follow the guidance provided in Section X of this application package which provides special calculation instructions for hospitals that have not completed a MCR report.

Additional references:

- ❖ CHGME Payment Program , Federal Register Notice, July 20, 2001 (66 FR 37980)

Applicable to the following application forms: HRSA-99-1, HRSA-99-2, and HRSA-99-4

Section VII

Determining the Total Number of Resident Full-Time Equivalents

Cap and Cap Year

Section 1886(d)(5)(B)(v) of the Social Security Act established "caps" on the number of allopathic and osteopathic residents that a hospital operating an approved GME program may count when requesting payment for DME and IME costs. A hospital's "cap" (hereinafter the "1996 Base Year Cap") is currently defined as the "number of un-weighted FTE residents enrolled in a hospital's allopathic and osteopathic residency programs during the most recent cost reporting period ending on or before December 31, 1996 (the "cap year")." The cap (i.e., limit) on the number of allopathic and osteopathic residents is effective for all cost reporting periods beginning on or after October 1, 1997. Dental and podiatric residents are exempt from the cap, but are included in the FTE resident counts for all relevant years to calculate the three- year rolling average.

The "cap year" is defined as a hospital's most recent cost reporting period ending on or before December 31, 1996.

Example:

CACC had 75 FTE residents enrolled in its allopathic programs, 25 FTE residents enrolled in its osteopathic programs and 7 FTE residents enrolled in its dental and podiatric programs for its 6/30/96 MCR period (its most recent MCR period ending on or before December 31, 1996). Hence, CACC's cap for Medicare and CHGME Payment Program purposes is 100 (75+25=100). Note: Dental residents do not count towards the cap amount.

Hospitals that are eligible to receive CHGME funds as "newly qualified hospitals" under the Children's Hospital GME Support Reauthorization Act of 2013, and that do not already have a CMS cap established and are not able to apply for a CMS cap as a new residency training program, will have a "CHGME cap" established using the number of FTE residents trained during the most recent Medicare cost report period completed on or before April 7, 2014, the date of enactment of the Children's Hospital GME Support Reauthorization Act of 2013, as verified by the CHGME auditors during the FTE Resident Assessment Program.

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ CMS, 42 CFR 413.79
- ❖ CHGME Payment Program , Federal Register Notice, March 1, 2001 (66 FR 12940)
- ❖ CHGME Payment Program , Federal Register Notice, July 20, 2001 (66 FR 37980)

Applicable to the following application forms: HRSA-99-1 and HRSA-99-2

Adjustments to a Hospital's Cap

As noted above, Section 1886(d)(5)(B)(v) of the Social Security Act established caps on the number of allopathic and osteopathic residents that a hospital operating an approved GME program may count when requesting payment for DME and IME costs. While Medicare and the CHGME Payment Program only make DME and IME payments for the number of allopathic and osteopathic FTE residents up to a hospital's "1996 Base Year Cap", some hospitals have trained allopathic and osteopathic residents in excess of their 1996 Base Year Cap. There are also a number of hospitals that have reduced their resident positions to a level below their 1996 Base Year Cap.

Subsequent legislative actions and related Federal Register notices addressing these issues allow a hospital's cap to be permanently changed (increased or decreased) by CMS or temporarily adjusted at the request of the hospital and approved by CMS. These provisions are detailed below.

§422 of the Medicare Modernization Act of 2003

In December 2003, the President signed the MMA of 2003 (also known as the Medicare Prescription Drug and Improvement Act of 2003), Public Law 108-173. Section 422 of the MMA added Section 1886(h)(7) to the Social Security Act (SSA). This provision reduced the 1996 Base Year Cap for certain hospitals and redistributed those positions to other hospitals that applied for and received an increase to their 1996 Base Year Cap under §422. Hereinafter, any decreases to a hospital's 1996 Base Year Cap as a result of

§422 will be referred to as the "§422 Cap Reduction" and any increases to the 1996 Base Year Cap as a result of §422 will be referred to as the "§422 Cap Increase." Authority for implementing §422 of the MMA was delegated to CMS. Determinations made and implemented by CMS in response to §422 are final and not subject to appeal, and binding on the CHGME Payment Program.

Under the CHGME Payment Program statute, by incorporation of the SSA provisions, HRSA must implement the counting law and rules of Medicare, which include those related to the implementation of §422 of the MMA. Additional information regarding the CHGME Payment Program's implementation of §422 of the MMA can be found in Section VIII of this application package.

§5503 of the Affordable Care Act of 2010

In March 2010, the President signed the ACA of 2010 (also known as the Affordable Care Act of 2010), Public Law 111-148. Section 5503 of the ACA added Section 1886(h)(8)(F) to the SSA. This provision reduced the 1996 Base Year Cap for certain hospitals and redistributed those positions to other hospitals that applied for and received an increase to their 1996 Base Year Cap under §5503.

Hereinafter, any decreases to a hospital's 1996 Base Year Cap as a result of §5503 will be referred to as the "§5503 Cap Reduction" and any increases to the 1996 Base Year Cap as a result of §5503 will be referred to as the "§5503 Cap Increase." Authority for implementing §5503 of the ACA was delegated to CMS. Determinations made and implemented by CMS in response to §5503 are final and not subject to appeal, and binding on the CHGME Payment Program.

Under the CHGME Payment Program statute, by incorporation of the SSA provisions, HRSA must implement the counting law and rules of Medicare, which include those related to the implementation of §5503 of the ACA. Additional information regarding the CHGME Payment Program's implementation of §5503 of the ACA can be found in Section VIII of this application package.

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ CMS, 42 CFR 413.79(c)(2)

Medicare GME Affiliation Agreements and Other Regulations Allowing the Establishment or Adjustment of a Hospital Cap

Hospitals that meet criteria as currently eligible hospitals (Section IV) that were not in existence for the most recent cost reporting period ending on or before December 31, 1996 do not have a “1996 Base Year Cap” and are, therefore, “capped” to a FTE resident count of zero “0”. Hence, eligible hospitals must obtain (or adjust) their 1996 Base Year Cap (or lack thereof) in order to receive CHGME Payment Program funding.

To provide an adjustment to a cap, the CHGME Payment Program will allow hospitals to add FTE residents to their “1996 Base Year Cap” based on the following Medicare and CHGME Payment Program regulations:

1. the formation of a new medical residency program as described in 42 CFR 413.79(e)(1); or
2. the redistribution of FTE resident positions from a closed hospital as described in §5506 of the ACA (75 FR 72212, November 24, 2010), with the following exceptions:
 - i. In the first cost reporting period in which the hospital takes displaced residents and the hospital closure occurs, the applying hospital would receive a temporary cap adjustment, and the displaced FTE residents would be exempt from the three-year rolling average and the Intern/Resident to Bed (IRB) ratio cap.
 - ii. In the cost reporting period following the one in which the hospital closure occurred, the applying hospital's permanent cap increase would take effect, and the displaced FTE residents would no longer be exempt from the three-year rolling average and the IRB ratio cap.
3. the execution of a Medicare GME Affiliation Agreement for an aggregate cap, as set forth in 42 CFR 413.79(f) and 63 FR 26338 as published in the Federal Register on May 12, 1998, with the following exceptions:
 - i. A “new children's teaching hospital” participating in the CHGME Payment Program for the first year must establish an effective date of the agreement for purposes of the CHGME Payment Program. For the first year, unless otherwise specified, the Department will use as the effective date of the Medicare GME Affiliation Agreement for an aggregate cap the date that the hospital becomes eligible for CHGME Payment Program funding. This effective date will only apply to the CHGME Payment Program. A hospital must also have an effective date of July 1st for the Medicare Program. Subsequent to the first year of the Medicare GME Affiliation Agreement, the effective date must comply with the above- cited Federal Register final rule, which specifies an effective date of July 1st for all affiliation agreements.

The CHGME Payment Program allows this exception because hospitals must meet eligibility criteria and have their caps determined prior to the CHGME Payment Program application deadline. If the CHGME Payment Program application deadline occurs

before July 1st, some hospitals would have a cap of zero and thus be excluded from receiving funds. By deviating from the prescribed Medicare final rule, the CHGME Payment Program will not place some hospitals in this position.

Unlike the Medicare Program, for the first year that a hospital is eligible to participate in the CHGME Payment Program, the CHGME Payment Program will not prorate the cap based on the effective date of the cap.

Instead, the full value of the cap as determined by the Medicare GME Affiliation Agreement will be used. For purposes of the CHGME Payment Program and its application forms, a hospital that is now starting to train residents previously trained at a hospital that never received or is no longer receiving funds from the CHGME Payment Program will be allowed to use the cap agreed upon in the Medicare GME Affiliation Agreement until the full value of the cap is reflected in the MCR. Afterwards, the hospital will use the FTE resident count and cap from its filed MCR as indicated in Section VI of this application package.

Example:

CACC opened as a freestanding children's hospital on January 1, 2008 and would like to apply for FY 2009 CHGME Payment Program funding. The CHGME Payment Program FY2009 application deadline is August 1, 2008. Since CACC did not train residents in 1996, it has a cap of zero, but was able to arrange a Medicare GME Affiliation Agreement for an aggregate cap with Shirley Temple Medical Center in which CACC's current residents had previously trained.

CACC did the following in order to apply for CHGME Payment Program funding:

1. Established a cap by forming a Medicare GME Affiliation Agreement with Shirley Temple Medical Center for an aggregate cap.
2. The agreement had an effective date of January 1, 2008 (for CHGME Payment Program purposes only) and an effective date of July 1, 2008 and expiration date of June 30, 2009 for and in accordance with Medicare rules and regulations.
3. CACC and Shirley Temple Medical Center filed the agreement with their MACs (the hospitals have different MACs) before June 30, 2008 (in accordance with Medicare rules and regulations) and provided a signed copy of the CHGME Payment Program following acceptance by the FIs.

Hospitals that report residents to Medicare and are part of an affiliated group may elect to apply the FTE resident limit on an aggregate basis under Medicare rules and regulations. If the combined FTE resident counts for the individual members of the group exceed the aggregate limit, each hospital's FTE resident cap will be adjusted per the agreement between the members of the affiliated group. These adjustments must be reflected in the filed MCR in order to be considered for the CHGME Payment Program.

Hospitals that receive an increase to their 1996 Base Year Cap from CMS under §422 of the MMA of 2003 and participate in a Medicare GME Affiliation Agreement under 42 CFR 413.79(f) on or after July 1, 2005, may only affiliate for the purpose of adjusting their (original) 1996 Base Year Cap. The additional slots that a hospital receives under §422 may not be aggregated and applied (through Medicare GME Affiliation Agreements) to the cap of any other hospitals.

The additional slots that a hospital receives under §5503 may not be aggregated and applied (through Medicare GME Affiliation Agreements) to the cap of any other hospitals for the 5-year probationary period. Hospitals that receive an increase to their 1996 Base Year Cap from CMS under §5503 of the ACA of 2010 and participate in a Medicare GME Affiliation Agreement under 42 CFR 413.79(f) for cost reporting periods ending on or after July 1, 2011, may only affiliate for the purpose of adjusting their (original) 1996 Base Year Cap.

After the 5-year probationary period, hospitals that receive an increase to their 1996 Base Year Cap from CMS under §5503 of the ACA and participate in a Medicare GME Affiliation Agreement under 42 CFR 413.79(f) for cost reporting periods ending on or after July 1, 2011, may affiliate for the purpose of adjusting their (original) 1996 Base Year Cap and their §5503 Cap Increase. The additional slots that a hospital receives under §5503 may be aggregated and applied (through Medicare GME Affiliation Agreements) to the cap of any other hospitals following the 5-year probationary period beginning July 1, 2016.

Hospitals should refer to 42 CFR 413.79(f) for additional information on adjustments to the cap.

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ CMS, 42 CFR 413.79(f)
- ❖ CMS, Federal Register Notice, November 24, 2010 (75 FR 72195)
- ❖ CHGME Payment Program, Federal Register Notice, March 1, 2001 (66 FR 12940)
- ❖ CHGME Payment Program, Federal Register Notice, July 20, 2001 (66 FR 37980)

Applicable to the following application forms: HRSA-99-1, HRSA-99-2, and HRSA-99-4

Exceeding the Cap

For DME payment calculations if a hospital's un-weighted FTE resident count for allopathic and osteopathic residents exceeds its FTE limit ("cap"), the weighted count is reduced by the ratio of the FTE resident limit to the actual un-weighted FTE resident count for the subject cost reporting period. Additional information regarding the CHGME

Payment Program's implementation of §422 of the MMA of 2003 and §5503 of the ACA of 2010 is provided below.

Example:

CACC, per its Medicare GME Affiliation Agreement, has a cap of 100. For its 6/30/08 MCR, CACC reported an un-weighted FTE resident count of 150 and a weighted count of 105 for its allopathic and osteopathic programs.

For DME payment purposes, CACC would determine its weighted allopathic and osteopathic FTE resident count by taking its cap divided by its total un-weighted FTE resident count and multiplying that product by the total weighted FTE resident for allopathic and osteopathic residents $[(100/150) \times 105 = 70.00]$. The weighted count of any dental and podiatric residents trained during this MCR period would be added to the 70.00 as dental and podiatric residents are exempt from (i.e., not subject to) the cap.

For IME payment calculations if a hospital's un-weighted FTE resident count for allopathic and osteopathic residents exceeds its FTE limit ("cap"), the hospital must report the lesser of the un-weighted FTE resident count or the cap for the subject cost reporting period. Additional information regarding the CHGME Payment Program's implementation of §422 of the MMA of 2003 and §5503 of the ACA of 2010 is provided below.

Example:

CACC, per its Medicare GME Affiliation Agreement, has a cap of 100. For its 6/30/08 MCR, CACC reported an un-weighted FTE resident count of 150 and a weighted count of 105 for its allopathic and osteopathic programs.

For IME payment purposes, CACC would report 100.00 [the lesser of the un-weighted allopathic and osteopathic FTE resident count (150) or the cap (100)]. The un-weighted count of any dental and podiatric residents trained during this MCR period would be added to the 100.00 as dental and podiatric residents are exempt from (i.e., not subject to) the cap.

Impact of §422 of the MMA When a Hospital Exceeds Its Cap

Section 422 of the MMA will affect the determination of DME and IME payments for each of the children's hospitals participating in the CHGME Payment Program. The CHGME Payment Program will begin accounting for the redistribution of the 1996 caps under §422 of the MMA in determining DME and IME payments starting with "portions of a hospital's cost reporting periods occurring on or after July 1, 2005."

Children's hospitals whose cap has been reduced under §422 of the MMA will report and be paid based on the §422 Cap Reduction effective "for portions of cost reporting periods occurring on or after July 1, 2005." The 1996 Base Year Cap will be used for MCR periods prior to the effective date. Children's hospitals will be asked to submit a copy of the letter they received from CMS informing them of the reduction in their cap

that includes the actual reduction. The full effect of the reduction for a given hospital will take about three years following implementation of §422 when all three MCR periods reflected in the hospital's application for CHGME Payment Program funding are affected by the §422 Cap Reduction.

For children's hospitals who received an increase to their 1996 Base Year Cap under §422 of the MMA, the CHGME Payment Program will not include FTE residents counted against the §422 Cap Increase in the 3-year rolling average calculation for purposes of DME and IME payments effective for portions of cost reporting periods and discharges occurring on or after July 1, 2005. In addition, effective for discharges occurring on or after July 1, 2005, the CHGME Payment Program will not apply the intern/resident to bed (IRB) ratio cap to the residents claimed against a hospital's §422 Cap Increase. However, residents claimed against the 1996 Base Year Cap will be subject to the 3-year rolling average and will be subject to the IRB ratio cap.

Impact of §5503 of the ACA When a Hospital Exceeds Its Cap

Section 5503 of the ACA will affect the determination of DME and IME payments for each of the children's hospitals participating in the CHGME Payment Program. The CHGME Payment Program will begin accounting for the redistribution of the 1996 caps under §5503 of the ACA in determining DME and IME payments starting with "portions of a hospital's cost reporting periods ending on or after July 1, 2011."

Children's hospitals whose cap has been reduced under §5503 of the ACA will report and be paid based on the §5503 Cap Reduction effective "for portions of cost reporting periods ending on or after July 1, 2011." The 1996 Base Year Cap and §422 of the MMA (if applicable) will be used for MCR periods prior to the effective date. Children's hospitals will be asked to submit a copy of the letter they received from CMS informing them of the reduction in their cap that includes the actual reduction. The full effect of the reduction for a given hospital will immediately take effect following implementation of §5503 when the current MCR period reflected in the hospital's application for CHGME Payment Program funding is affected by the §5503 Cap Reduction.

For children's hospitals who received an increase to their 1996 Base Year Cap under §5503 of the ACA, the CHGME Payment Program will include FTE residents counted against the §5503 Cap Increase in the 3-year rolling average calculation for purposes of DME and IME payments effective for portions of cost reporting periods ending on or after July 1, 2011.

In addition, effective for portions of cost reporting periods ending on or after July 1, 2011, the CHGME Payment Program will apply the intern/resident to bed (IRB) ratio cap to the residents claimed against a hospital's §5503 Cap Increase.

Additional references:

- ❖ CMS, 42 CFR 413.79
- ❖ CMS, Federal Register Notice, November 24, 2010 (75 FR 72194)

- ❖ CHGME Payment Program , Federal Register Notice, March 1, 2001 (66 FR 12940)

**Applicable to the following application forms: HRSA 99-1 and HRSA 99-2
Eligible Residency Programs (Approved Training Programs)**

Residents may be included in a hospital's FTE resident count for CHGME Payment Program purposes if the residency program (in which the resident is enrolled) meets one of the following criteria:

- The program must be approved by one of the following accrediting bodies:
 - Accreditation Council for Graduate Medical Education (ACGME);
 - Committee on Hospitals of the Bureau of Professional Education of the American Osteopathic Association;
 - Commission on Dental Accreditation of the American Dental Association; or
 - Council of Podiatric Medicine Education of the American Podiatric Medical Association.
- The program may count towards certification of the participant in a specialty or subspecialty listed in the current edition of the Directory of Graduate Medical Education Programs (published by the American Medical Association) or the Annual Report and Reference Handbook (published by the American Board of Medical Specialties).
- The program is approved by the ACGME as a fellowship program in geriatric medicine; or
- The program would be accredited except for the accrediting agency's reliance upon an accreditation standard that requires an entity to perform an induced abortion or require, provide, or refer for training in the performance of induced abortions, or make arrangements for such training, regardless of whether the standard provides exceptions or exemptions.

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ CMS, 42 CFR 413.75(b)

Applicable to the following application forms: HRSA-99-1, HRSA-99-2, and HRSA-99-4

Eligible Residents

In order to be counted in CHGME payment calculations, a resident must be:

- in an approved residency training program (see Eligible Residency Program above);

and either

- a graduate of an accredited medical school in the U.S. or Canada; or
- have passed the United States Medical Licensing Examination (USMLE) Parts I & II (international or foreign medical graduates)

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ CMS, 42 CFR 413.75(b)
- ❖ CMS, 42 CFR 413.80

Applicable to the following application forms: HRSA-99-1, HRSA-99-2, and HRSA-99-4

International Medical Graduates (IMGs)

An IMG [(formerly known as a foreign medical graduate (FMG))] is a resident who is not a graduate of a medical, osteopathy, dental, or podiatry school, respectively, accredited or approved as meeting the standards necessary for accreditation by the:

1. Liaison Committee on Medical Education of the American Medical Association;
2. American Osteopathic Association;
3. Commission on Dental Accreditation; or the
4. Council on Podiatric Medical Education.

In order for an IMG to be included in a hospital's FTE resident count, s/he must have passed Parts I and II of the USMLE and be enrolled in an eligible residency program.

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ CMS, 42 CFR 413.75(b)
- ❖ CMS, 42 CFR 413.80

Applicable to the following application forms: HRSA-99-1, HRSA-99-2, and HRSA-99-4

Resident Full-Time Equivalent Counts

The FTE resident counts are based on the number of residents training at the hospital complex and certain non-hospital/non-provider settings/sites throughout the hospital's fiscal year. Residents are counted as FTEs based on the total time necessary to fill a full-time residency slot for the year.

For purposes of clarification, is measured in terms of time worked during a residency training year. It is not a measure of the number of individual residents who are working.

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ CMS, 42 CFR 413.78

Applicable to the following application forms: HRSA-99-1, HRSA-99-2, and HRSA-99-4

Initial Residency Period

Residents are divided into two categories, those in their:

1. initial residency period (IRP);
 - i. Effective July 1, 1995, an IRP is defined as the minimum number of years required for board eligibility.
 - ii. For osteopathic, dentistry, and podiatric programs, the IRP is the minimum number of years of formal training necessary to satisfy the requirements of the approving body for those programs.
 - iii. Prior to July 1, 1995, an IRP is defined as the minimum number of years required for board eligibility in a specialty or subspecialty plus 1 year (not to exceed 5 years with some exceptions).
2. and those beyond their IRP.

Example:

The IRP for pediatrics is 3 years. Therefore, the initial residency period for all pediatric subspecialties (e.g., pediatric cardiology) is three years.

The IRP for general surgery is 5 years. Therefore, the initial residency period of all surgical subspecialties (e.g., pediatric surgery) is 5 years even if the training program requires a longer period of training.

A Pediatric Surgery (subspecialty) resident (or fellow) who previously completed a 5-year general surgery residency program and is now in his first year of subspecialty training (in Pediatric Surgery) is beyond his IRP. His IRP was 5 years (general surgery).

Exceptions apply to the IRP for residents enrolled in preventive medicine, geriatric medicine, transitional year and combined residency programs. Refer to 42 CFR 413.79(a) for additional information on the IRP and exceptions.

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ CMS, 42 CFR 413.79(a)

Applicable to the following application forms: HRSA-99-1

HRSA-23-012

Weighting of FTE Resident Counts

The CHGME Payment Program, like Medicare, assigns a 0.5 (or ½) weighting factor to residents who are beyond their IRP. Hence a resident who is beyond his or her initial residency period is factored by 0.5 regardless of the number of years or length of the training program in which s/he is currently enrolled.

Example:

John Doe completed a 3-year pediatric residency program on June 30, 2007 at CACC. Following completion of his residency program, John continued his training in a pediatric cardiology fellowship program also at CACC. During the first year of his fellowship program (July 1, 2007 to June 30, 2008), John spent 40% of the academic year at CACC and 60% of the academic year rotating to other teaching hospitals.

CACC's MCR period is the same as the academic year (July 1 to June 30). Hence, CACC would report John as 0.20 for the MCR period ending June 30, 2008 $[(40/100) \times 0.5 = .20]$. CACC must weight John's FTE resident count because the IRP for pediatrics is 3 years and John is in his 4th year of training (3 years of residency training and 1 year of fellowship training).

For CHGME Payment Program purposes, the weighting of FTE resident counts is also applicable to the increase in FTE residents based on §422 of the MMA and §5503 of the ACA et al.

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ CMS, 42 CFR 413.79(b)

Applicable to the following application forms: HRSA-99-1

Where Residents Are Counted

The time a resident spends anywhere within the hospital complex (see "Hospital Complex" below) may be included in the FTE resident count for CHGME Payment Program purposes. In addition, the time spent by residents in certain non-hospital/non-provider settings/sites is counted if the criteria identified below (under "Non-Provider/Non-Hospital Settings and Written Agreements") are met.

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ CMS, 42 CFR 413.78

- ❖ CHGME Payment Program , Federal Register Notice, March 1, 2001 (66 FR 12940)

Applicable to the following application forms: HRSA-99-1, HRSA-99-2, and HRSA-99-4

Hospital Complex

The time a resident spends anywhere within the hospital complex (as defined in 42 CFR 413.65) may be included in the FTE resident count for CHGME Payment Program purposes.

The CMS final rule implementing the per resident amount (PRA) methodology for payment of the direct GME costs of approved GME activities defines a hospital complex as “hospitals and hospital-based providers and sub providers” (54 FR 40286, September 29, 1989). The term “hospital” is defined in section 1861(e) of the Social Security Act as, in part, an institution which is primarily engaged in providing, by or under the supervision of physicians, diagnostic and therapeutic services to inpatients.

The term “provider of services” is defined in section 1861(u) of the Social Security Act as a hospital, skilled nursing facility, comprehensive outpatient rehabilitation facility, home health agency, hospice program, or, for purposes of section 1814(g) and section 1835(c), a fund. The term “sub provider” is defined in the Provider Reimbursement Manual (PRM) Part II, section 2405(b) as “a portion of a general hospital which has been issued a sub provider identification number because it offers a clearly different type of service from the remainder of the hospital, such as long-term psychiatric.”

The CHGME Payment Program, however, does not differentiate between PPS and non-PPS locations within a hospital complex.

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ CMS, 42 CFR 413.65
- ❖ CMS, 42 CFR 413.78(a)
- ❖ CHGME Payment Program , Federal Register Notice, March 1, 2001 (66 FR 12940)

Applicable to the following application forms: HRSA-99-1, HRSA-99-2, and HRSA-99-4

Non-Provider/Non-Hospital Settings and Written Agreements

The time a resident spends in a non-provider (or non-hospital) setting such as a physician’s office or a freestanding community health center in connection with an approved program may be included in the FTE resident count if the criteria in Federal regulation 42 CFR 413.78 (75 FR 72141, November 24, 2010) and §5504 of the ACA

are met. For CHGME Payment Program purposes, 42 CFR 413.78 and §5504 of the ACA applies to both DME and IME funding received under the CHGME Payment Program.

Written agreements covering residents' time spent in non-provider/non-hospital settings shall cover a period of one year and must commence on the start of the cost reporting period and must be between the hospital and the non-hospital setting, not between the related School of Medicine (SOM), School of Podiatric Medicine (SOPM), or School of Dentistry (SOD). Refer to 42 CFR 413.78 and §5504 of the ACA for additional information on written agreements.

Additional references and application forms:

- ❖ Social Security Act, Section 1886
- ❖ CMS, 42 CFR 413.78
- ❖ CMS, Federal Register Notice, November 24, 2010 (75 FR 72134)
- ❖ CMS, Federal Register Notice, November 24, 2010 (75 FR 72141)
- ❖ CHGME Payment Program, Federal Register Notice, March 1, 2001 (66 FR 12940)

Applicable to the following application forms: HRSA-99-1, HRSA-99-2, and HRSA-99-4

Partial Resident Full-Time Equivalents

A partial FTE resident is a resident who does not spend all time that is part of the approved training program in the hospital complex or qualified non-hospital setting. A resident will count as a partial FTE resident based on the proportion of allowable time worked at the children's hospital and qualified non-hospital (provider) settings compared to the total time necessary to fill a full-time residency slot. Instances where a resident would be counted as a partial FTE resident include, if the resident:

1. is part-time;
2. rotates to other hospitals as part of the approved training program sponsored by the children's hospital;
3. is in a program sponsored by another hospital and spends one or more rotations at the children's hospital;
4. is on maternity leave;
5. joins or leaves a program mid-year; or
6. passes the USMLE mid-year.

Hospitals should consult with their FIs regarding additional exceptions.

The sum of partial FTE resident counts at all institutions where an individual resident works as part of his/her approved residency program may not exceed 1.0 FTE. Also, time spent by residents moonlighting may not be counted.

Example:

During the course of the year, a full-time resident in orthopedic surgery spends 90 days at the children's hospital and 275 days at the hospital sponsoring the residency program. The resident would count as a 0.25 FTE at the children's hospital $[90/365 = 0.2465 \text{ (rounded to 0.25)}]$.

A part-time third year resident in pediatrics works 4 days week. The normal workweek for a full time third year pediatric residents is 6 days per week. The resident would count as 0.67 FTE $[4/6 = .6666 \text{ (rounded to 0.67)}]$

During the course of the year, a full-time resident (who is also a foreign medical graduate) is enrolled in his second year of a three-year family practice residency program at CACC. The resident spends the entire academic year (2007-2008) at CACC and does not rotate to any other sites. The resident took and passed Part I of the USMLE in September 2007. On May 1, 2008, the resident sat for Part II of the USMLE and is awaiting the examination results. In June 2008 the resident learns that he passed Part II of the USMLE. Since CACC's year-end is June 30, CACC may count and include the resident in their FTE resident counts (as a partial FTE) for the period May 1, 2008 (the date he took the examination) to June 30, 2008 (CACC's year end). The resident would count as 0.17 FTE $[61 \text{ days (31 days in May + 30 days in June)} / 365 \text{ days} = 0.1671 \text{ (rounded to 0.17)}]$.

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ CMS, 42 CFR 413.78(b)

Applicable to the following application forms: HRSA-99-1, HRSA-99-2, and HRSA-99-4

Research Time

Research may be included in a hospital's FTE resident count if the research is part of the residency program and the resident carries out the research in:

1. the children's hospital complex (clinical or bench research); or
2. in a non-provider setting where the research involves patient care and the compensation for both the residents, the faculty and other teaching costs are paid by the children's hospital (requirements listed at 42 CFR 413.78 and §5505 of the ACA must be met. (See 66 FR 39896, Aug. 1, 2001, and 75 FR 72144, Nov. 24, 2010).

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ CMS, 42 CFR 413.75
- ❖ CMS, 42 CFR 413.78

- ❖ CMS, Federal Register Notice, November 24, 2010 (75 FR 72144)
- ❖ CHGME Payment Program , Federal Register Notice, March 1, 2001 (66 FR 12940)

Applicable to the following application forms: HRSA-99-1, HRSA 99-2, and HRSA 99-4

FTE Resident Count Accuracy and Documentation

Children's hospitals are responsible for the accuracy of the FTE resident counts submitted to HRSA and are subject to audit. More specifically, the Secretary, by statute, must determine any changes to the number of residents reported by a hospital in the = initial application of the hospital for the current FY for both direct and indirect expense amounts. This mandate is accomplished through the FTE Resident Assessment Program carried out by the CHGME Payment Program (see "Application Cycle and Deadlines"). Children's hospitals are not required to submit with their completed initial applications for CHGME Payment Program funding documentation in support of the FTE resident data reported in their applications.

However, at the time children's hospitals certify their applications, the hospital should possess documentation in accordance with 413.75(d) and other applicable Medicare record-keeping regulations. Hospitals that do not report FTE resident counts to Medicare are **not exempt** from this policy.

Additional references:

- ❖ CMS, 42 CFR 413.20
- ❖ CMS, 42 CFR 413.24
- ❖ CMS, 42 CFR 413.75(d)
- ❖ CHGME Payment Program , Federal Register Notice, March 1, 2001 (66 FR 12940)

Applicable to the following application forms: HRSA-99-1, HRSA 99-2, and HRSA 99-4

Section VIII

Special Instructions for Calculating Reductions and Increases to a Hospital's 1996 Base Year Cap as a Result of §422 of the Medicare Modernization Act of 2003

Hospitals that received an increase or reduction to their 1996 Base Year Cap as a result of §422 of the MMA must use the following methodology for calculating and claiming FTE resident counts against their caps.

Decrease to a Hospital's 1996 Base Year Cap (§422 Cap Reduction)

Children's hospitals who received a decrease to their 1996 Base Year Cap as a result of §422 of the MMA will report and be paid based on the §422 Cap Reduction effective "for portions of cost reporting periods occurring on or after July 1, 2005." The 1996 Base Year Cap will be used for MCR periods prior to the effective date. Children's hospitals will be asked to submit a copy of the letter they received from CMS informing them of the reduction in their cap that includes the actual reduction amount. The full effect of the reduction for a given hospital will take about three years following the implementation of §422 when all three MCR periods reflected in the hospital's application for CHGME Payment Program funding are subject to the §422 Cap Reduction.

Example:

CACC had 75 FTE residents enrolled in its allopathic programs, 25 FTE residents enrolled in its osteopathic programs and 7 FTE residents enrolled in its dental and podiatric programs for its 6/30/96 MCR period (its most recent MCR period ending on or before December 31, 1996).

Hence, CACC's 1996 Base Year Cap for Medicare and CHGME Payment Program purposes is 100 ($75+25=100$). However, in December 2004 CACC received a letter from CMS indicating that their 1996 Base Year Cap would be reduced by 7.50 FTE residents under §422 of the MMA. CACC's new, revised cap is now 92.50 (1996 Base Year Cap - §422 Cap Reduction). Any dental and podiatric residents trained during this MCR period would not be included in the 1996 Base Year Cap or the "new, revised" cap as dental and podiatric residents are exempt from (i.e., not subject to) the cap.

Increase to a Hospital's 1996 Base Year Cap (§422 Cap Increase)

Children's hospitals who received an increase to their 1996 Base Year Cap as a result of §422 of the MMA will report and be paid based on the §422 Cap Increase effective "for portions of cost reporting periods occurring on or after July 1, 2005." The 1996 Base Year Cap will be used for MCR periods prior to the effective date. Children's hospitals will be asked to submit a copy of the letter they received from CMS informing them of the adjustment to their cap that includes the actual increase amount. It is important to note that a §422 Cap Increase is not automatically added to a hospital's 1996 Base Year Cap. A hospital's ability to utilize their §422 Cap Increase is contingent upon whether the hospital is training above or below their total adjusted cap (including the 1996 Base Year Cap and the §5503 Cap (if applicable)).

Examples are provided below.

CACC had 75 FTE residents enrolled in its allopathic programs, 25 FTE residents enrolled in its osteopathic programs and 7 FTE residents enrolled in its dental and podiatric programs for its 6/30/96 MCR period (its most recent MCR period ending on or before December 31, 1996).

Hence, CACC's 1996 Base Year Cap for Medicare and CHGME Payment Program purposes is 100 ($75+25=100$). However, in December 2004 CACC received a letter from CMS indicating that their 1996 Base Year Cap would be increased by 20 FTE residents under §422 of the MMA. CACC now has a 1996 Base Year Cap of 100 and a §422 Cap Increase of 20.

Examples (for Hospitals Training “Above” Their 1996 Base Year Cap):

Example #1: During CACC's most recent MCR period, CACC claimed 110 allopathic and osteopathic FTE residents and 7 dental and podiatric FTE residents. Based on CACC's 1996 Base Year Cap of 100 and §422 Cap Increase of 20, CACC would claim 100 FTE residents against its 1996 Base Year Cap and the remaining 10 FTE residents would be claimed against its §422 Cap Increase. Any dental and podiatric residents trained during this MCR period would be added to the total (un)weighted allopathic and osteopathic FTE residents following application of the caps as dental and podiatric residents are exempt from (i.e., not subject to) the cap.

Example #2: During CACC's most recent MCR period, CACC claimed 140 allopathic and osteopathic FTE residents and 7 dental and podiatric FTE residents. Based on CACC's 1996 Base Year Cap of 100 and §422 Cap Increase of 20, CACC would claim 100 FTE residents against its 1996 Base Year Cap and the remaining 40 FTE residents would be claimed against its §422 Cap Increase. As CACC's number of FTE residents claimed exceeds both its 1996 Base Year Cap and its §422 Cap Increase, the DME and IME payment calculation methodology described in Section VII of this application package (“Exceeding the Cap”) would be followed. Any dental and podiatric residents trained during this MCR period would be added to the total (un)weighted allopathic and osteopathic FTE residents following application of the caps as dental and podiatric residents are exempt from (i.e., not subject to) the cap.

Examples (for Hospitals Training “Below” Their 1996 Base Year Cap):

Example #1: During CACC's most recent MCR period, CACC claimed 95 allopathic and osteopathic FTE residents and 7 dental and podiatric FTE residents. Based on CACC's 1996 Base Year Cap of 100 and a §422 Cap Increase of 20, CACC would claim 95 FTE residents against its 1996 Base Year Cap and zero “0” residents against its §422 Cap Increase. Any dental and podiatric residents trained during this MCR period would be added to the total (un)weighted allopathic and osteopathic FTE residents following

application of the caps as dental and podiatric residents are exempt from (i.e., not subject to) the cap.

Example #2: During CACC's most recent MCR period, CACC claimed 105 allopathic and osteopathic FTE residents and 7 dental and podiatric FTE residents. In August 2011 CACC received a letter from CMS indicating that their 1996 Base Year Cap would be increased by 10 FTE residents under §5503 of the ACA. Based on CACC's 1996 Base Year Cap of 100, a §5503 Cap Increase of 10, and a §422 Cap Increase of 20, CACC would claim 100 FTE residents against its 1996 Base Year Cap, five "5" FTE resident against its §5503 Cap Increase and zero "0" residents against its §422 Cap Increase. Any dental and podiatric residents trained during this MCR period would be added to the total (un)weighted allopathic and osteopathic FTE residents following application of the caps as dental and podiatric residents are exempt from (i.e., not subject to) the cap.

Additional references:

- ❖ Social Security Act, Section 1886(h)(7)
- ❖ CMS, Federal Register Notice, November 24, 2010 (75 FR 72193)
- ❖ CMS, 42 CFR 413.79(b)

Applicable to the following application forms: HRSA-99-1

Section IX

Special Instructions for Calculating Reductions and Increases to a Hospital's 1996 Base Year Cap as a Result of §5503 of the Affordable Care Act of 2010

Hospitals that received an increase or reduction to their 1996 Base Year Cap as a result of §5503 of the ACA must use the following methodology for calculating and claiming FTE resident counts against their caps. It is important to note that 75% of the §5503 Cap Increase must be used to train residents in primary care (defined in 42 CFR 413.75(b)) as an approved program in family medicine, general internal medicine, general pediatrics, preventive medicine, geriatric medicine, or osteopathic general practice) and general surgery programs. Additional information regarding §5503 Cap Increase and its FTE resident requirements is specified in §1886(h)(8)(B)(ii) of the SSA.

Decrease to a Hospital's 1996 Base Year Cap (§5503 Cap Reduction)

Children's hospitals who received a decrease to their 1996 Base Year Cap as a result of §5503 of the ACA will report and be paid based on the §5503 Cap Reduction effective "for portions of cost reporting periods ending on or after July 1, 2011." The 1996 Base

Year Cap and the §422 Cap Reduction (if applicable) will be used for MCR periods prior to the effective date.

Children's hospitals will be asked to submit a copy of the letter they received from CMS informing them of the reduction in their cap that includes the actual reduction amount. The full effect of the reduction for a given hospital will immediately take effect following implementation of §5503 when the current MCR period reflected in the hospital's application for CHGME Payment Program funding is affected by the §5503 Cap Reduction.

Example:

CACC had 75 FTE residents enrolled in its allopathic programs, 25 FTE residents enrolled in its osteopathic programs and 7 FTE residents enrolled in its dental and podiatric programs for its 6/30/96 MCR period (its most recent MCR period ending on or before December 31, 1996).

Hence, CACC's 1996 Base Year Cap for Medicare and CHGME Payment Program purposes is 100 (75+25=100). However, in August 2011 CACC received a letter from CMS indicating that their 1996 Base Year Cap would be reduced by 7.50 FTE residents under §5503 of the ACA. CACC's new, revised cap is now 92.50 (1996 Base Year Cap - §5503 Cap Reduction). Any dental and podiatric residents trained during this MCR period would not be included in the 1996 Base Year Cap or the "new, revised" cap as dental and podiatric residents are exempt from (i.e., not subject to) the cap.

Increase to a Hospital's 1996 Base Year Cap (§5503 Cap Increase)

Children's hospitals who received an increase to their 1996 Base Year Cap as a result of §5503 of the MMA will report and be paid based on the §5503 Cap Increase effective "for portions of cost reporting periods ending on or after July 1, 2011." The 1996 Base Year Cap and the §422 Cap Increase (if applicable) will be used for MCR periods prior to the effective date. Children's hospitals will be asked to submit a copy of the letter they received from CMS informing them of the adjustment to their cap that includes the actual increase amount. It is important to note that a §5503 Cap Increase is not automatically added to a hospital's 1996 Base Year Cap. A hospital's ability to utilize their §5503 Cap Increase is contingent upon whether the hospital is training above or below their 1996 Base Year Cap.

Examples are provided below.

CACC had 75 FTE residents enrolled in its allopathic programs, 25 FTE residents enrolled in its osteopathic programs and 7 FTE residents enrolled in its dental and podiatric programs for its 6/30/96 MCR period (its most recent MCR period ending on or before December 31, 1996).

Hence, CACC's 1996 Base Year Cap for Medicare and CHGME Payment Program purposes is 100 ($75+25=100$). However, in August 2011 CACC received a letter from CMS indicating that their 1996 Base Year Cap would be increased by 20 FTE residents under §5503 of the ACA. CACC now has a 1996 Base Year Cap of 100 and a §5503 Cap Increase of 20.

Examples (for Hospitals Training “Above” Their 1996 Base Year Cap):

Example #1: During CACC's most recent MCR period, CACC claimed 110 allopathic and osteopathic FTE residents and 7 dental and podiatric FTE residents. Based on CACC's 1996 Base Year Cap of 100 and §5503 Cap Increase of 20, CACC would claim 100 FTE residents against its 1996 Base Year Cap and the remaining 10 FTE residents would be claimed against its §5503 Cap Increase. Please note 75% (in this case 7.5) of the FTE residents claimed against the §5503 Cap Increase would need to be residents training in primary care and general surgery programs. Any dental and podiatric residents trained during this MCR period would be added to the total (un)weighted allopathic and osteopathic FTE residents following application of the caps as dental and podiatric residents are exempt from (i.e., not subject to) the cap. Example #2: During CACC's most recent MCR period, CACC claimed 140 allopathic and osteopathic FTE residents and 7 dental and podiatric FTE residents. Based on CACC's 1996 Base Year Cap of 100 and §5503 Cap Increase of 20, CACC would claim 100 FTE residents against its 1996 Base Year Cap, and the remaining 40 FTE residents would be claimed against its §5503 Cap Increase. As CACC's number of FTE residents claimed exceeds both its 1996 Base Year Cap and its §5503 Cap Increase, the DME and IME payment calculation methodology described in Section VII of this application package (“Exceeding the Cap”) would be followed. Please note 75% (in this case 15) of the FTE residents claimed against the §5503 Cap Increase would need to be residents training in primary care and general surgery programs. Any dental and podiatric residents trained during this MCR period would be added to the total (un)weighted allopathic and osteopathic FTE residents following application of the caps as dental and podiatric residents are exempt from (i.e., not subject to) the cap.

Examples (for Hospitals Training “Below” Their 1996 Base Year Cap):

Example #1: During CACC's most recent MCR period, CACC claimed 95 allopathic and osteopathic FTE residents and 7 dental and podiatric FTE residents. Based on CACC's 1996 Base Year Cap of 100 and a §5503 Cap Increase of 20, CACC would claim 95 FTE residents against its 1996 Base Year Cap and zero “0” residents against its §5503 Cap Increase. Any dental and podiatric residents trained during this MCR period would be added to the total (un)weighted allopathic and osteopathic FTE residents following application of the caps as dental and podiatric residents are exempt from (i.e., not subject to) the cap.

Additional references:

- ❖ Social Security Act, Section 1886(h)(8)(F)

- ❖ CMS, Federal Register Notice, November 24, 2010 (75 FR 72147)
- ❖ CMS, 42 CFR 413.79(b)

Applicable to the following application forms: HRSA-99-1

Section X

Special Instructions for Calculating Indirect Medical Education Payment Variables

Hospitals applying for IME payments should follow the instructions provided below when calculating inpatient discharges, case mix index, available beds, and the intern/resident to bed ratio. Additional information and “calculation” instructions are provided in Section X of this application package for hospitals that are eligible to begin receiving CHGME Payment Program funding without having completed a MCR period.

Number of Inpatient Discharges

The number of inpatient discharges is a measure of a hospital’s inpatient care. This measure is defined as the sum of all daily inpatient discharges for the hospital’s most recently filed (or most recently completed) MCR period from all parts of the hospital complex including healthy newborns from the healthy newborn nursery. Public Law 108-490 does not exclude inpatient discharges associated with healthy newborns inpatient stays in the “well baby” nursery.

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ Public Law 108-490, December 23, 2004
- ❖ CHGME Payment Program, Federal Register Notice, March 1, 2001 (66 FR 12940)
- ❖ CHGME Payment Program, Federal Register Notice, July 20, 2001 (66 FR 37986)

Applicable to the following application forms: HRSA-99-2

Case Mix Index (CMI)

The CMI is the sum of the diagnosis-related group (DRG) weights for all inpatient discharges excluding healthy newborns from the most recently filed (or most recently completed) MCR period divided by the number of inpatient discharges for the same period. All hospitals applying for IME payments must submit a CMI on all inpatients

discharges using the appropriate CMS DRG version, excluding healthy newborns. This value must be reported to four decimal points. The CMS DRG version to be used for CHGME Payment Program purposes is published, through the CHGME Payment Program alert system each spring, prior to the beginning of the FY for which payments will be made. The principles in determining the version of the CMS grouper is delineated in the July 20, 2001 CHGME Payment Program Federal Register Notice.

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ Public Law 108-490, December 23, 2004
- ❖ CHGME Payment Program , Federal Register Notice, March 1, 2001 (66 FR 12940)

Applicable to the following application forms: HRSA-99-2

Number of Available Beds

An available bed is defined as an adult or pediatric bed, including beds or bassinets available for lodging inpatients including beds in intensive care units, coronary care units, neonatal intensive care units, short stay units, and other special care inpatient hospital units. Beds in the following location are excluded: healthy newborn nursery, labor rooms, post-anesthesia or post-operative recovery rooms, outpatient areas, emergency rooms, ancillary departments, nurses' and other staff residence, and other areas as are regularly maintained and utilized for purposes other than lodging inpatients. To be considered an available bed, a bed must be permanently maintained for lodging inpatients. It must be available for use and housed in patient rooms or wards (i.e. not in corridors or temporary beds). CMS in its August 11, 2004, final inpatient PPS Federal Register Notice, revised its regulations at 42 CFR 412.105(b) and 412.106(a)(1)(ii) to specify that bed days in a unit that was occupied to inpatient care for at least one day during the preceding 3 months are included in the available bed day count for a month. In addition, bed days for any beds within a unit that would otherwise be considered occupied should be excluded from the available bed day count for the current month if the bed has remained unavailable (could not be made available for patient occupancy within 24 hours) for 30 consecutive days, or if the bed is used to provide outpatient observation services or swing bed skilled nursing care. This clarified policy is effective for discharges occurring on or after October 1, 2004.

The available bed count for the current or prior MCR period is the sum of all available beds per day in the cost reporting period, excluding beds and bassinets in the healthy newborn nursery, divided by the number of days in that period.

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ Public Law 108-490, December 23, 2004
- ❖ CMS, 42CFR412.105(b)

- ❖ CMS, 42 CFR 412.106(a)(1)(ii)
- ❖ CMS, Federal Register Notice, August 11, 2004 (69 FR 48916)
- ❖ CHGME Payment Program , Federal Register Notice, March 1, 2001 (66 FR 12940)
- ❖ CHGME Payment Program , Federal Register Notice, July 20, 2001 (66 FR 37980, 37986)

Applicable to the following application forms: HRSA-99-2

Intern/Resident to Bed (IRB) Ratio

The IRB ratio for the most recently filed (or most recently completed) MCR period is equal to the 3-year un-weighted rolling average divided by the number of available beds for the same period. The IRB ratio for the previous MCR period is equal to the un-weighted FTE resident count for the previous MCR period divided by the number of available beds for the same period. To comply as closely as possible with Medicare rules and regulations, the Department applies a cap on the IRB ratio pursuant to regulations at 42 CFR 412.105(a)(1), whereby the ratio from the most recently filed (or most recently completed) MCR period may not exceed the ratio for the hospital's prior cost reporting period as defined above. Hospitals that meet the criteria for an exception or adjustment to their 1996 Base Year Cap (e.g. through a Medicare GME Affiliation Agreement) should refer to the CMS August 1, 2001 Federal Register Notice which provides additional information and guidance in determining the IRB ratio subject to these exceptions.

Effective for portions of cost reporting periods and discharges occurring on or after July 1, 2005, the CHGME Payment Program will not include FTE residents counted against the §422 cap in the 3-year rolling average calculation and the CHGME Payment Program will not apply an IRB ratio cap to the FTE residents counted against a hospital's §422 Cap Increase for purposes of determining IME payments. A §422 IRB calculation will be implemented as guided by CMS rules and regulations. Effective for portions of cost reporting periods ending on or after July 1, 2011, the CHGME Payment Program will include FTE residents counted against the §5503 cap in the 3-year rolling average calculation, and the CHGME Payment Program will apply an IRB ratio cap to the FTE residents counted against a hospital's §5503 Cap Increase for purposes of determining IME payments.

Additional references:

- ❖ Social Security Act, Section 1886
- ❖ CMS, 42 CFR 413.77
- ❖ CMS, Federal Register Notice, August 1, 2001 (66 FR 39878)
- ❖ CMS, Federal Register Notice, August 11, 2004 (69 FR 48916)
- ❖ CHGME Payment Program, Federal Register Notice, June 19, 2000 (65 FR 37985)
- ❖ CHGME Payment Program, Federal Register Notice, March 1, 2001 (66 FR 12940)

- ❖ CHGME Payment Program, Federal Register Notice, July 20, 2001 (66 FR 37980)
- ❖ CHGME Payment Program, Federal Register Notice, October 22, 2003 (68 FR 60396)

Applicable to the following application forms: HRSA-99-2

Section XI

Special Calculation Instructions for Hospitals that Have Not Completed a Medicare Cost Reporting Period

Hospitals eligible to begin receiving CHGME Payment Program funding without having completed a MCR period, must use the following methodology to convert a partial MCR period to a full one. To calculate the variables that follow below, the participating children's hospitals must first determine the number of days in which the hospital has been eligible to receive CHGME Payment Program funding (its period of eligibility for CHGME Payment Program funding).

Determining the Period of Eligibility

For the initial application process, the period of eligibility is equal to the number of days from the date the hospital became eligible to participate in the CHGME Payment Program to the CHGME Payment Program initial application deadline date. The start date for hospitals that are training residents from an existent program is the effective date of the affiliation agreement for the aggregate cap, established for purposes of the CHGME Payment Program. For new hospitals starting a new residency program, the start date is the date on which the hospital first trains residents.

For the reconciliation application process, the hospital will report the actual FTE resident count from the most recently filed (or most recently completed) MCR. If the hospital has not filed (or completed) an MCR period by the CHGME Payment Program reconciliation application deadline, the period of eligibility is equal to the number of days from the beginning of the FY for which payments are being made (October 1) to the CHGME Payment Program reconciliation application deadline date.

Example:

CACC became a freestanding children's hospital when it received its own Medicare provider number (55-3300) on January 1, 2008. CACC has a June 30th MCR year-end. On July 1, 2008 CACC began training residents previously trained at a hospital that has never received funding from the CHGME Payment Program. The FY 2009 CHGME Payment Program application deadline is August 1, 2008. CACC's period of eligibility for the initial application is July 1, 2008 to July 30, 2008. Hence, the FTE resident counts

and all other data reported in CACC's CHGME Payment Program initial application will be based on this period (7/1/08 through 7/30/08). CACC will follow the instructions provided herein to calculate its FTE resident counts, CMI, etc. for an incomplete cost reporting period. CACC's CHGME Payment Program funding will not be based upon a rolling-average until three (3) MCR periods have been completed.

The reconciliation application deadline is May 1, 2009. CACC will not complete its first MCR period until June 30, 2009. Consequently, CACC's period of eligibility for the reconciliation application will be October 1, 2008 through May 1, 2009.

The following methodology should be used to convert relevant data from a partial MCR period to a full MCR period.

Calculating the FTE Resident Count for an Incomplete Cost Reporting Period

To convert the FTE resident count from a partial MCR period to a full MCR period:
Determine the hospital's period of eligibility.

1. Count the actual ("raw") number of un-weighted allopathic and osteopathic FTE residents during the hospital's period of eligibility.
2. Divide the un-weighted resident FTE count for allopathic and osteopathic residents (number 2 above) by the number of days in during the hospital's period of eligibility (number 1 above). This number is the average number of un-weighted FTE residents per day.
3. Multiply the average number of un-weighted FTE residents (number 3 above) by the number of days that your hospital will be training residents during the FY in which payments are being made. This number is the estimated number of un-weighted allopathic and osteopathic FTE residents trained per year.
4. Use the same methodology (steps 1-4 above) to determine the weighted FTE resident count of allopathic and osteopathic residents. The example below includes the calculation of the weighted FTE resident count.
5. Use the same methodology (steps 1-4 above) to determine the un-weighted and weighted FTE resident count for dental and podiatric residents.

The concept of converting a partial MCR period into a full MCR period is consistent with Medicare regulations. Since the CHGME Payment Program is paying hospitals for training residents during the FY for which payments are being made, the Program will convert a partial training period to reflect the amount of time the hospital will training residents during the FY for which payments are being made. Although this methodology delineates the method by which partial year residents are counted, it is important to note that all counts are subjected to the cap set by the affiliation agreement.

Example:

CACC received its unique Medicare provider number (in the 3300 series) classifying it as a children's hospital on January 1, 2008. CACC did not begin training residents until Shirley Temple Medical Center transferred its pediatric residents to CACC on July 1,

2008 at which time it met all CHGME Payment Program hospital eligibility criteria. CACC has an affiliation agreement with Shirley Temple Medical Center giving it an aggregate cap of 100 FTE residents. Based upon its eligibility, CACC will apply for FY 2009 CHGME Payment Program funding.

1. The number of days in which CACC was eligible to participate in the CHGME Payment Program is 30 days (the number of days from July 1, 2008 to July 30, 2008). CACC chose to use July 30 as its “end date” to allow time for completing and validating its CHGME Payment Program application and to ensure that the application was postmarked by the CHGME Payment Program application deadline. CACC was not eligible to receive CHGME Payment Program funding prior to July 1, 2008 because it was not training residents.
2. From July 1st to July 30th CACC trained a total of 10 un-weighted FTE residents and 8.5 weighted FTE residents. This FTE resident count reflects the actual “raw” number of FTE residents that CACC trained during July. [e.g., The normal workweek for a pediatric resident is 6 days. During the week of July 1 through July 7 CACC had one full-time resident in his IRP that worked 6/6 days ($6/6 = 1$ FTE) and one part-time FTE in her IRP that worked 4/6 days ($4/6 = 0.67$ FTE). Hence, the actual “raw” number of weighted and un-weighted residents that CACC trained during the first week of July is 1.67 ($1 + .67 = 1.67$).]
3. The average un-weighted FTE resident count per day is 0.3333 ($10 \text{ FTE residents} / 30 \text{ days} = 0.3333$) and the average weighted FTE resident count per day is 0.2833 ($8.5 \text{ FTE residents} / 30 \text{ days} = 0.2833$).
4. Since CACC will be eligible for the CHGME Payment Program and training residents every day of FY 2009 for which it is applying for CHGME Payment Program funding (October 1, 2008 to September 30, 2009), CACC will report an “estimated annualized” un-weighted FTE resident count of 121.65 [$365 \times 0.3333 = 121.65$ (rounded from 121.6545)] and an “estimated annualized” weighted FTE count of 103.40 [$365 \times 0.2833 = 103.40$ (rounded from 103.4045)]. Since CACC's un-weighted FTE resident count is more than its FTE cap (of 100), CACC will have to reduce its FTE resident count using the methodology described under “Exceeding the Cap”.

Additional references:

- ❖ CMS, 42 CFR 413.77
- ❖ CHGME Payment Program, Federal Register Notice, March 1, 2001 (66 FR 12940)

Applicable to the following application forms: HRSA-99-1, HRSA-99-2, and HRSA-99-4

Calculating the Case Mix Index (CMI) for an Incomplete Cost Reporting Period

Hospitals that have not completed a MCR period will report a CMI to the CHGME Payment Program based upon the discharges during the hospital's period of eligibility.

Example:

CACC received its unique Medicare provider (3300 series) number on January 1, 2008. CACC did not begin training residents until Shirley Temple Medical Center transferred its pediatric residents to CACC on July 1, 2008 at which time it met all CHGME Payment Program hospital eligibility criteria. The number of days in which CACC was eligible to participate in the CHGME Payment Program is 30 days (the number of days from July 1, 2008 to July 30, 2008). CACC chose to use July 30 as its “end date” to allow time for completing and validating its CHGME Payment Program application and to ensure that the application was postmarked by the CHGME Payment Program application deadline. CACC was not eligible to receive CHGME Payment Program funding prior to July 1, 2008 because it was not training residents. Hence, CACC’s CMI will be based upon all discharges from July 1 to July 30 using the CMS DRG-version specified by the CHGME Payment Program.

Additional references:

- ❖ CMS, 42 CFR 413.77
- ❖ CHGME Payment Program , Federal Register Notice, July 20, 2001 (66 FR 37980)

Applicable to the following application forms: HRSA 99-2

Calculating Discharges for an Incomplete Cost Reporting Period

Hospitals that have not completed a MCR period will report discharge data to the CHGME Payment Program based upon discharges during the hospital’s period of eligibility using the following methodology:

1. Calculate the number of discharges during the hospital’s period of eligibility. This number represents the total number of discharges during the hospital’s period of eligibility.
2. Divide the total number of discharges by the number of days in during the hospital’s period of eligibility. This represents the average number of discharges per day.
3. Multiply the average number of discharges per day by the number of days in which the hospital is eligible to receive CHGME Payment Program funding during the FY for which it is applying for funding.

Example:

The number of days in which CACC was eligible to participate in the CHGME Payment Program is 30 days (the number of days from July 1, 2008 to July 30, 2008). CACC chose to use July 30 as its “end date” to allow time for completing and validating its CHGME Payment Program application and to ensure that the application was postmarked by the CHGME Payment Program application deadline. CACC was not

eligible to receive CHGME Payment Program funding prior to July 1, 2008 because it was not training residents.

1. CACC had 752 discharges from July 1 to July 30.
2. CACC's average number of discharges per day is 25.07 (752 discharges/30 days = 25.0666).
3. Since CACC will be caring for patients as a freestanding children's teaching hospital during the entire FY 2004 (October 1, 2008 – September 30, 2009) for which it is applying for CHGME Payment Program funding, CACC will report 9,150 discharges on HRSA-99-2 [365 days x 25.07 discharges per day = 9,150.55 discharges (whole numbers only)].

Additional references:

- ❖ CMS, 42 CFR 413.77(e)(2)
- ❖ CHGME Payment Program, Federal Register Notice, July 20, 2001 (66 FR 37980)

Applicable to the following application forms: HRSA 99-2

Calculating the Number of Available Beds for an Incomplete Cost Reporting Period

Hospitals that have not completed a MCR period will calculate their bed count by summing the total available bed count during the hospital's period of eligibility.

Example:

The number of days in which CACC was eligible to participate in the CHGME Payment Program is 30 days (the number of days from July 1, 2008 to July 30, 2008). CACC chose to use July 30 as its "end date" to allow time for completing and validating its CHGME Payment Program application and to ensure that the application was postmarked by the CHGME Payment Program application deadline. CACC was not eligible to receive CHGME Payment Program funding prior to July 1, 2008 because it was not training residents.

During the period July 1 to July 30, 2008 CACC had 2,730 beds available to house pediatric inpatients and 910 bassinets available for healthy newborn babies. Therefore, the bed count is 91 beds per day (2,730 beds/30 days=91) as healthy newborn babies should be excluded from the reported available bed count.

Additional references:

- ❖ CMS, 42 CFR 413.77(e)(2)
- ❖ CHGME Payment Program, Federal Register Notice, July 20, 2001 (66 FR 37980)

Applicable to the following application forms: HRSA 99-2

Calculating Inpatient Days for an Incomplete Cost Reporting Period

Hospitals that have not completed a MCR period will calculate their inpatient days during the hospital's period of eligibility using the following methodology:

1. Sum the daily midnight census during the hospital's period of eligibility.
2. Divide that sum by the number of days in that period, resulting in the average midnight census.
3. Multiply the average midnight census with the number of days that the hospital is eligible for the CHGME Payment Program during the FY in which payments are to be made.

Example:

The number of days in which CACC was eligible to participate in the CHGME Payment Program is 30 days (the number of days from July 1, 2008 to July 30, 2008). CACC chose to use July 30 as its "end date" to allow time for completing and validating its CHGME Payment Program application and to ensure that the application was postmarked by the CHGME Payment Program application deadline. CACC was not eligible to receive CHGME Payment Program funding prior to July 1, 2008 because it was not training residents.

From July 1 to July 30, the CACC had a total of 1,911 inpatient days, resulting in an average of 63.70 inpatients per day (1,911 inpatient days/30 days). Their inpatient day total for the FY would be 365 days x 64 inpatients per day = 23,360 inpatient days (must also use whole numbers).

Additional references:

- ❖ CMS, 42 CFR 413.77
- ❖ CHGME Payment Program, Federal Register Notice, July 20, 2001 (66 FR 37980)

Applicable to the following application forms: HRSA 99-2

Calculating Outpatient Services for an Incomplete Cost Reporting Period

Hospitals will not complete this section until a MCR period has been completed.

Additional references:

- ❖ CHGME Payment Program, Federal Register Notice, July 20, 2001 (66 FR 37980)

Section XII

Special Calculation Instructions for Establishing a CHGME cap for Newly Qualified Hospitals

Hospitals that are newly qualified to receive CHGME funds as “newly qualified hospitals” under the Children’s Hospital GME Support Reauthorization Act of 2013, and that do not already have a CMS cap established and are not able to apply for a CMS cap as a new residency training program, will have a “CHGME cap” established. The “CHGME cap” will be established using the number of FTE residents trained during the most recent Medicare cost reporting period completed on or before April 7, 2014, the date of enactment of the Children’s Hospital GME Support Reauthorization Act of 2013, as verified by the CHGME auditors during the FTE resident Assessment Program. The “CHGME cap” will be entered in Sections 4, 5, and 6 of the HRSA 99-1, on lines 4.06, 5.06, and 6.06 respectively.

Section XIII

CHGME Payment Program Application Form Instructions

Instructions for Completing HRSA 99

Hospital Demographic and Contact Information

The HRSA 99 must be completed in its entirety. All sections of this form must be completed unless otherwise specified. Specific line item instructions are provided below.

Section	Instructions
---------	--------------

1	Provide the official name, physical address, tax identification number, county where the hospital is physically located, Medicare provider number, D&B D-U-N-S number, and website of the applicant children's hospital. Information regarding D&B D-U-N-S numbers can be obtained at 1-800-234-3867 or www.dnb.com .
2	Provide the complete name, title, mailing address, telephone number and email address of the person to be notified if the application is funded. All future correspondence will be mailed to this individual only (e.g., notice of award letters).
3	Provide the complete name, title, mailing address, telephone number, and email address of the person authorized to submit the application for the applicant hospital.
4	Provide the complete name, title, mailing address, telephone number, and email address of the hospital's Director of Graduate Medical Education. If the hospital does not have a Director of GME, the individual who has oversight responsibility for residents participating in GME programs at the hospital should be identified.
5	Provide the complete name, title, mailing address, telephone number and email address of the person who can provide documentation in support of the information reported in the CHGME Payment Program application for funding. Like all Federal programs, information submitted is subject to audit. All FTE resident Assessment inquiries and related communications will be directed to this individual.
6	Provide the complete name, title, mailing address, telephone number, and email address of the person who prepared and/or completed this application package for the applicant hospital. This individual will be the person contacted if there are questions or issues related to the information submitted in the CHGME Payment Program application for funding.

Instructions for Completing HRSA 99-1

Determination of Weighted and Unweighted Resident FTE Counts

All values entered on HRSA 99-1 must be taken to the hundredth place [two decimal points (e.g. 38.00 or 12.43)] and the standard rounding rules applied [if the number is .5 or greater then round up to the next number (e.g., 38.189 would be rounded to 38.19)].

Instructions for the Initial Application Cycle

GUIDE TO INSTRUCTIONS		
The Section and Line Number that the instructions apply to are	Hospitals that filed a full MCR for the subject cost reporting period must follow the instructions provided in this (left) column for each section. Where specified, hospitals must report the data as stated in the hospital's CMS 2552-10, Worksheet E-4 (formerly named CMS 2552-96 Worksheets E-3, Part IV and E-3, Part VI) from the subject cost reporting period. Deviation from what is stated on	Hospitals that filed a Low or No-Utilization MCR for the subject recent cost reporting period must follow the instructions provided in this (right) column for each section. In some instances, the instructions are the same for all hospitals irrespective of the type of MCR the hospital filed for the subject cost reporting period. In those

identified in this area in the following table.	Worksheets E-3, Part IV and E-3, Part VI must be supported and attested to by the FI prior to submission of this application in order to be accepted by the CHGME Payment Program. In some instances, the instructions are the same for all hospitals irrespective of the type of MCR the hospital filed for the subject cost reporting period. In those cases, only one set (i.e., one column) of instructions is provided.	
	Hospitals that have not completed at least three (3) MCR periods must follow the instructions provided in italics, where provided below.	
Section 1	DETERMINATION OF RESIDENT FTE CAP FOR THE HOSPITAL'S MOST RECENT COST REPORTING PERIOD ENDING ON OR BEFORE DECEMBER 31, 1996	
	Hospitals that did not train residents during the most recent cost reporting period ending on or before December 31, 1996 should enter "N/A" on lines 1.01 through 1.03.	
1.01	Enter the inclusive dates of the subject cost reporting period. The following format must be used: (From:) mm/dd/yyyy (To:) mm/dd/yyyy.	
1.02	Enter the status of the subject MCR using the codes below:	
	Code	Definition
	S	<u>Settled.</u> This status refers to cost reports that have been settled [a notice of program reimbursement (NPR) issued] by the MAC.
	S/R/P	<u>Settled/Reopened/Preliminary FI.</u> This status refers to cost reports that have been settled (an NPR issued by the MAC), then re-opened by the MAC and any changes (to the resident FTE counts during the reopening) have been assessed by the CHGME FI (or MAC).
	S/R/RS	<u>Settled/Reopened/Resettled.</u> This status refers to cost reports that have been settled (an NPR issued by the MAC), re-opened by the MAC, and then re-settled by the MAC.
	Code	Definition
	L	<u>Low-utilization MCR.</u> This status refers to resident FTE counts submitted by the hospital in their initial application that have not been assessed by the CHGME FI.
	N	<u>No-utilization MCR.</u> This status refers to resident FTE counts submitted by the hospital in their initial application that have not been assessed by the CHGME FI.
	C	<u>Complete.</u> This status refers to resident FTE counts that have been assessed by the CHGME FI and reported to the hospital and the CHGME Payment Program in the CHGME FI's final assessment report.
	R	<u>Re-issue.</u> This status refers to resident FTE counts reported in a CHGME FI's final assessment report that have been re-assessed based on a request from the children's hospital or the CHGME FI and the results of the reassessment reported to the hospital and the CHGME Payment Program in the CHGME FI's final re-assessment report.

1.03	Enter the un-weighted resident FTE count for allopathic and osteopathic programs for the most recent cost reporting period ending on or before December 31, 1996. Worksheet E-4 (formerly named Worksheet E-3, Part IV) Line 3.01 on the hospital's MCR beginning on or after October 1, 1997.)	Enter the un-weighted resident FTE count for allopathic and osteopathic programs for the most recent cost reporting period ending on or before December 31, 1996.
-------------	---	---

Hospitals must complete Sections 4 through 6 of Form HRSA-99-1 prior to completing Sections 2 and 3.		
---	--	--

Section 2	AVERAGE UNWEIGHTED RESIDENT FTE COUNT	
2.01	Enter the amount from line 4.19 of the 1996 Cap Year column.	
2.02	Enter the amount from line 5.19 of the 1996 Cap Year column. <i>Hospitals that have not completed three (3) MCR periods should enter "N/A".</i>	
2.03	Enter the amount from line 6.19 of the 1996 Cap Year column. <i>Hospitals that have not completed three (3) MCR periods should enter "N/A".</i>	
2.04	Enter the sum of lines 2.01, 2.02 and 2.03 from above divided by 3. <i>Hospitals that have not completed three (3) MCR periods should enter the amount from line 2.01 above.</i>	
2.05	Enter the un-weighted number of resident FTEs in the initial years of all programs that meet the rolling average exception criteria in 42 CFR 413.79(d).	
2.06	Enter the sum of lines 2.04 and 2.05 from above.	
2.07	Enter the amount from line 4.19 of the §422 of the MMA column.	
2.08	Enter the sum of lines 2.06 and 2.07 from above.	
Section 3	AVERAGE WEIGHTED RESIDENT FTE COUNT	
3.01	Enter the amount from line 4.20 of the 1996 Cap Year column.	
3.02	Enter the amount from line 5.20 of the 1996 Cap Year column. <i>Hospitals that have not completed three (3) MCR periods should enter "N/A".</i>	
3.03	Enter the amount from line 6.20 of the 1996 Cap Year column. <i>Hospitals that have not completed three (3) MCR periods should enter "N/A".</i>	
3.04	<i>Hospitals that have not completed three (3) MCR periods should enter the amount from line 3.01 above.</i>	
	Enter the sum of lines 3.15 and 3.21 from CMS 2552-10, Worksheet E-4 (formerly named CMS 2552-96 Worksheet E-3, Part IV) from your most recently filed MCR which is equivalent to the sum of lines 3.01, 3.02 and 3.03 from above divided by 3. If the sum of lines 3.01 through 3.03 divided by 3 does not equal the sum of lines 3.15 and 3.21 from CMS 2552-10, Worksheet E-4 (formerly named CMS 2552-96) on your most recently filed	Enter the sum of lines 3.01, 3.02 and 3.03 from above divided by 3.

	MCR, please contact your regional manager immediately.									
3.05	Hospitals that have not completed three (3) MCR periods should enter the weighted number of resident FTEs in the initial years of all programs that meet the rolling average exception criteria in 42 CFR 413.79(d).									
	Enter the weighted number of resident FTEs in the initial years of all programs that meet the rolling average exception criteria in 42 CFR 413.79(d) .	Enter the weighted number of resident FTEs in the initial years of all programs that meet the rolling average exception criteria in 42 CFR 413.79(d) .								
3.06	Hospitals that have not completed three (3) MCR should enter the sum of lines 3.04 and 3.05 from above. This is the weighted resident FTE count.									
	Enter the sum of lines 3.04 and 3.05 from above.									
3.07	Enter the amount from line 4.20 of the §422 of the MMA column.									
3.08	Enter the sum of lines 3.06 and 3.07 from above.									
Section 4	DETERMINATION OF RESIDENT FTE COUNT FOR THE HOSPITAL'S MOST RECENTLY COMPLETED COST REPORTING PERIOD <i>Hospitals that have not completed a MCR period <u>must</u> use the methodology described in the application guidance section titled "Special Calculation Instructions for Hospitals that Have Not Completed a Medicare Cost Reporting Period" to determine their weighted and un-weighted resident FTE counts based upon an incomplete cost reporting period.</i>									
4.01	Enter the inclusive dates of the subject cost reporting period. The following format must be used: (From:) mm/dd/yyyy (To:) mm/dd/yyyy .									
	Hospitals that have not completed a full MCR period must enter the date in which the hospital became eligible to participate (i.e. date that the hospital obtained a Medicare provider number and began training residents) and the CHGME Payment Program application deadline. This is the hospital's period of eligibility.									
4.02	Enter the status of the subject MCR using the codes below:	Enter the status of the subject MCR using the codes below:								
	<table border="1"> <thead> <tr> <th>Code</th><th>Definition</th></tr> </thead> <tbody> <tr> <td>AF</td><td><u>As Filed.</u> This status refers to cost reports that have been submitted by the children's</td></tr> </tbody> </table>	Code	Definition	AF	<u>As Filed.</u> This status refers to cost reports that have been submitted by the children's	<table border="1"> <thead> <tr> <th>Code</th><th>Definition</th></tr> </thead> <tbody> <tr> <td>L</td><td><u>Low-utilization MCR.</u> This status refers to resident FTE counts submitted by the hospital in their initial</td></tr> </tbody> </table>	Code	Definition	L	<u>Low-utilization MCR.</u> This status refers to resident FTE counts submitted by the hospital in their initial
Code	Definition									
AF	<u>As Filed.</u> This status refers to cost reports that have been submitted by the children's									
Code	Definition									
L	<u>Low-utilization MCR.</u> This status refers to resident FTE counts submitted by the hospital in their initial									

		hospital to the MAC, but have not yet been reviewed by the CHGME FI (or MAC).		application that have not been assessed by the CHGME FI.	
	AM	<u>Amended.</u> This status refers to cost reports that have been amended and submitted by the children's hospital to the MAC, but have not yet been reviewed by the CHGME FI (or MAC).	N	<u>No-utilization MCR.</u> This status refers to resident FTE counts submitted by the hospital in their initial application that have not been assessed by the CHGME FI.	
	P	<u>Preliminary.</u> This status refers to resident FTE counts that have been assessed by the CHGME FI (or MAC where the cost report has not yet been settled (notice of program reimbursement has not been issued).	C	<u>Complete.</u> This status refers to resident FTE counts that have been assessed by the CHGME FI and reported to the hospital and the CHGME Payment Program in the CHGME FI's final assessment report.	
	S	<u>Settled.</u> This status refers to cost reports that have been settled [an NPR issued] by the MAC.	R	<u>Re-issue.</u> This status refers to resident FTE counts reported in a CHGME FI's final assessment report that have been re-assessed based on a request from the children's hospital or the CHGME FI and the results of the reassessment reported to the hospital and the CHGME Payment Program in the CHGME FI's final re-assessment report.	
	S/R/P	<u>Settled/Reopened/Preliminary FI.</u> This status refers to cost reports that have been settled (an NPR issued by the Medicare FI), then re-opened by the Medicare FI and any changes (to the resident FTE counts during the reopening) have been assessed by the CHGME FI (or MAC).			
	S/R/RS	<u>Settled/Reopened/Resettled.</u> This status refers to cost reports that have been settled (an NPR issued by the MAC), re-opened by the MAC, and then re-settled by the MAC.			
4.03	1996 cap year column: Enter the un-weighted resident FTE count for allopathic and osteopathic programs for the most recent cost reporting period ending on or before December 31, 1996 which is equivalent to Line 3.01 Line 3.01 from CMS 2552-96 Worksheet E-3, Part IV or to Line 1.0 from CMS 2552-10 Worksheet E-4 from the subject cost reporting period. For hospitals whose MCR did not contain an entry on line 3.01, enter "0". If Line 3.01 from Worksheet E-3, Part IV does not equal line 1.03 from above, line 3.01 from CMS 2552-96 Worksheet E-3, part IV or to Line 1.0 from CMS 2552-10 Worksheet E-4 must be supported and attested to by the FI prior to submission of this application in order to be accepted by the CHGME Payment Program.		1996 cap year column: Enter the un-weighted resident FTE count for allopathic and osteopathic programs for the most recent cost reporting period ending on or before December 31, 1996 which is equivalent to Line 1.03 from above.		
4.04	Enter addition for the un-weighted resident FTE count for allopathic and osteopathic programs which meet the criteria for an adjustment to the		Enter the un-weighted resident FTE count for allopathic and osteopathic programs which meet the criteria for an add-on to the cap for new programs in		

	cap for new programs in accordance with 42 CFR 413.79(e) [which is equivalent to Line 3.02 from CMS 2552-96 Worksheet E-3, Part IV or to Line 2 from CMS 2552-10 Worksheet E-4 from the subject MCR]	accordance with 42 CFR 413.79(e) [which is equivalent to Line 3.02 from CMS 2552-96 Worksheet E-3, Part IV or to Line 2 from CMS 2552-10 Worksheet E-4 from the subject MCR]	
4.04a	Enter the reduction for the un-weighted resident FTE count for allopathic or osteopathic programs due to §422 of the MMA [which is equivalent to Line 2.0 from CMS 2552-96 Worksheet E-3, Part VI or to Line 3.0 from CMS 2552-10 Worksheet E-4 from the subject cost reporting period].	Enter the reduction for the un-weighted resident FTE count for allopathic or osteopathic programs due to §422 of the MMA [which is equivalent to Line 2.0 from CMS 2552-96 Worksheet E-3, Part VI or to Line 3.0 from CMS 2552-10 Worksheet E-4 from the subject cost reporting period].	
4.04b	Enter the reduction for the un-weighted resident FTE count for allopathic or osteopathic programs in accordance with §5503 of the ACA in accordance with 42 CFR 413.79(m) [which is equivalent to Line 3.01 from CMS 2552-10 Worksheet E-4 from the subject cost reporting period].	Enter the reduction for the un-weighted resident FTE count for allopathic or osteopathic programs in accordance with §5503 of the ACA [which is equivalent to Line 3.01 from CMS 2552-10 Worksheet E-4 from the subject cost reporting period].	
4.05	Enter the adjustment (increase or decrease) for the un-weighted resident FTE count for allopathic or osteopathic programs for affiliated programs in accordance with 42 CFR 413.75(b), 413.79(c)(2)(iv), and 63 FR 26336 of May 12, 1998 [which is equivalent to Line 3.03 from CMS 2552-96 Worksheet E-3, Part IV or to Line 4.0 from CMS 2552-10 Worksheet E-4 from the subject cost reporting period].	Enter the adjustment (increase or decrease) for the un-weighted resident FTE count for allopathic or osteopathic programs for affiliated programs in accordance with 42 CFR 413.75(b), 413.79(c)(2)(iv), and 63 FR 26336 of May 12, 1998 [which is equivalent to Line 3.03 from CMS 2552-96 Worksheet E-3, Part IV or to Line 4.0 from CMS 2552-10 Worksheet E-4 from the subject cost reporting period].	
4.05a	Enter the addition for un-weighted FTE resident count for allopathic and osteopathic programs in accordance with §5503 of the ACA [which is equivalent to Line 4.01 from CMS 2552-10 Worksheet E-4 from the subject cost reporting period].	Enter the addition for un-weighted FTE resident count for allopathic and osteopathic programs in accordance with §5503 of the ACA [which is equivalent to Line 4.01 from CMS 2552-10 Worksheet E-4 from the subject cost reporting period].	Enter the addition for un-weighted FTE resident count for allopathic and osteopathic programs in accordance with §5503 of the ACA [which is equivalent to Line 4.01 from CMS 2552-10 Worksheet E-4 from the subject cost reporting period].
4.05b	Enter the addition for un-weighted FTE resident count for allopathic and osteopathic programs in accordance with §5506 of the ACA [which is equivalent to Line 4.02 from CMS 2552-10 Worksheet E-4 from the subject cost reporting period].	Enter the addition for un-weighted FTE resident count for allopathic and osteopathic programs in accordance with §5506 of the ACA [which is equivalent to Line 4.02 from CMS 2552-10 Worksheet E-4 from the subject cost reporting period].	
4.06	1996 cap year column: Enter the sum of lines 4.03 through 4.05a. This is the FTE adjusted cap which is equivalent to Line 3.04 from CMS 2552-96 Worksheet E-3, Part IV or to Line 5 from CMS 2552-10 Worksheet E-4 from the subject cost reporting period. If the hospital's 1996 Base Year Cap is reduced under 42 CFR 413.79(c)(3) due to unused resident slots, effective for cost reporting periods ending on or after July 1, 2005, Line 3.04 from CMS 2552-96 Worksheet E-3, Part IV is equivalent to the sum of Line 3.03 from CMS 2552-96 Worksheet E-3, Part IV and Line 4 from Worksheet E-3, Part VI from the subject cost reporting period. Line 5 from CMS 2552-10	1996 cap year column: Enter the sum of lines 4.03 through 4.05a from above. This is the FTE adjusted cap. If the hospital's 1996 Base Year Cap is reduced under 42 CFR 413.79(c)(3) due to unused resident slots, effective for cost reporting periods ending on or after July 1, 2005, enter Line 3.04 from CMS 2552-96 Worksheet E-3, Part IV from the subject MCR which is equivalent to the sum of Line 3.03 from CMS 2552-96 Worksheet E-3, Part IV and Line 4 from Worksheet E-3, Part VI from the subject MCR. If the hospital was not required to file CMS 2552-96 Worksheets E-3, Part IV or E-3, Part VI following the 1996 Base Year Cap reduction under	

	Worksheet E-4 is equivalent to the sum of Line 3.03 from CMS 2552-10 Worksheet E-4 and Line 4.0 from Worksheet E-4 from the subject cost reporting period. For “newly qualified” hospitals which will have a CHGME “cap” established by the Secretary according to Public Law 113-98, enter the number of FTEs trained during the most recent Medicare Cost Report period completed on or before April 7, 2014.	42 CFR 413.79(c)(3) for the subject cost reporting period contact your regional manager.
	§422 of the MMA column: Enter the number of un-weighted allopathic and osteopathic GME FTE resident cap slots the hospital received under 42 CFR 413.79(c)(4) [which is equivalent to Line 5 (or 5.01 for cost reporting periods that overlap July 1, 2005) from CMS 2552-96 Worksheet E-3, Part VI or Line 20.0 from CMS 2552-10 Worksheet E-4 from the subject cost reporting period. If the hospital received GME FTE resident cap slots under 42 CFR 413.79(c)(4), but was not required to file CMS 2552-96 Worksheets E-3, Part VI or to file CMS 2552-10 Worksheets E-4 for the subject cost reporting period contact your regional manager. If the hospital did not receive GME FTE resident cap slots under 42 CFR 413.79(c) enter “zero” on Lines 4.06 through 4.13, 4.19 and 4.20 of this column.	
4.07	1996 cap year column: Enter the un-weighted resident FTE count for allopathic or osteopathic programs for the current year from your records, other than those in the initial years of the program that meet the criteria for an exception to the rolling average rules (42 CFR 413.79(d) and/or (e)). This is equivalent to Line 3.05 from CMS 2552-96 Worksheet E-3, Part IV or enter line 6.0 from CMS 2552-10 Worksheet E-4 from the subject cost reporting period.	1996 cap year column: Enter the un-weighted resident FTE count for allopathic or osteopathic programs for the current year from your records, other than those in the initial years of the program that meet the criteria for an exception to the rolling average rules (42 CFR 413.79(d) and/or (e)).
	§422 of the MMA column: Enter the sum of Lines 4.07 minus 4.08 from the 1996 Cap Year Column.	
4.08	1996 cap year column: Enter line 3.06 from CMS 2552-96 Worksheet E-3, Part IV or enter line 7.0 from CMS 2552-10 Worksheet E-4 from the subject cost reporting period.	1996 cap year column: Enter the lesser of lines 4.06 or 4.07 from above (lesser of lines 5.06 or 5.07 for Section 5 and lines 6.06 or 6.07 for Section 6).
	§422 of the MMA column: enter the lesser of Lines 4.06 or 4.07 from above.	
4.09	1996 cap year column: Enter the un-weighted FTE resident count for allopathic and osteopathic residents in their initial residency period.	
	§422 of the MMA column: Enter the un-weighted FTE resident count for allopathic and osteopathic residents in their initial residency period.	
4.10	1996 cap year column: Enter the hospital's un-weighted FTE resident count for allopathic and osteopathic residents beyond their initial residency period. The sum of lines 4.09 and 4.10 should equal line 4.07 from above (the sum of lines 5.09 and 5.10 should equal line 5.07 for Section 5 and the sum of lines 6.09 and 6.10 should equal line 6.07 for Section 6).	
	§422 of the MMA column: Enter the hospital's un-weighted FTE resident count for allopathic and osteopathic residents beyond their initial residency period. The sum of lines 4.09 and 4.10 should equal line 4.07 from above.	

4.11	1996 cap year column: Multiply line 4.10 from above (line 5.10 for Section 5 and line 6.10 for Section 6) by 0.5 and enter the product. This is the weighted FTE resident count for allopathic and osteopathic residents beyond their initial residency period. §422 of the MMA column: Multiply line 4.10 from above by 0.5 and enter the product. This is the weighted FTE resident count for allopathic and osteopathic residents beyond their initial residency period.
4.12	1996 cap year column: Enter line 3.09 from CMS 2552-96 Worksheet E-3, Part IV or enter line 8.0 from CMS 2552-10 Worksheet E-4. This should equal the sum of lines 4.09 and 4.11 from above. 1996 cap year column: Enter the sum of lines 4.09 and 4.11 from above (sum of lines 5.09 and 5.11 for Section 5 and lines 6.09 and 6.11 for Section 6). This is the total weighted resident FTE count for allopathic and osteopathic programs. §422 of the MMA column: Enter the sum of lines 4.09 and 4.11 from above.
4.13	1996 cap year column: Enter line 3.10 from CMS 2552-96 Worksheet E-3, Part IV or enter line 9.0 from CMS 2552-10 Worksheet E-4. 1996 cap year column: For Section 4: If line 4.07 is less than or equal to line 4.06 enter the amount from line 4.12 above. If line 4.07 is greater than line 4.06, multiply line 4.12 by (line 4.06 divided by line 4.07) and enter the product. For Section 5: If line 5.07 is less than or equal to line 5.06 enter the amount from line 5.12 above. If line 5.07 is greater than line 5.06, multiply line 5.12 by (line 5.06 divided by line 5.07) and enter the product. For Section 6: If line 6.07 is less than or equal to line 6.06 enter the amount from line 6.12 above. If line 6.07 is greater than line 6.06, multiply line 6.12 by (line 6.06 divided by line 6.07) and enter the product. §422 of the MMA column: If line 4.07 is less than or equal to line 4.06, enter the amount from line 4.12 above. If line 4.07 is greater than line 4.06, multiply line 4.12 by (line 4.06 divided by line 4.07) and enter the product.
4.14	1996 cap year column: Enter the un-weighted resident FTE count for dental and podiatric programs.
4.15	1996 cap year column: Enter the un-weighted resident FTE count for dental and podiatric residents in their initial residency period.
4.16	1996 cap year column: Enter the un-weighted resident FTE count for dental and podiatric residents beyond their initial residency period.
4.17	1996 cap year column: Multiply line 4.16 from above (line 5.16 for Section 5 and line 6.16 for Section 6) by 0.5 and enter the product.
4.18	1996 cap year column: Enter line 3.11 from CMS 2552-96 Worksheet E-3, Part IV or enter line 10.0 from CMS 2552-10 Worksheet E-4. This should equal the sum of lines 4.15 and 4.17. For hospitals who's MCR did not contain an entry on line 3.11 on Worksheet E-3, Part IV enter the sum of lines 4.15 and 4.17 from above (the sum 1996 cap year column: Enter the sum of lines 4.15 and 4.17 from above (the sum of lines 5.15 and 5.17 for Section 5 and lines 6.15 and 6.17 for Section 6). This is the total weighted resident FTE count for dental and podiatric programs.

	of lines 5.15 and 5.17 for Section 5 and lines 6.15 and 6.17 for Section 6). This is the total weighted resident FTE count for dental and podiatric programs.	
4.19	1996 cap year column: Enter the sum of lines 4.08, 4.15 and 4.16 from above (the sum of lines 5.08, 5.15 and 5.16 for Section 5 and the sum of lines 6.08, 6.15 and 6.16 for Section 6). This is the hospital's total un-weighted FTE resident count.	
	§422 of the MMA column: Enter line 4.08 from above.	
4.20	1996 cap year column: Enter the sum of lines 3.10 and 3.11 from CMS 2552-96 Worksheet E-3, Part IV or enter line 11.0 from CMS 2552-10 Worksheet E-4. This should equal the sum of lines 4.13 and 4.18 (sum of lines 5.13 and 5.18 for Section 5 and the sum of lines 6.13 and 6.18 for Section 6).	1996 cap year column: Enter the sum of lines 4.13 and 4.18 from above (sum of lines 5.13 and 5.18 for Section 5 and the sum of lines 6.13 and 6.18 for Section 6). This is the hospital's total weighted FTE resident count.
	§422 of the MMA column: Enter line 4.13 from above.	
Section 5	DETERMINATION OF RESIDENT FTE COUNT FOR THE HOSPITAL'S PRIOR COST REPORTING PERIOD	
	The direct GME FTE resident cap slots hospitals received under 42 CFR 413.79(c)(4) are not subject to the three year rolling average; therefore, Section 5 does not include a §422 of the MMA column and related guidance is not applicable this section.	
	<i>Hospitals that have not completed three (3) MCR periods should enter "N/A" on lines 5.01 through 5.20.</i>	
Section 6	DETERMINATION OF FTE RESIDENT COUNT FOR THE HOSPITAL'S PENULTIMATE COST REPORTING PERIOD	
	The direct GME FTE resident cap slots hospitals received under 42 CFR 413.79(c)(4) are not subject to the three year rolling average; therefore, Section 6 does not include a §422 of the MMA column and related guidance is not applicable this section.	
	<i>Hospitals that have not completed three (3) MCR periods should enter "N/A" on lines 6.01 through 6.20.</i>	

Instructions for the Reconciliation Application Cycle

All children's hospitals, regardless of their filing status, will use the resident FTE counts as reported by their CHGME FI in his/her final Resident FTE Assessment Report to complete their reconciliation application which includes an updated and revised, as needed, HRSA 99-1. For additional information regarding the Resident FTE Assessment Program see Section II.

Instructions for Completing HRSA 99-2

Determination of Indirect Medical Education Data Related to the Teaching of Residents

Inpatient Data for the Current Medicare Cost Report (MCR) Period

The “current” MCR period is defined as the hospital’s most recently filed MCR for hospitals that file full MCRs (report residents to Medicare on CMS 2552-10, Worksheet E-4 (formerly named CMS 2552-96, Worksheet E-3, Part IV)) or the most recently completed MCR period for hospitals that file low or no-utilization MCRs.

Hospitals that have not completed a full MCR period must use the methodology described in the application guidance section titled “Special Calculation Instructions for Hospitals that Have Not Completed a Medicare Cost Reporting Period” to complete the below.

1.01	Inclusive dates of the current MCR period. Enter the inclusive dates of the MCR period reported on line 4.01 of HRSA 99-1.
1.02	Number of Inpatient Days. The sum of the entire midnight census counts including nursery days for the MCR period reported on line 1.01 above. [Value must be taken to two decimal points (i.e., 38.00 or 12.43).]
1.03	Number of Inpatient Discharges. The sum of all inpatient discharges including healthy newborns for the MCR period reported on line 1.01 above. [Value must be taken to two decimal points (i.e., 38.00 or 12.43).]
1.04	Case Mix Index (CMI). The CMI is the sum of the diagnosis-related group (DRG) weights for all discharges during the MCR period identified on line 1.01 above divided by the number of discharges. The CMI represents the average DRG relative weight for the hospital. All hospitals must submit a CMI on all patient discharges using the appropriate CMS DRG version, <u>excluding</u> healthy newborns. [Value must be taken to 4 decimal points (i.e., 1.2105).] The CMI is utilized in the IME formula to determine IME payments. Hospitals that do not submit a CMI are not eligible for IME payments. These hospitals are required to initial the appropriate box on line 1.04 of HRSA 99-2 acknowledging their ineligibility for IME payments.

Intern/Resident-to-Bed (IRB) Ratio

To comply as closely as possible with Medicare rules and regulations, the Department applies a cap on the IRB ratio, similar to the cap applied by the Medicare program pursuant to regulations at 42 CFR 412.105(a)(1), whereby the ratio may not exceed the ratio for the hospital’s most recent prior cost reporting period. For those hospitals whose IRB ratio changes, there will be a one-year delay in the implementation of the revised IRB. Starting in FY 2002 the CHGME Payment Program will implement a cap on the IRB ratio. The IRB cap may not exceed the ratio for the hospital’s previous cost reporting period.

Calculate the IRB Ratio for the Current MCR Period

The “current” MCR period is defined as the hospital’s most recently filed MCR for hospitals that file full MCRs (report residents to Medicare on CMS 2552-10, Worksheet E-4 (formerly named CMS 2552-96, Worksheet E-3, Part IV)) or the most recently completed MCR period for hospitals that file low or no-utilization MCRs.

Hospitals that meet the criteria for an exception or adjustment to the cap should refer to the Centers for Medicare and Medicaid Services August 1, 2001 Federal Register Notice (66 FR 39878) which provides additional information and guidance in calculating the IRB ratio.

1.05	Enter the 3-year adjusted un-weighted FTE rolling average for the current MCR period. The 3-year un-weighted FTE rolling average for the current MCR period is equal to line 2.06 of HRSA 99-1. Enter the data reported on line 2.06 of HRSA 99-1. [Value must be taken to two decimal points (i.e., 38.00 or 12.43).]
-------------	---

1.06	Enter the bed count for the current MCR period. The bed count for the current MCR period is the sum of all available beds per day in the cost reporting period, excluding beds and bassinets in the healthy newborn nursery, divided by the number of days in that period. If a children's hospital has not completed a Medicare cost report period prior to submission of an application to the CHGME Payment Program, it would base the bed count on the sum of all available beds per day, excluding beds and bassinets in the healthy newborn nursery, in the period from the day it became eligible for the CHGME program until the CHGME application deadline, divided by the number of days in that period. A bed is any bed that is permanently maintained for lodging inpatients. The bed count number is utilized in the IME formula to determine IME payments. [Value must be taken to two decimal points (i.e., 38.00 or 12.43).]
1.07	Enter the IRB ratio for the current MCR period. The IRB ratio is equal to the 3-year un-weighted rolling average (line 1.05 above) divided by the bed count (line 1.06 above). [Value must be taken to six decimal points (i.e. 34.567800).]

Calculate the IRB Ratio for the Previous MCR Period

The "previous" MCR period refers to the annual cost reporting period that ended one year prior to the cost reporting period identified on line 1.01 above. The previous MCR period should equal line 5.01 of HRSA 99-1

Hospitals that were not required to complete section 5 of HRSA 99-1 should contact their regional manager for additional information and guidance for lines 1.08 through 1.11 below.

Hospitals that meet the criteria for an exception or adjustment to the cap should refer to the Centers for Medicare and Medicaid Services August 1, 2001 Federal Register Notice (66 FR 39878) which provides additional information and guidance in calculating the IRB ratio.

1.08	Inclusive dates of the previous MCR period. Enter the inclusive dates of the MCR period reported on line 5.01 of HRSA 99-1.
1.09	Unweighted FTE count for the previous MCR period. Enter the un-weighted FTE count for the previous MCR period which is equal to line 5.19 of HRSA 99-1. [Value must be taken to two decimal points (i.e., 38.00 or 12.43).]
1.10	Bed count for the previous MCR period. Calculate the available bed count for the previous MCR period. The bed count for the previous MCR period is the sum of all available beds per day in the cost reporting period, excluding beds and bassinets in the healthy newborn nursery, divided by the number of days in that period. [Value must be taken to two decimal points (i.e., 38.00 or 12.43).]
1.11	IRB ratio for the previous MCR period. Calculate the IRB ratio for the previous MCR period. The IRB ratio is equal to the un-weighted FTE count for the previous MCR period (line 1.09 above) divided by the bed count (line 1.10 above). [Value must be taken to six decimal points (i.e. 34.567890 or 12.540000).]

IRB Cap

1.12	IRB Cap. Enter the lesser of 1.07 or 1.11. [Value must be taken to six decimal points (i.e. 34.567890).] Hospitals that have not completed three (3) MCR periods should enter the amount from line 1.07 above.
-------------	---

§422 of the MMA IRB Ratio for the Current MCR Period

1.13	§422 of the MMA un-weighted resident FTE count for the current MCR period. The un-weighted resident FTE count for the current MCR period is equal to line 4.19 of the §422 of the MMA column of the HRSA 99-1. Enter the data reported on line 4.19 from the §422 of the MMA column of HRSA 99-1. [Value must be taken to two decimal points (i.e., 38.00 or 12.43).]
-------------	--

1.14	Bed count for the current MCR period. Enter the available bed count for the current MCR period. This should be consistent with the data reported in line 1.06 above. [Value must be taken to two decimal points (i.e., 38.00 or 12.43).]
1.15	§422 of the MMA IRB ratio for the current MCR period. Calculate the §422 of the MMA IRB ratio for the current MCR period. The §422 of the MMA IRB ratio is equal to the increase in the un-weighted FTE count (line 1.13 above) divided by the bed count (line 1.14 above). [Value must be taken to six decimal points (i.e., 34.567890 or 12.540000).]
Outpatient Data	
1.16	Number of Ambulatory Surgery Visits. Total number of scheduled outpatient ambulatory surgical visit provided to patients who do not remain in the hospital overnight. The surgery may be performed in operating suites also used for inpatient surgery specifically designed surgical suites for outpatient surgery, or procedure rooms within an outpatient care facility.
1.17	Number of Radiology Visits. Total number of diagnostic radiology visits provided to patients in the outpatient setting such as computed tomographic scanner (CT scan), magnetic resonance imaging (MRI), position emission tomography (PET), Single photon emission computerized tomography (SPECT), and ultrasound. (Do not include inpatient testing)
1.18	Number of Urgent Care Visits. Total number of urgent care visits that provide care and treatment for problems that are not life threatening but require attention over the short term.
1.19	Number of Emergency Department Visits. Total number of emergency room visits for patients whose condition requires immediate care.
1.20	Number of Clinic Visits. Total number of clinic visits to each specialized medical unit responsible for the diagnosis and treatment of patients on an outpatient, non-emergency basis. Visits to the satellite clinics and primary group practices should be included if revenue is received by the hospital.

Instructions for Completing HRSA 99-4

Government Performance and Results Act Tables

Hospitals must report data from the cost reporting period reflected on line 4.01 of HRSA 99-1

Table 1. Number of FTE Residents Supported by the Children's Hospitals in Approved Residency Training Programs

Note: Applicants requesting funding must submit the required data in the following format. This data is for residents rotating through both the inpatient and outpatient settings of the hospital. Resident FTE counts reported below should be un-weighted and line 1.04 (below) should be consistent with the un-weighted resident FTE counts reflected in Form HRSA 99-1 Section 4.

Line	Instructions
1.01	Sponsored* by the Children’s Hospital and Rotating at the Children’s Hospital. Provide the number of FTE residents (family medicine, general internal medicine, general pediatrics, preventive medicine, geriatric medicine, osteopathic general practice, general surgery, subspecialty pediatric & fellows, and all other non-pediatric) training in your hospital and sponsored by your hospital during the cost reporting period.
1.02	Sponsored by the Children’s Hospital and Rotating at Non-provider Sites. Provide the number of FTE residents in family medicine, general internal medicine, general pediatrics, preventive medicine, geriatric medicine, osteopathic general practice, general surgery, subspecialty pediatric & fellows, and all other non-pediatric sponsored by your hospital but are rotating to non-provider sites during the cost reporting period.
1.03	Sponsored by Other Hospitals and Rotating at the Children’s Hospital. Provide the number of FTE residents (family medicine, general internal medicine, general pediatrics, preventive medicine, geriatric medicine, osteopathic general practice, general surgery, subspecialty pediatric & fellows, and all other non-pediatric sponsored by another hospital but are rotating to your hospital during the cost reporting period.
1.04	Total Number of FTE Residents. Provide the total number of FTE Residents from the sum of Lines 1.01 through 1.03 (above)
1.05	Sponsored by the Children’s Hospital and Rotating at Other Hospitals. Provide the number of FTE residents in family medicine, general internal medicine, general pediatrics, preventive medicine, geriatric medicine, osteopathic general practice, general surgery, subspecialty pediatric & fellows, and all other non-pediatric sponsored by your hospital but are rotating to other hospitals during the cost reporting period.

Definitions

Sponsoring Institution	*CHGME Payment Program defines a sponsoring institution as an institution, which assumes the ultimate responsibility for a graduate medical education program. According to the Accreditation Council for Graduate Medical Education (ACGME), the following are the institutional requirements for a Sponsoring Institution: 1) A residency program must operate under the authority and control of a sponsoring institution. 2) There must be a written statement of institutional commitment to GME that is supported by the governing authority, the administration, and the teaching staff. 3) Sponsoring institutions must be in substantial compliance with the Institutional Requirements and must ensure that their ACGME-accredited programs are in substantial compliance with the Program Requirements and the applicable Institutional Requirements. 4) An institution's failure to comply substantially with the Institutional Requirements may jeopardize the accreditation of all of its sponsored residency programs.
Family Medicine Resident	Residents training in their initial residency period of a family medicine residency program
General Internal Medicine Resident	Residents training in their initial residency period of a general internal medicine residency program
General Pediatric Resident	Residents training in their initial residency period of a general pediatric residency program
Preventive Medicine Resident	Residents training in their initial residency period of a preventive medicine residency program
Geriatric Medicine Resident	Residents training in their initial residency period of a geriatric medicine residency program
Osteopathic General Practice Resident	Residents training in their initial residency period of an osteopathic general practice residency program
General Surgery Resident	Residents training in their initial residency period of a general surgery residency program
Subspecialty Pediatric Resident	Residents training beyond their initial residency period (i.e., fellows)
All Other Non-Pediatric Resident	Residents training in their initial residency period not specifically in family medicine, general internal medicine, general pediatrics, preventive medicine, geriatric medicine, osteopathic general practice, general surgery (i.e., radiology, pathology, endocrinology, dental)

Table 2. Hospital's Total and Operating Margins

Margin Types	Hospitals Filing Low or No-Utilization Medicare Cost Reports	Hospitals Filing Full Medicare Cost Reports
Total Margins	Total margin is defined as the net income from all sources [(net patient revenue + all other income)-[(total operating expenses + other expenses)] divided by total hospital revenues (net patient revenues + total other income) multiplied by 100	To calculate the total margin take Worksheet G-3 Line 31 and divide it by Line 3 + Line 25.
Operating Margins	The operating margin is defined as the net income from service to patients (net patient revenues – total operating expenses) divided by net patient revenues (total patient revenues – contractual allowances) multiplied by 100	To calculate the operating margin, take the number from Worksheet G-3 line 3, subtract the number from worksheet A Column 3 line 118, divide by the number from worksheet G-3, line 3 and multiply it by 100.

Table 3. Hospital's Allowable Operating Expenses

Margin Types	Hospitals Filing Low or No-Utilization Medicare Cost Reports	Hospitals Filing Full Medicare Cost Reports
Total Allowable Operating Expenses	Contact the hospital's fiscal intermediary to clarify what Medicare accepts as allowable operating expenses, if mechanism is not already identified in the hospital's financial statements	The total allowable operating expenses can identified on the hospital's Medicare cost report - Worksheet G-2 Part II Line 29

Table 4. Hospital's Revenue and Expenses Attributed to Patient Care

Revenue/Expenses Type	Inpatient	Outpatient
Hospital's gross revenue attributed to Medicaid and SCHIP (Medicaid refers to any funding provided by Title XIX including that from Medicaid HMOs and DSH payments. SCHIP-State Children's Health Insurance Program refers to funding provided under Title XXI).	Revenue received by the hospital from the Medicaid and SCHIP programs for inpatient care. Report as dollar amounts rather than percentages	Revenue received by the hospital from the Medicaid and SCHIP programs for outpatient care. Report as dollar amounts rather than percentages
Hospital's gross revenue attributed to Medicare	Revenue received by the hospital from the Medicare for inpatient care. Report as dollar amounts rather than percentages	Revenue received by the hospital from the Medicare for outpatient care. Report as dollar amounts rather than percentages
Hospital's gross revenue attributed to self-pay	Revenue received by the hospital directly from patients for inpatient care. Report as dollar amounts rather than percentages	Revenue received by the hospital directly from patients for outpatient care. Report as dollar amounts rather than percentages

Hospital's gross revenue attributed to other sources	Revenue received by the hospital from other sources for inpatient care not listed above. Report as dollar amounts rather than percentages	Revenue received by the hospital from other sources for outpatient care not listed above. Report as dollar amounts rather than percentages
Hospital's total gross revenue attributed to patient care	Total gross revenue received by the hospital for inpatient care (sum of inpatient columns 1-4). Report as dollar amounts rather than percentages.	Total gross revenue received by the hospital for outpatient care (sum of outpatient columns 1-4). Report as dollar amounts rather than percentages.
Hospital's total expenses attributed to uncompensated care	Total expenses that the hospital attributes to uncompensated inpatient care. Report as dollar amounts rather than percentages.	Total expenses that the hospital attributes to uncompensated outpatient care. Report as dollar amounts rather than percentages.
Hospital's total expenses attributed to charity care	Total expenses that the hospital attributes to charity care in the inpatient setting. Report as dollar amounts rather than percentages.	Total expenses that the hospital attributes to charity care in the outpatient setting. Report as dollar amounts rather than percentages.

Instructions for Completing HRSA 99-5

Application Checklist

The application checklist must be completed following the instructions provided on the checklist itself. All required forms and supporting documentation should be included in the application package submitted in the HRSA Electronic Handbooks to the CHGME Payment Program in the order that the forms and supporting documentation are listed on the checklist.

Section XIV

References

Commonly Used Acronyms

ACGME	ACCREDITATION COUNCIL FOR GRADUATE MEDICAL EDUCATION
AF	AS FILED
CH	CHILDREN'S HOSPITAL
CHGME Payment Program	CHILDREN'S HOSPITALS GRADUATE MEDICAL EDUCATION PAYMENT PROGRAM

CMI	CASE MIX INDEX
CMS	CENTERS FOR MEDICARE AND MEDICAID SERVICES
D(G)ME	DIRECT (GRADUATE) MEDICAL EDUCATION
EHB	ELECTRONIC HANDBOOK
FEL	FELLOW
FI	FISCAL INTERMEDIARY
FY	FEDERAL FISCAL YEAR
FRN	FEDERAL REGISTER NOTICE
FTE	FULL-TIME EQUIVALENT
GME	GRADUATE MEDICAL EDUCATION
GPRA	GOVERNMENT PERFORMANCE AND RESULTS ACT OF 1993
HRSA	HEALTH RESOURCES AND SERVICES ADMINISTRATION
IME	INDIRECT MEDICAL EDUCATION
IRB	INTERN RESIDENT BED COUNT
IRP	INITIAL RESIDENCY PERIOD
MAC	MEDICARE ADMINISTRATIVE CONTRACTOR
MCR	MEDICARE COST REPORT
NBME	NATIONAL BOARD OF MEDICAL EXAMINERS
PGY1	POST-GRADUATE YEAR (1,2,...)
PPS	PROSPECTIVE PAYMENT SYSTEM
RES (R)	RESIDENT (1,2,...)
USMLE	UNITED STATES MEDICAL LICENSING EXAMINATION
WI	WAGE INDEX