Closed Hospitals

- For Medicare purposes, closed hospital = termination of Medicare provider agreement
- Doesn’t include hospitals that close one or more residency programs
- Doesn’t include mergers where one hospital’s provider agreement survives the merger
Before the Affordable Care Act -

► Displaced residents could finish training in other hospitals if certain requirements were met
► Hospital accepting residents requested temporary cap adjustment (if slots funded)
► Temporary slots disappeared when residents finished training
Pursuant to the ACA -

- HHS Secretary must establish process for redistributing resident caps of hospitals that closed on or after March 23, 2008
- Initiated by Federal Register notice
- Notice specifies criteria, priorities, application & filing deadline
Hospital must show “demonstrated likelihood” of filling slots within 3 years (several options)

In filling slots priority given to applications in order of proximity (same or contiguous CBSA)

Evaluation criteria include hospitals that accept displaced residents, use slots for certain specialties, are located in HPSAs
• Nonteaching hospital that receive slots because they take entire specialty programs won’t qualify to start training under “new program” rules
• Hospitals receiving slots under other criteria can start programs that will qualify as “new programs”
• FTE slot awards are announced via Federal Register notice
Most Recent Distributions

- Results of Rounds 4 & 5 announced 2/13/14 in CMS MLN Connects Provider eNews
- Results also on Direct GME page of CMS website (CMS.gov → Medicare → Hospital → Acute Inpatient → DGME)
- Page also contains key links & downloads
Closed Programs

Displaced residents can finish training in other hospitals if –

- Original hospital notifies Medicare contractor that it agrees to temporarily reduce its cap
- Within 60 days, accepting hospital requests temporary adjustment (who & for how long)
- Slots ultimately revert to original hospital
Caveats

- Residents are considered “displaced” AFTER program closure
- “New program” interpreted narrowly - excludes programs that previously existed at another hospital
- Therefore new teaching hospitals should exercise caution when taking large numbers of displaced residents at same time as building own programs