

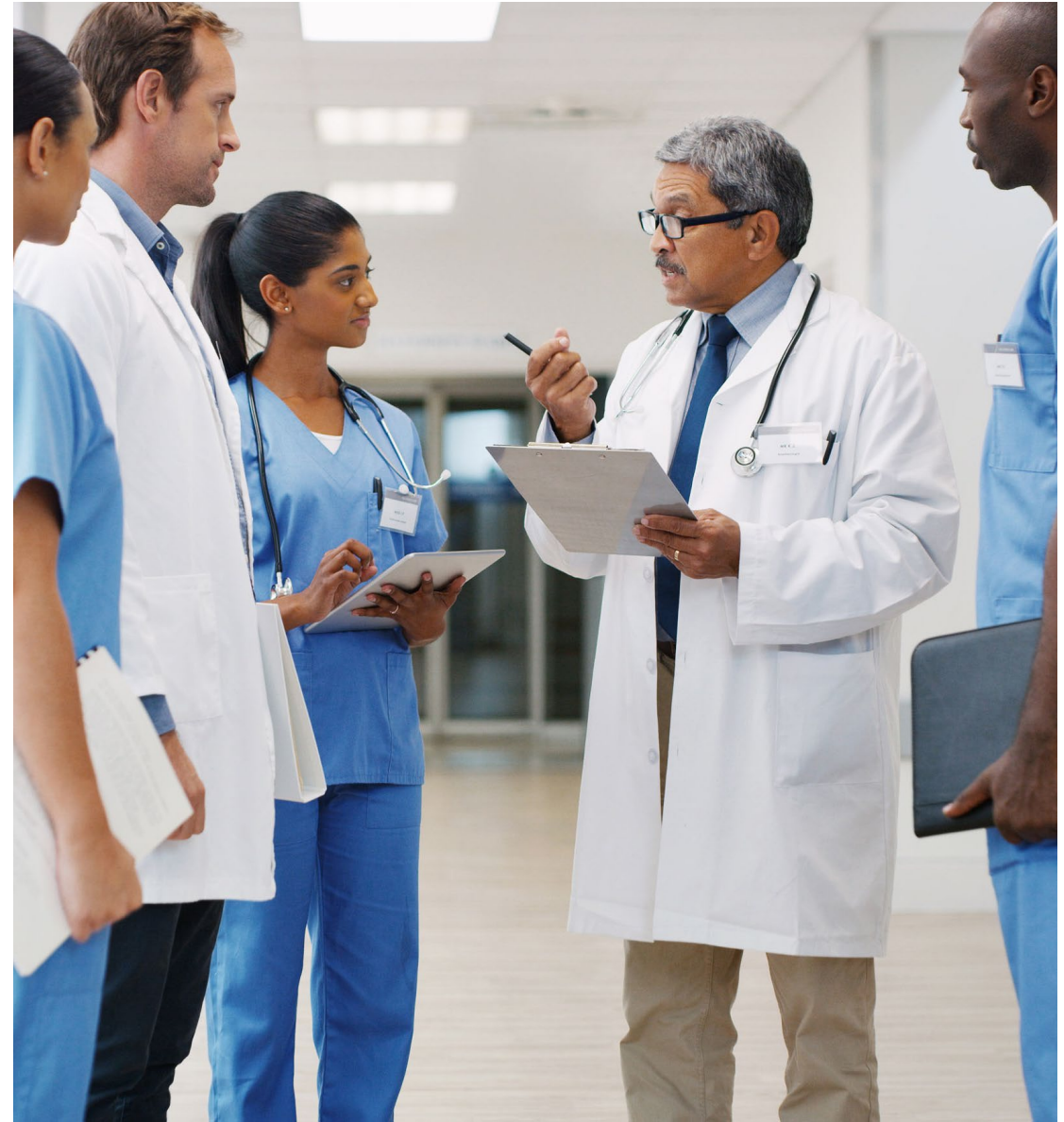


New York Graduate Medical Education

SEPTEMBER 2025

NY GME CONTENTS

1. Recognition of the Need to Train More Physicians
2. Need to Better Understand Current GME Funding
3. Available Options to Grow & Expand GME
4. Unwinding Years of the Status Quo & Legacy Funding
5. What Are Other Organizations Doing?



New York GME Quick Facts & Figures

Executive Summary



Favorable Per FTE Payment Drivers Create Comfortable Program Margins for New York Hospitals > \$75,000



New York Retains 60% of Residents and UME (Ranks 35th) and Produces More Than 8,000 Physicians for Other States Annually



New York Medicaid and Hospital Providers Continue to Grow & Invest in GME > 19% Growth Over 10 Years



New York Medicare GME Payments as % Total Medicare GME Payments = 18% (\$3.9B)



Favorable New York Medicaid Payments for Existing GME > \$1.9B



Significant Number of Rural & Naïve Hospitals > 150

01

Recognition of the Need to Train More Physicians

Value of Residents



Physician Shortage

Value of Residents

- Association of American Medical Colleges (AAMC)¹:
 - Projected physician shortage by 2034
 - 17,800–48,000 primary care
 - 21,000–77,100 non-primary care specialties
 - More than 2 of 5 active physicians will be 65 or older within the next decade
 - Burnout, stress, & overwork could lead to physician early retirements
- Demographics on population growth & aging
 - Under age 18 expected to grow by 5.6%
 - Age 65 & older expected to grow by 42.4% (driven by age 75 & older expected to grow by 74.0%)
- COVID-19 has raised disparities in health & access to care
 - Minority populations, rural communities, without medical insurance

Impact

Value of Residents

- | Provide patient care services (increase with years of training)
- | Provide on-call services
- | Teach junior residents & medical students
- | Replace or decrease the need for services provided by APPs & Hospitalists
- | Duty hour requirement (80-hour workweek)
- | Lower salaries (\$63,800–\$87,500 resident average PGY1–PGY8 in July 2023)
- | Lower physician recruitment costs

Other Resident Services

Value of Residents

- | Order & interpret diagnostic tests
- | Give examinations
- | Perform medical procedures
- | Assist in surgeries
- | Record medical histories
- | Arrange for discharge & aftercare
- | Work in continuity clinic
- | Moonlighting

New York Physician Workforce Data Report

Value of Residents

Description	NY	Nationwide State Median
Active Physicians per 100,000 Population, 2023	413	302
Active Primary Care Physicians per 100,000 Population, 2023	119	97
Active General Surgeons per 100,000 Population, 2023	11	8
Percentage of Active Physicians Who Are Age 65 or Older, 2023	25.7%	23.4%

US Physician Workforce Age – 2023

Value of Residents

Rank	Specialty	# of Physicians	% of Total Physicians	% Under Age 40	% Over Age 65
1.	Internal Medicine	126,313	12.5%	18.0%	24.5%
2.	Family Medicine/General Practice	123,713	12.2%	16.0%	25.4%
3.	Pediatrics	62,023	6.1%	16.2%	24.1%
4.	Emergency Medicine	50,654	5.0%	24.4%	17.1%
5.	Obstetrics and Gynecology	43,706	4.3%	14.9%	23.7%
	ALL SPECIALTIES	1,010,892	100%	16.8%	23.4%

Source: [U.S. Physician Workforce Data Dashboard | AAMC](#)

New York Physician Workforce Retention – 2023

Value of Residents

State	Total Physicians (All Specialties)	% Physicians Under Age 40	% Physicians Over Age 65	Active Physicians per 100,000 Population	% of States Physicians Who Completed GME in the Same State	% of Physicians Retained From Medical School	% of Physicians Retained From Graduate Medical Education
New York	80,852	19.0%	25.7%	413	71.0%	36.3%	45.4%
California	120,957	15.3%	25.0%	310	54.5%	63.1%	71.6%
Texas	72,450	17.2%	20.2%	238	48.4%	58.8%	59.3%
New Jersey	29,067	15.0%	27.4%	313	30.7%	33.2%	44.0%
Pennsylvania	44,586	19.2%	23.7%	344	55.4%	30.1%	40.0%
Massachusetts	33,997	17.6%	22.2%	486	56.5%	29.7%	44.7%
National	1,010,892	16.8%	23.4%	302	-	39%	45.6%

Source: [U.S. Physician Workforce Data Dashboard](#) | AAMC

New York Physician Workforce Retention – 2023

Value of Residents

State	UME	GME	UME + GME	Combined Rank	% Physicians Age 65+
New York	36.3%	45.4%	60.2%	35	25.7%
California	63.1%	71.6%	82.3%	2	25.0%
Texas	58.8%	59.3%	81.1%	3	20.2%
New Jersey	33.2%	44.0%	62.6%	29	27.4%
Pennsylvania	30.1%	40.0%	56.3%	38	23.7%
Massachusetts	29.7%	44.7%	59.5%	36	22.2%
National	39%	45.6%	68.9%	-	23.4%

Comparison of All States in 2020



New York Academic Medical Centers – 2024

Value of Residents

Academic Medical Center	Net Patient Revenue	No. of Discharges	No. of Programs	Resident to Bed Ratio	No. of Staffed Beds
New York Presbyterian Hospital	\$10,091,059,403	139,420	159	0.649797	2,926
Mount Sinai Hospital	\$3,634,097,458	57,509	152	0.943910	1,068
NYU Langone Hospitals	\$8,131,192,313	110,329	102	0.821000	1,673
Montefiore Medical Center	\$3,916,948,000	75,053	101	0.862404	1,468
Strong Memorial Hospital	\$3,726,425,495	36,381	91	0.925317	752
Kaleida Health (Buffalo)	\$1,735,090,444	47,321	72	0.428337	954
Stony Brook University Hospital	\$2,158,159,383	37,659	70	0.862184	735

New York Physician Workforce Resident Growth – 2023

Value of Residents

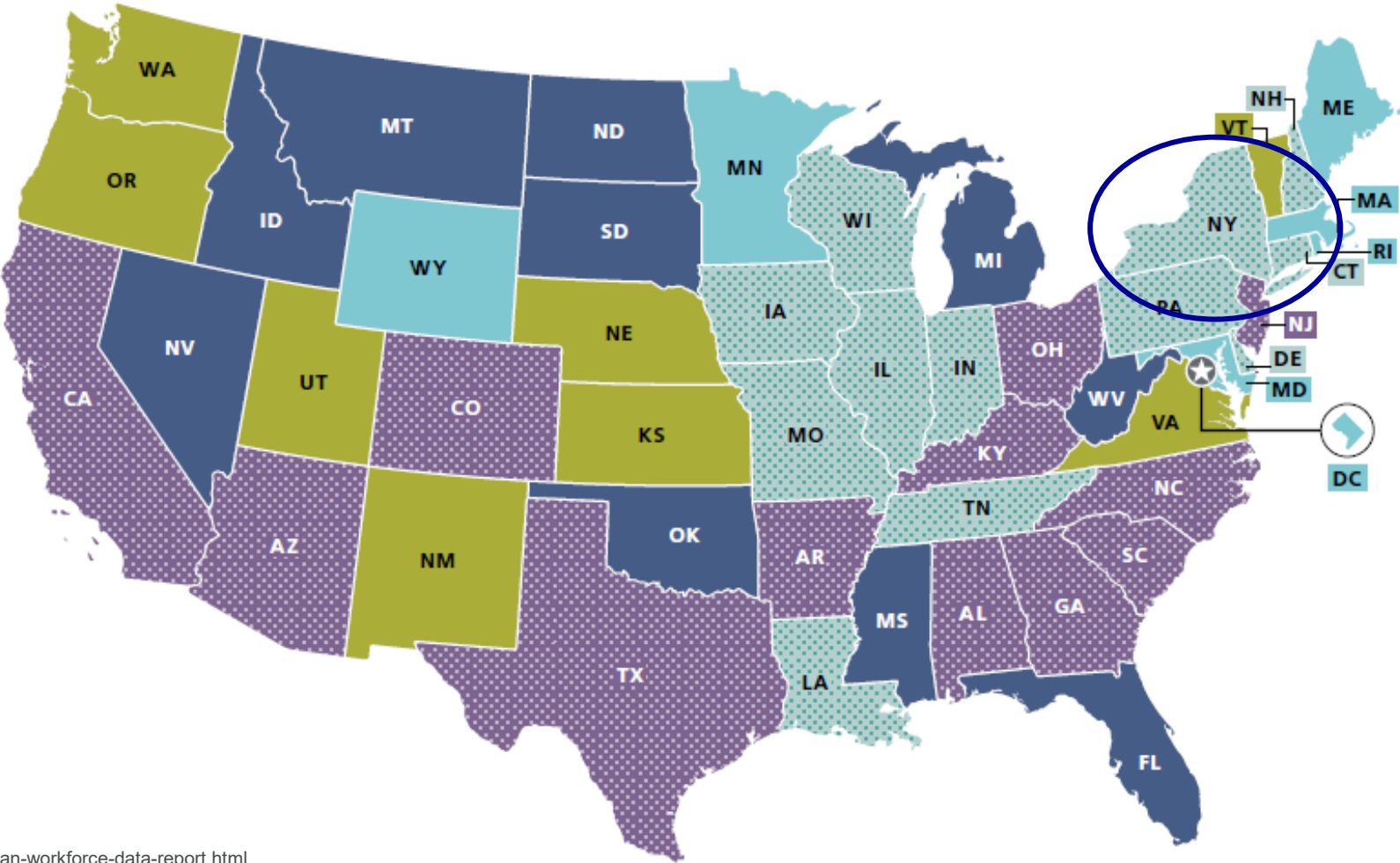
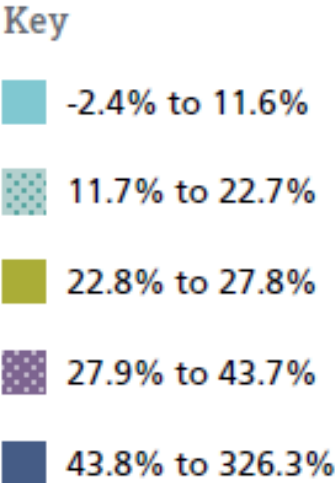
State	Total Residents/Fellows (All Specialties)	Active Residents per 100,000 Population	5 Year % Change in Total Residents/Fellows	10 Year % Change in Total Residents/Fellows
New York	19,652	100.4	9.5%	19.9%
California	14,442	37.1	17.2%	39.0%
Texas	10,742	35.2	21.0%	39.7%
New Jersey	4,529	48.8	30.7%	56.2%
Pennsylvania	10,266	79.2	11.7%	27.1%
Massachusetts	6,187	88.4	5.7%	8.5%
National	158,991	22	+14% (Median % Change)	+31.1% (Median % Change)

Source: <https://store.aamc.org/2021-state-physician-workforce-data-report.html>

% Change in Residents & Fellows in ACGME Programs

Value of Residents

Comparison of All States from 2010–2020



Source: <https://store.aamc.org/2021-state-physician-workforce-data-report.html>

Top 30 Specialties – Total Residents AY 2022–2023

Value of Residents

Specialty	Total Residents	%	Specialty	Total Residents	%
Internal medicine	31,794	20.1%	Internal medicine - Gastroenterology	1,975	1.2%
Family medicine	15,010	9.5%	Urology Transitional year	1,884	1.2%
Surgery	9,554	6.0%	Urology	1,834	1.2%
Pediatrics	9,539	6.0%	Otolaryngology - head and neck surgery	1,795	1.1%
Emergency medicine	9,346	5.9%	Ophthalmology	1,738	1.1%
Psychiatry	7,739	4.9%	Physical medicine and rehabilitation	1,640	1.0%
Anesthesiology	7,241	4.6%	Dermatology	1,633	1.0%
Obstetrics and gynecology	5,962	3.8%	Neurological surgery	1,593	1.0%
Radiology - diagnostic	4,614	2.9%	Internal medicine/Pediatrics	1,539	1.0%
Orthopaedic surgery	4,481	2.8%	Plastic Surgery - integrated	1,107	0.7%
Neurology	3,530	2.2%	Psychiatry - Child and adolescent psychiatry	966	0.6%
Internal medicine - Cardiovascular disease	3,456	2.2%	Internal medicine - Nephrology	872	0.6%
Pathology-anatomic and clinical	2,342	1.5%	Pediatrics - Neonatal-perinatal medicine	830	0.5%
Internal medicine - Pulmonary disease and critical care medicine	2,268	1.4%	Internal medicine - Infectious disease	817	0.5%
Internal medicine - Hematology and medical oncology	2,098	1.3%	Radiation Oncology	758	0.5%

Top 20 Largest NY Sponsoring Institutions by Total Programs

New York Sponsoring Institutions

- New York Institutions Sponsor 1,501 Programs
- Top 10 Largest Sponsoring Institutions Sponsor 1,009 Programs
- New York Institutions Have Sponsored 523 New Programs Since 2012
- Children's Hospitals Sponsor at least 12 Programs Since 2012
- Programs Provide More Than 16,000 Slots for Residents

Source: ACGME.COM

*Number of new programs based on 2012-2025

Rank	Sponsor ID	Institution	DIO	# of Programs	# of New Programs*
1	358024	Zucker School of Medicine at Hofstra/Northwell	Yacht	185	23
2	358051	New York Presbyterian Hospital	DiPace	159	43
3	359503	Icahn School of Medicine at Mount Sinai	Leitman	152	34
4	350450	NYU Grossman School of Medicine	Ambrosino	102	36
5	359649	Montefiore Medical Center/Albert Einstein College of Medicine	Skae	101	17
6	350493	University of Rochester Medical Center	Robbins	91	18
7	359501	University at Buffalo School of Medicine	Cherr	72	14
8	350560	Stony Brook Medicine	Buscaglia	70	12
9	350174	SUNY Upstate Medical University	Katz	54	13
10	359502	SUNY Downstate Health Sciences University	Dresner	51	8
11	350345	Albany Med Health System	Asher	48	16
12	350301	Westchester Medical Center	Salcedo	44	11
13	350782	New York Medical College	Valentin	31	4
14	350366	Maimonides Medical Center	Gitman	30	4
15	350375	NYU Grossman Long Island School of Medicine	Kinzler	26	6
16	350125	Memorial Sloan Kettering Cancer Center	Shah	25	5
17	350381	Northwell/ Nuvance Health Consortium ('23)	Kulaga	23	17
18	350162	Nassau University Medical Center	Yost	20	7
19	350388	Rochester Regional Health	Goodermote	20	2
20	350307	One Brooklyn Health System	Paras	17	6

New York Graduates by MD-Granting Medical School

Value of Residents

Medical School	AY 2020	AY 2021	AY 2022	AY 2023	AY 2024
Albany	148	125	144	130	135
Buffalo-Jacobs	148	178	170	175	169
CUNY	45	49	84	60	56
Columbia-Vagelos	140	155	148	140	142
Cornell-Weill	109	90	118	104	109
Einstein	181	173	175	185	187
Mount Sinai-Icahn	139	147	127	137	133
NYU Long Island-Grossman	-	-	20	25	24
NYU-Grossman	122	121	107	111	110
New York Medical	211	205	218	206	193
Renaissance Stony Brook	124	153	136	128	124
Rochester	99	93	106	102	95
SUNY Downstate	194	207	189	190	206
SUNY Upstate-Norton	151	172	150	175	142
Zucker Hofstra Northwell	99	97	96	93	96

Source: AAMC

02

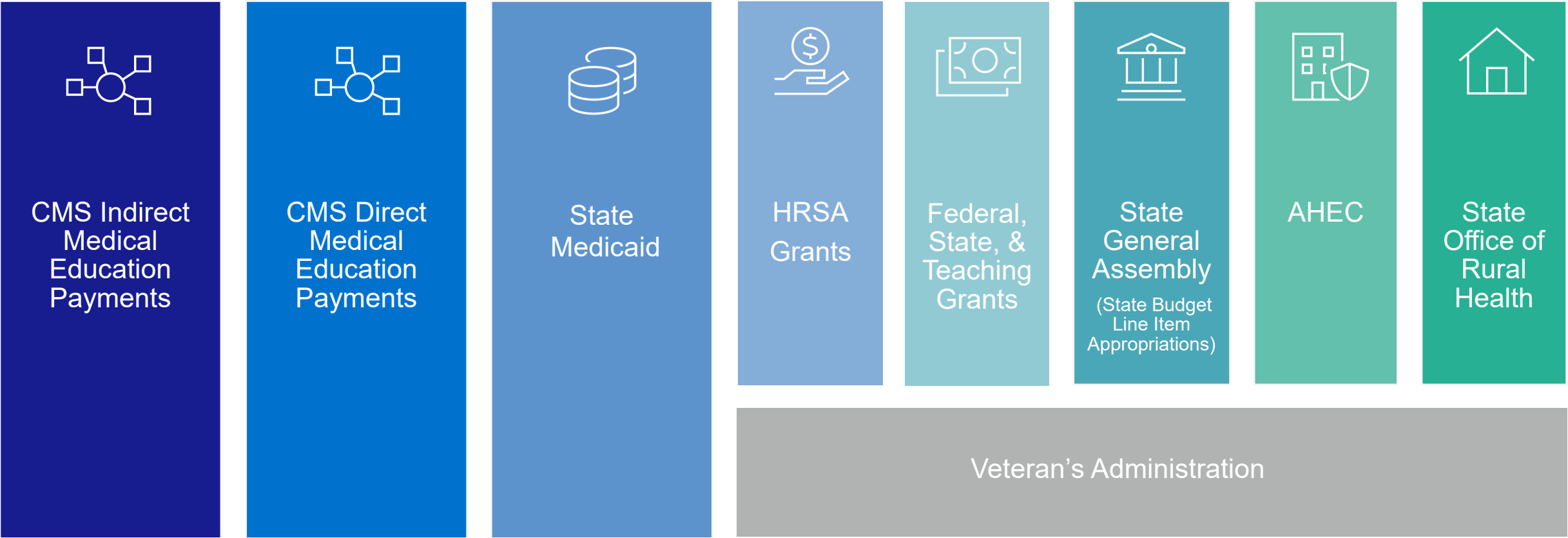
Need to Better Understand Current GME Funding

GME Funding Basics



Funding Sources

GME Funding



Medicare GME Payments

GME Funding

KEY STATISTICS

- \$21 Billion of Funding
- 123,000 FTES
- 7,000 IRP
- \$200,000 Funding Per FTE

	IME	DGME
FY1996 CAP	92,209	87,011
NEW CAP	10,380	10,023
IRP RESIDENTS	6,812	5,628
DISPLACED RESIDENTS	85	95
ALLOWABLE FTES	115,087	104,334
ACTUAL FTES	132,028	131,254
OVER (UNDER) IME CAP	16,941	26,920
IME PAYMENTS	\$ 7,770,090,759	
MA IME PAYMENTS	\$ 7,587,065,644	
TOTAL PAYMENTS	\$ 15,357,156,403	\$ 6,326,213,468
PAYMENTS PER FTE	\$ 133,439	\$ 60,634

Medicare Payments – Top 15 Cities vs. New York Cities

GME Funding

CBSA	Area Name	FY96 IME CAP	IRP - IME	ALLOWABLE IME FTES	ACTUAL IME FTES	OVER (UNDER) IME CAP	TOTAL IME PAYMENTS	IME PAYMENT PER FTE	FY96 GME CAP	IRP - GME	ALLOWABLE GME FTES	ACTUAL GME FTES	OVER (UNDER) GME CAP	GME PAYMENTS	GME PAYMENT PER FTE
35614	New York-Jersey City-White Plains, NY-NJ	12,678	102	14,109	13,928	(181)	\$ 1,839,218,630	\$ 130,362	11,443	70	12,348	13,209	861	\$ 973,120,487	\$ 78,808
35004	Nassau County-Suffolk County, NY	1,343	37	1,806	1,780	(26)	\$ 297,747,354	\$ 164,879	1,240	-	1,578	1,714	136	\$ 154,965,188	\$ 98,205
40380	Rochester, NY	852	66	1,026	1,117	90	\$ 167,038,744	\$ 162,734	673	2	746	1,037	291	\$ 42,639,469	\$ 57,177
15380	Buffalo-Cheektowaga, NY	619	-	665	668	3	\$ 82,368,971	\$ 123,874	634	-	644	675	31	\$ 40,207,212	\$ 62,458
35614	New York-Jersey City-White Plains, NY-NJ	12,678	102	14,109	13,928	(181)	\$ 1,839,218,630	\$ 130,362	11,443	70	12,348	13,209	861	\$ 973,120,487	\$ 78,808
31084	Los Angeles-Long Beach-Glendale, CA	3,676	109	3,699	3,987	288	\$ 476,813,262	\$ 128,888	3,575	71	3,278	4,059	781	\$ 128,796,551	\$ 39,290
16984	Chicago-Naperville-Schaumburg, IL	4,828	54	5,135	5,302	166	\$ 544,271,933	\$ 105,985	4,319	26	4,327	5,255	928	\$ 228,950,058	\$ 52,908
19124	Dallas-Plano-Irving, TX	969	93	1,075	1,397	322	\$ 84,334,930	\$ 78,471	845	94	988	1,517	529	\$ 29,915,867	\$ 30,281
26420	Houston-Pasadena-The Woodlands, TX	1,994	160	2,228	2,724	496	\$ 215,025,601	\$ 96,504	2,136	160	2,196	3,094	898	\$ 83,494,231	\$ 38,017
12060	Atlanta-Sandy Springs-Roswell GA	928	170	1,099	1,293	194	\$ 130,961,328	\$ 119,158	992	207	1,229	1,429	200	\$ 55,878,834	\$ 45,455
47894	Washington-Arlington-Alexandria, DC	1,350	16	1,585	1,794	209	\$ 164,487,755	\$ 103,792	1,358	11	1,495	1,794	299	\$ 87,945,421	\$ 58,831
37964	Philadelphia, PA	2,724	-	3,390	3,387	(3)	\$ 412,561,585	\$ 121,699	2,626	-	3,149	3,708	559	\$ 226,359,268	\$ 71,889
33124	Miami-Miami Beach-Kendall, FL	1,025	6	1,774	1,738	(36)	\$ 140,804,969	\$ 79,375	989	5	1,652	1,940	288	\$ 85,382,450	\$ 51,683
38060	Phoenix-Mesa-Chandler, AZ	693	146	1,052	1,096	45	\$ 149,740,045	\$ 142,405	574	120	791	1,195	404	\$ 50,160,849	\$ 63,388
14454	Boston, MA	2,957	2	2,945	3,103	158	\$ 470,949,610	\$ 159,908	2,987	1	2,784	3,129	345	\$ 180,598,986	\$ 64,878
40140	Riverside-San Bernardino-Ontario, CA	672	291	1,495	1,803	308	\$ 261,828,217	\$ 175,166	544	234	1,194	1,575	382	\$ 64,586,289	\$ 54,106
41884	San Francisco-San Mateo-Redwood City, CA	1,170	-	1,068	1,165	97	\$ 185,704,923	\$ 173,933	974	-	932	1,119	187	\$ 41,896,983	\$ 44,945
19804	Detroit-Dearborn-Livonia, MI	1,829	7	2,073	1,995	(78)	\$ 252,541,883	\$ 121,808	1,700	-	1,921	2,102	181	\$ 132,804,260	\$ 69,145
42644	Seattle-Bellevue-Kent, WA	754	11	884	1,179	296	\$ 124,219,772	\$ 140,557	802	10	825	1,313	488	\$ 44,442,525	\$ 53,880
Top 15 Cities Totals		38,246	1,167	43,610	45,890	2,280	\$ 5,453,464,443	\$ 125,050	35,863	1,010	39,109	46,437	7,328	\$ 2,414,333,059	\$ 61,733
National Totals		92,209	6,812	115,087	132,028	16,941	\$ 15,357,156,403	\$ 133,439	87,011	5,628	104,334	131,254	26,920	\$ 6,326,213,468	\$ 60,634
% of Total		41%	17%	38%	35%	13%	36%		41%	18%	37%	35%	27%	38%	

Medicare Payments – Top 15 Cities vs. New York Cities

GME Funding

CBSA	Area Name	Population	3-Year Population Change	1996 IME CAP Per Capita	1996 GME CAP Per Capita	IME Allowable Per Capita	IME Allowable Per Capita	IME Payments per Capita
35614	New York-Jersey City-White Plains, NY-NJ	19,500,000	1.30%	1,538	1,704	1,382	1,579	144
35004	Nassau County-Suffolk County, NY	2,904,885	0.86%	2,164	2,344	1,609	1,841	156
40380	Rochester, NY	1,054,160	1.36%	1,238	1,567	1,027	1,414	199
15380	Buffalo-Cheektowaga, NY	1,160,172	1.77%	1,874	1,830	1,745	1,802	106
35614	New York-Jersey City-White Plains, NY-NJ	19,500,000	1.30%	1,538	1,704	1,382	1,579	144
31084	Los Angeles-Long Beach-Glendale, CA	12,800,000	-3.04%	3,482	3,580	3,460	3,905	47
16984	Chicago-Naperville-Schaumburg, IL	9,260,000	-1.97%	1,918	2,144	1,803	2,140	84
19124	Dallas-Plano-Irving, TX	8,100,000	6.06%	8,360	9,586	7,537	8,199	14
26420	Houston-Pasadena-The Woodlands, TX	7,510,000	5.04%	3,766	3,517	3,371	3,419	40
12060	Atlanta-Sandy Springs-Roswell GA	6,300,000	3.32%	6,786	6,348	5,732	5,125	30
47894	Washington-Arlington-Alexandria, DC	6,305,000	0.42%	4,669	4,643	3,978	4,218	40
37964	Philadelphia, PA	6,246,000	0.02%	2,293	2,379	1,842	1,984	102
33124	Miami-Miami Beach-Kendall, FL	6,183,000	0.73%	6,034	6,252	3,486	3,743	37
38060	Phoenix-Mesa-Chandler, AZ	5,070,000	4.63%	7,321	8,833	4,822	6,407	39
14454	Boston, MA	4,919,000	-0.45%	1,664	1,647	1,670	1,767	132
40140	Riverside-San Bernardino-Ontario, CA	4,688,000	1.92%	6,973	8,624	3,136	3,927	70
41884	San Francisco-San Mateo-Redwood City, CA	4,567,000	-3.83%	3,905	4,689	4,277	4,899	50
19804	Detroit-Dearborn-Livonia, MI	4,342,000	-1.13%	2,375	2,554	2,094	2,261	89
42644	Seattle-Bellevue-Kent, WA	4,045,000	0.65%	5,362	5,044	4,577	4,904	42
Top 15 Cities Totals		109,835,000		2,872	3,063	2,519	2,808	72

State Medicaid GME Payments

GME Funding

Payments (billions of dollars)



GME Funding

New York Medicaid Graduate Medical Education Payments*

- 44 states made GME payments under their Medicaid programs
- Federal and state Medicaid payments nationwide equaled \$7.39 billion
- Under Medicaid fee-for-service, 41 states made GME payments with most of these states (32) used supplemental payments as the primary means of distribution
- In 2022, the proportion of Medicaid GME payments made under managed care (57%) exceeded the proportion of payments made under fee-for-service (43%) a trend that began in 2015

* AAMC; Results from the 2022 50-state Survey

Description	Fee-for-Service	Managed Care
Medicaid GME Payments Under Fee-for-Service and Managed Care	\$445M	\$1,474M (explicit)
Medicaid Payments for Graduate Medical Education, 2022	Both DGME and IME for Fee-for-Service and Managed Care	
State Sources for Nonfederal Financing of Medicaid GME Payments, 2022	State General Fund	
States Making Medicaid GME Payments That Cover Physician Residents in Designated Specialties and Trainees in Other Health Professions, 2022	Trainees in Other Health Professions	
Methods for Calculating Medicaid GME Payments Under Fee-for-Service, 2022	Per Medicaid Hospital Discharge (DRG rate per diem calculation)	
Methods for Distributing Medicaid GME Payments Under Fee-for-Service, 2022	Part of Hospital Base Rate	
Distribution of Medicaid GME Payments Under Managed Care, 2022	Direct Payment to Teaching Hospitals	
Methods for Calculating Medicaid GME Direct Payments Under Managed Care, 2022	Per Medicaid Managed Care Hospital-Discharge Method	
States With Accountability Measures Governing Medicaid GME Payments, 2022	Teaching Hospitals Required to Report DGME Costs/ Teaching Providers Required to Report Physician Resident Data	

Medicaid GME Payments

GME Funding

State	Rank	Total GME Payments (millions of dollars) 2022	Total GME Payments (millions of dollars) 2018
New York	1	\$1,919.0	\$1,688.1
Florida	2	797.9	443.2
Virginia	3	449.9	634.7
California	4	415.1	-----
Arizona	5	386.8	274.0
North Carolina	6	308.2	100.0
Ohio	7	305.5	279.8
South Carolina	8	296.6	239.1
New Jersey	9	242.0	218.0
Texas	10	226.6	139.3
Total (All States + DC)		\$7,390.0	\$5,580.0

Proliferation of Section 401 Hospitals

GME Funding

Number of Section 401 hospitals at time of Final Rule:

FY 2016	64
FY 2017	72
FY 2018	166
FY 2019	266
FY 2020	346
FY 2021	467
FY 2022	532
FY 2023	615
FY 2024	659 (26.7% of all geographically urban PPS hospitals)
FY 2025	811 (32.9% of all geographically urban PPS hospitals)

Including hospitals in New York City, Los Angeles, Chicago, Miami, and Detroit

03

Available Options to Grow & Expand GME

GME Funding Opportunities



Proposed & Draft Rules & Regulations

GME Funding Opportunities

Resident Physician Shortage Reduction Act of 2025 H.R. 3890

- 14,000 positions
- 7 years
(beginning FY 2026)
- 75 max per hospital

Build Back Better Act H.R. 5376 Section 137405 Distribution of Additional Residency Positions

- 4,000 positions
- 2 years
(beginning FY 2025)
- 25 max per hospital

Senate Reform Bill (Cassidy/ Mastro/ Bennet/ Cornyn) Draft

- 5,000 positions
- 5 years
- GME Policy Council
- Focus on Primary
Care/Psychiatry and
Rural
- IME Payment Reform

RFI “New” Program and Residents FY2025 Proposed Rule

- Proposed Policy for
“New” Program
Determination
- Specifically Referenced
412.103 Hospitals
- RFI – “Newness” of
residents 90% Criteria

Provisions of the Consolidated Appropriations Acts

GME Funding Opportunities

Section 126 – CAA 2021

Makes available 1,000 new Medicare-funded GME positions (but not more than 200 new slots per fiscal year beginning July 2023)

Section 127 – CAA 2021

Makes statutory changes to the determination of both an urban & rural hospital's resident FTE cap for IME & DGME for residents training in accredited rural track programs (RTPs)

Section 131 – CAA 2021

Makes statutory changes to the determination of the PRA & the IME & DGME FTE caps for hospitals that had a small number of residents for a short duration period

Section 4122 – CAA 2023

Makes available 200 new Medicare-funded GME positions. At least 100 of the residency positions must be allocated to psychiatry or psychiatry subspecialties

Section 4122

GME Funding Opportunities

Regulation Summary

- 200 GME slots to be distributed to four categories of qualifying hospitals with a 10% distribution requirement for each qualifying hospital category
 - Applications are due by March 31, 2025
 - Awards will be announced by January 31, 2026
 - Awards will be effective July 2, 2026
 - An award limit of 10 FTEs to a hospital
 - FTE increases must occur after July 1, 2026
- Pro Rata Distribution to ALL Qualifying Hospitals that submit timely applications for at least 100 FTEs for Psychiatry or Psychiatry Subspecialty programs
- HPSA Distributions for remaining slots

Additional Thoughts

- Rural hospitals are eligible for expansions positions only and will not be awarded positions for new residency programs
- Psychiatry Specialties and Subspecialties – Addiction Medicine, Addiction Psychiatry, Brain Injury Medicine, Child and Adolescent, Consultation-Liaison, Forensic, Geriatric, Hospice and Palliative Medicine, and Sleep Medicine
- CMS will award up to 1.0 FTE to all qualifying hospitals that apply
- All qualifying hospitals that submit timely applications are eligible for the pro rata distribution even hospitals under the FTE cap

Section 126

GME Funding Opportunities

Regulation Summary (Round 4)

- 200 GME slots to be distributed to four categories of qualifying hospitals with a 10% distribution requirement for each qualifying hospital category
 - Applications are due by March 31, 2025
 - Awards will be announced by January 31, 2026
 - An award limit of 25 FTEs per hospital over 5 Rounds
 - FTE increases could not have started prior to July 1, 2023
- Awards are based on a HPSA prioritization used in the first three rounds of distribution
 - Category 4 Hospitals (Revisited)

Additional Thoughts

- Hospitals with fewer than 250 beds will receive awards first if there are more applications than slots available for distribution
- Mental Health HPSA scores are used only in applying for an increase in a psychiatry or psychiatric subspecialty
- Unable to count FTEs at other facilities in request
- Psychiatry Specialties and Subspecialties – Addiction Medicine, Addiction Psychiatry, Brain Injury Medicine, Child and Adolescent, Consultation-Liaison, Forensic, Geriatric, Hospice and Palliative Medicine, and Sleep Medicine

Section 126 – Categories for 10% Distribution (40% Total)

GME Funding Opportunities

1

Located in rural
areas

OR

Treated as
being in a rural
area under
Section 412.103

2

Operating
over the FTE
cap

3

Located in states
with new medical
schools

OR

Additional location
and branches of
existing medical
schools

4

Service areas
designated as
Health
Professional
Shortage Area
(HPSA)

Providers must meet one of the four criteria.

CMS prioritized distribution based on HPSA Score for Section 126.

HRSA Funding

GME Funding Opportunities

Rural GME

- Periodically issues Notice of Funding Opportunity (NOFO)
- Recently announced (June 2024) awarding of \$11 million to expand medical residencies in rural communities (recipients will receive up to \$750,000 over three years to establish new rural residency programs)
- Biden-Harris Administration:
 - Made retaining and recruiting physicians in underserved and rural areas a priority
 - About \$54 million that HRSA has invested in the Rural Residency Planning and Development Program (RRPD) since 2019
 - Recipients of RRPD awards have created 46 accredited rural residency programs and have been approved to train 575 resident physicians
 - RRPD-created residency programs matched 158 new residents in the 2024 Residency Match
- Teaching Health Center Graduate Medical Education Program (THCGME)
 - The **Academic Year 2024–2025** component ([HRSA-25-091](#)): Application deadline is September 5, 2024 (\$11 million)
 - The **Academic Year 2025–2026** component ([HRSA-25-077](#)): Application deadline is September 20, 2024 (\$80 million)

Section 126 Results

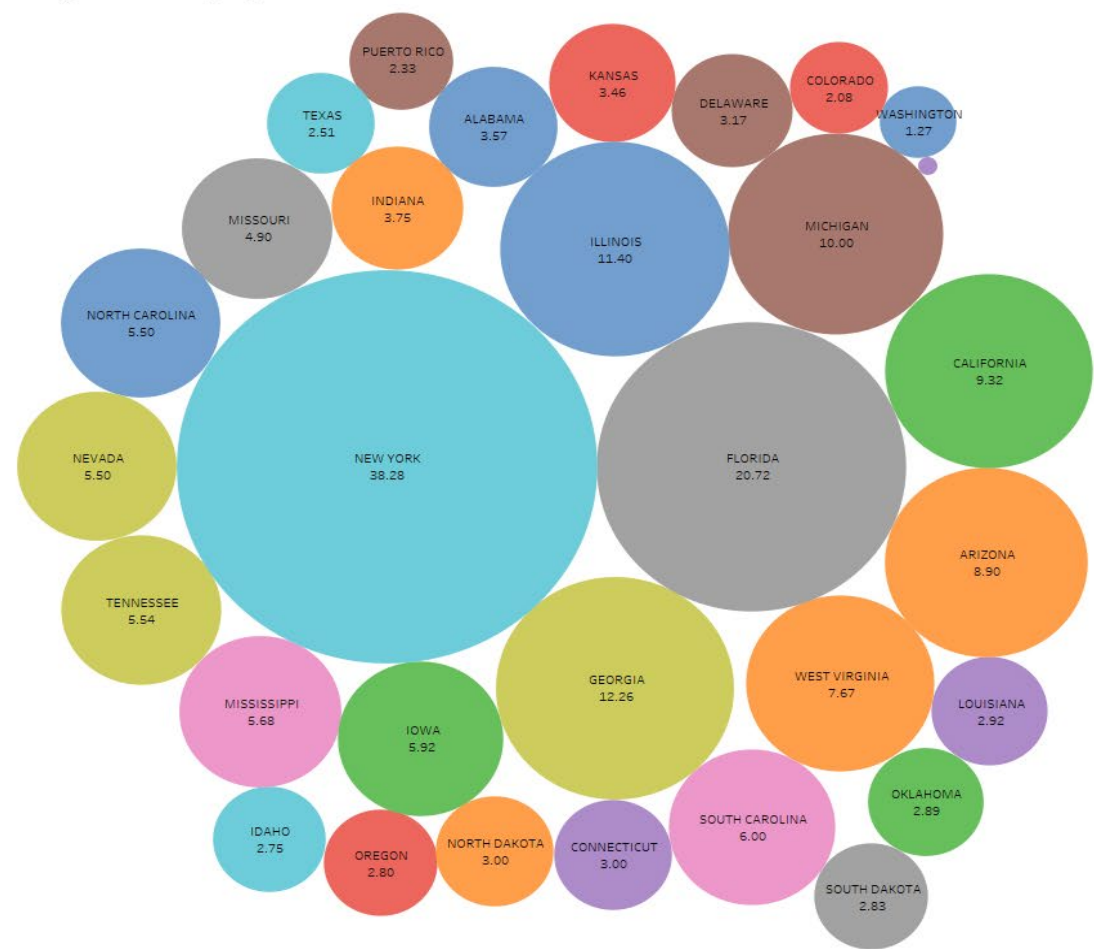
GME Funding Opportunities

Description	Round 1	Round 2	Round 3
Applications	291	230	206
Applicants Awarded Slots	100	99	109
- Rural Hospitals geographically by county	5	2	2
- Rural Hospitals via Section 401	35	43	67
Highest HPSA Score	22	21	22
Lowest HPSA Score	11	14	12
Specialties	20	21	24
New York Applicants Awarded Slots	IME – 38.28 DGME – 37.37	IME – 33.53 DGME – 29.17	IME – 27.59 DGME – 31.58
Top 3 States	NY, FL, GA	NY, IL, FL	NY, AZ, IL

Section 126 Results

GME Funding Opportunities

Slots Awarded (IME FTEs) by State



04

Unwinding Years of the Status Quo & Legacy Funding

GME Finance at My
Organization



GME Payment Drivers

GME Finance at My Organization

Hospital
Payment
Status
(Urban/Rural)

Bed Days
Available

Resident-to-
Bed Ratio

Resident FTE
Caps

Number of
Programs &
Resident
Complements

Medicare
Volumes

Per Resident
Amounts
(PRA)

Rotation
Locations

Medicare GME
Affiliation
Agreements

Operational Changes Impacting GME Reimbursement

GME Finance at My Organization

Anything That Affects Available Bed Days

Open/Close Units

Distinct/Non-Distinct Observation Bed Utilization

Construction Projects (Add/Delete Beds)

Anything That Affects Ratio of Medicare/Medicare Managed Care Patients

Billing Medicare FFS/Medicare Advantage (Shadow Bill) Claims

Service Line Changes

Distinct Part Units (PPS Exempt Units)

Resident Management

Moving Residents Among Hospitals in a Health System

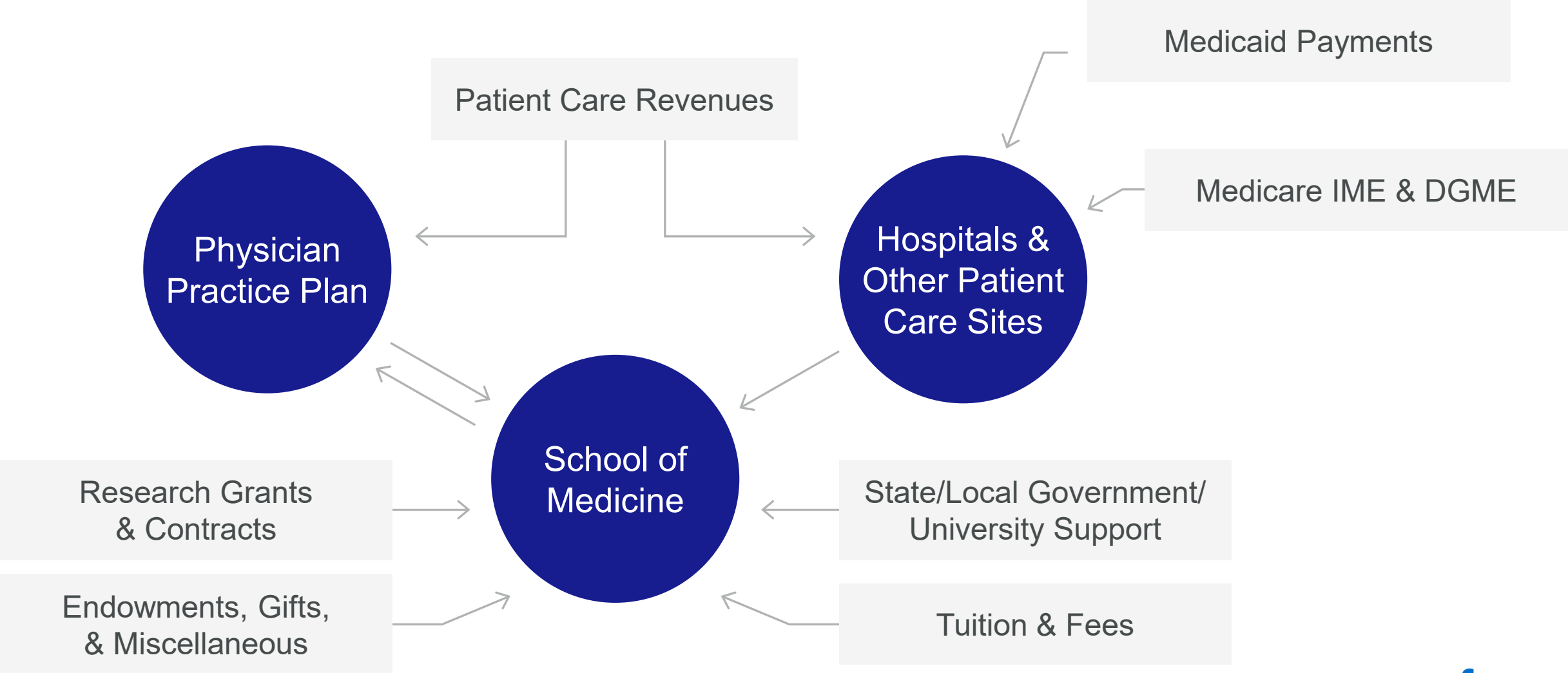
Inadvertently Starting the Clock on Naïve Hospitals

Provider/Non-Provider Rotations

Properly Counting Residents

Funds Flow Modeling

GME Finance at My Organization



Considerations When Evaluating GME Margins

GME Finance at My Organization



Academic Support Payments
(How It's Reported on the
Medicare Cost Report)



Accumulation/Tracking of
Physician Teaching Time
(Time Records)



Allocation of
Overhead Costs



Dean's Tax



Differences in State
GME Payments



Funds Flow Among
Teaching Entities

NY GME Key Metrics Summary by CBSA

GME Finance at My Organization

NEW YORK VS. NATIONAL

CBSA	Area Name	FY96 IME		ALLOWABLE	ACTUAL IME	OVER(UND		TOTAL IME	IME	Sum of		ALLOWABLE	ACTUAL GME	Sum of		GME
		CAP	IRP - IME	IME FTES	FTES	ER) IME	ER) IME			FY1996	IRP - GME	GME FTES	FTES	(UNDER)	IME CAP	PAYMENTS
						CAP	CAP	PAYMENTS	PER FTE	GME CAP						PER FTE
35614	New York-Jersey City-White Plains, NY-	12,678	102	14,109	13,928	(181)	\$	1,839,218,630	\$ 130,362	11,442.62	70	12,348	13,209	861	\$	78,808
35004	Nassau County-Suffolk County, NY	1,343	37	1,806	1,780	(26)	\$	297,747,354	\$ 164,879	1,239.53	-	1,578	1,714	136	\$	98,205
40380	Rochester, NY	852	66	1,026	1,117	90	\$	167,038,744	\$ 162,734	672.82	2	746	1,037	291	\$	57,177
15380	Buffalo-Cheektowaga, NY	619	-	665	668	3	\$	82,368,971	\$ 123,874	633.94	-	644	675	31	\$	62,458
10580	Albany-Schenectady-Troy, NY	439	3	433	464	31	\$	61,333,153	\$ 141,582	362.03	3	347	439	92	\$	54,317
13780	Binghamton, NY	107	7	131	126	(5)	\$	17,646,328	\$ 135,024	88.68	6	110	122	12	\$	86,008
21300	Elmira, NY	-	-	105	105	-	\$	9,217,504	\$ 87,903	-	-	106	107	1	\$	64,347
27060	Ithaca, NY	-	29	29	29	-	\$	3,867,965	\$ 133,332	-	29	29	29	-	\$	86,787
28740	Kingston, NY	20	-	13	20	6	\$	2,778,191	\$ 207,793	19.60	-	14	20	5	\$	170,315
39100	Poughkeepsie-Newburgh-Middletown, N	129	197	326	289	(37)	\$	64,199,182	\$ 196,942	102.40	196	290	291	1	\$	104,320
45060	Syracuse, NY	374	-	379	590	211	\$	53,941,328	\$ 142,355	359.24	-	353	567	214	\$	57,283
46540	Utica-Rome, NY	29	16	51	61	10	\$	7,036,973	\$ 137,521	25.57	16	47	56	9	\$	77,278
48060	Watertown-Fort Drum, NY	10	-	7	13	6	\$	544,440	\$ 73,872	10.08	-	7	13	6	\$	49,648
99933	NEW YORK	86	2	103	107	4	\$	15,550,350	\$ 151,268	88.64	2	98	106	8	\$	81,847
New York CBSA Totals		16,684.49	459.99	19,183.14	19,296.29	113.15	\$	2,622,489,113	\$ 142,103	15,045.15	324.07	16,716.93	18,383.01	1,666.08	\$	80,628
National Totals		92,176.88	6,758.01	114,968.05	131,897.29	16,929.24	\$	15,329,809,440	\$ 113,674	87,010.63	5,577.82	104,242.39	131,148.62	26,906.23	\$	52,002
% of Total		18%	7%	17%	15%	1%		17%		17%	6%	16%	14%	6%		21%

NY GME Payment Metrics – Largest Hospitals

GME Finance at My Organization

CCN	Hospital	FTE count for allopathic/ osteopathic programs (E Part A, Line 10)	Adjusted Rolling FTE Count (E Part A, Line 18)	PPS Amount (E Part A, Line 47)	Total IME Payment (E Part A, Line 29)	Total IME Managed Care Payment (E Part A, Line 29.01, Col 1)	IME Per FTE (Calc)	Total DGME Payments (E-4, Line 31, Col 3)	Rolling Average FTE Count (E-4, Line 14, Col 1 & 2)	DGME Per FTE (Calc)
330101	New York Presbyterian Hospital	1,876.39	1,888.54	\$837,049,571	\$154,349,913	\$132,498,326	\$151,889	\$102,769,978	1.550.53	\$66,281
330059	Montefiore Medical Center	1,123.99	1,254.77	\$267,490,553	\$63,790,906	\$120,031,464	\$146,499	\$106,920,796	1,039.86	\$102,822
330024	Mount Sinai Hospital	1,022.92	1,009.49	\$364,162,030	\$93,764,428	\$88,303,337	\$180,356	\$93,847,483	878.91	\$106,777
330214	NYU Langone Hospitals	958.83	1,335.43	\$716,112,459	\$166,978,368	\$110,158,256	\$207,526	\$97,280,610	1,107.56	\$87,833
330393	Stony Brook University Hospital	557.78	607.59	\$301,816,216	\$73,326,712	\$17,650,949	\$149,735	\$39,406,318	543.11	\$72,557
330285	Strong Memorial Hospital	692.22	669.30	\$139,148,641	\$34,518,095	\$65,920,573	\$150,065	\$24,106,074	516.63	\$46,660

Source: Data pulled from www.CostReportData.com for all providers as of 06/30/2024

What If We Are Over Our Caps With a Negative Margin?

GME Finance at My Organization

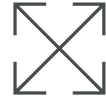
Finance & GME Leadership Considerations



Analyze historical retention rates against the pipeline for recruitment (specifically, in service lines of high need)



Relevant physician needs justify more resident FTEs



New & expanded program requests may require some institutional funding



The work effort of residents may be twice that of an APP (up to 80 hours per week or 1.5–2.0 FTE)



Residents provide stability (less turnover)

05

What Are Other Organizations Doing?

Strategies to Optimize Payments



Strategies to Optimize Payments

Organization Types

- Standalone Community Teaching Hospital
- Academic Medical Center (AMC)
- AMC With Community Teaching Hospitals
- Regional System With Multiple Teaching Hospitals
- Cross Market System With Multiple Teaching Hospitals
- National System With Multiple Teaching Hospitals

Considerations

- Section 401 Urban to Rural Provision
- Medicare GME Affiliation Agreements
- State Funding
- Provider Number Combination (CCN)
- Medicare Cost Report
 - Bed Days Available Assessment
 - Observation Days Reporting
 - Inpatient Claims Analysis for Medicare FFS/Advantage Days
- Supervision Costs Capture

Section 401 Hospitals (42 CFR 412.103)

Strategies to Optimize Payments

Benefits

- **30% add-on to IME 1996 cap**
- **Ability to grow additional IME resident FTE cap for “new” programs**
- Benefits from RRC and/or SCH status
 - Medicare geo reclass
 - 340B

Drawbacks

- Rural wage index unless/until geo reclass is in place or effective
 - Wage index decrease capped at 5% annually
- No Capital DSH for any rural hospital
 - Effective for discharges on or after October 1, 2023, Section 401 hospitals now receive Capital DSH*
- Operating DSH capped at 12% unless >500 acute beds or RRC or MDH status

Other Considerations

Strategies to Optimize Payments

Understand State Funding

Medicaid Payments

- Know your state's Medicaid payment methodology
- Know what happens with new and/or expanded programs (if paid based on a base rate)

State Appropriations

- Know plans that provide funding not tied directly to Medicaid
- New teaching hospital startup funding
- Know funding available for primary care and specialty programs

Resident FTE Cap Sharing

Strategies to Optimize Payments

Medicare GME Affiliation Agreements

- Each hospital in the affiliated group must have a shared rotation arrangement with at least one other hospital within the affiliated group and all the hospitals within the affiliated group must be connected by a series of such shared rotational arrangements.
- Three eligible scenarios:
 - Two or more hospitals that are located in the same or a contiguous metropolitan statistical area and have a shared rotational arrangement
 - Two or more hospitals that are listed as the joint sponsors of a residency program and have a shared rotational arrangement
 - Two or more hospitals that are under common ownership and have a shared rotational arrangement

“... hospitals that cross-train residents in approved medical residency training programs may enter into Medicare GME Affiliation Agreements to elect to apply their direct GME and/or IME Full Time Equivalent (FTE) resident caps on an aggregate basis and may adjust their FTE resident caps to reflect the rotation of residents among affiliated hospitals during an academic year.”

Source: cms.gov

Medicare GME Payment Factors

Strategies to Optimize Payments

System Hospital	DRG Payments	IME Bed Days	Medicare Utilization	Per Resident Amount	IME Payment per Resident	DGME Payment per Resident
Hospital A	\$208,352,000	562	53%	\$113,717	\$207,200	\$57,959
Hospital B	\$127,575,000	366	55%	\$158,274	\$185,700	\$84,796
Hospital C	\$121,045,000	453	60%	\$104,048	\$140,600	\$67,818
Hospital D	\$62,531,000	388	42%	\$150,737	\$88,500	\$62,385
Hospital E (Safety Net)	\$15,275,000	411	11%	\$125,700	\$22,405	\$14,278

NOTE: All hospitals are urban and training residents above their FTE caps.

Contact

Forvis Mazars

Scott Bezjak
Managing Director
P: 513.562.5529
scott.bezjak@us.forvismazars.com

Horace Jenkins
Director
P: 404.215.7501
horace.jenkins@us.forvismazars.com

The information set forth in this presentation contains the analysis and conclusions of the author(s) based upon his/her/their research and analysis of industry information and legal authorities. Such analysis and conclusions should not be deemed opinions or conclusions by Forvis Mazars or the author(s) as to any individual situation as situations are fact-specific. The reader should perform their own analysis and form their own conclusions regarding any specific situation. Further, the author(s)' conclusions may be revised without notice with or without changes in industry information and legal authorities.

© 2025 Forvis Mazars, LLP. All rights reserved.