

**Graduate Medical Education Pilot**

Request for Information

June 2025

*Responses Requested by July 7, 2025*

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# A. Introduction

The Maryland Health Services Cost Review Commission (“HSCRC”) is seeking information from interested parties to inform the creation of a pilot program focused on increasing the physician workforce in Maryland through graduate medical education (GME) programs. Under this funding program, HSCRC would provide direct funding of GME programs through increased hospital rates. The questions raised in this RFI are intended to inform HSCRC consideration of the potential timeline, structure, scope, and requirements of a new GME funding program. This is not an official document or program announcement from the State of Maryland (“State”) or the Center for Medicare and Medicaid Services (“CMS”) and, as such, details included are subject to change and the program may not be implemented.

Comments should be submitted to christa.speicher@maryland.gov by ***July 7, 2025***. The HSCRC requests respondents organize their comments in line with the questions outlined within this Request for Information (“RFI”).

# B. Background

The goals of the Maryland model include improved health, better patient experience, lower costs, and greater equity. Under its agreement with CMS, the State is at risk for the total cost of care (“TCOC”) for Maryland Medicare fee-for-service (“Medicare FFS”) Beneficiaries under the Maryland Total Cost of Care Model State Agreement (“TCOC Model”). Further information on the TCOC Model can be found on HSCRC’s website ([TCOC Model](https://hscrc.maryland.gov/Pages/tcocmodel.aspx)).

## B1. Background on the current approach for GME

While the approach has evolved over the years, HSCRC has long supported GME programs. Historically, the HSCRC has adjudicated requests for GME residency slots through its full rate application process, thereby loading GME funding in hospital rates versus standalone payments, grants, or other direct funding mechanisms. In 2011, the Commission capped the number of residency slots—the resident count at that time was 2,246.

Since the cap went into effect, additional residency slots for new GME programs have increased the total approved residency count statewide. This has occurred in line with federal Medicare guidelines that allow for a five-year buildup of a cap.[[1]](#footnote-1) So far, this has resulted in 136 additional residents with two programs still under development.

Under the current approach, residency slots do not necessarily result in additional revenue because HSCRC only grants funding when “total costs… are reasonable [and]...aggregate rates are related reasonably to the aggregate costs” aligned with the full rate application process. The formula that HSCRC follows for the full rate methodology is as follows:

(Statewide Average Cost Per Case X Volume + Pass through Costs (e.g., IME, DME) ) / Hospital GBR = FRA % Change

Approved funding for GME comprises both direct medical education (salaries and benefits, capped at $167k per resident in RY 2025) and indirect medical education (expected inefficiency, capped at $381k per resident for Academic Medical Centers and $139k per resident for non-Academic Medical Centers).[[2]](#footnote-2)

## B2. Background on the potential GME funding program

While the current approach supports a high number of residencies, additional GME growth may be beneficial to meeting the workforce needs of Maryland hospitals. This RFI is seeking suggestions on new direct funding approaches that can support GME programs accretive to the overall objectives of the Total Cost of Care Model. If funded, the new approach would be intended to supplement rather than replace the existing policies for GME funding as described in section B2. Staff would ensure that GME funding is not duplicated through the traditional full-rate application policy and the proposed new approach of directly funding GME independent of a full-rate application.

# D. Request for Information - Questions

HSCRC is interested in obtaining feedback on the topics below, respondents should feel free to address some or all questions in their response. Respondents are asked to submit responses as an attachment rather than the body of the email. Responses should identify specific questions to which they are being addressed. If potential respondents have questions about this RFI please reach out to christa.speicher@maryland.gov.

## D1. Funding and Timeline

The questions in this section relate to expected funding levels and implementation timelines:

1. How much funding is necessary to build and sustain residencies? Please provide specific costs and associated cost categories.
2. Should any of the associated efficiencies of running a GME program, e.g., less spending per physician FTE, be considered in determining potential funding allowances?
3. What timeline or phases of GME program implementation should be considered for this funding program?
4. Should HSCRC consider a competitive process for GME slots?

## D2. Participation Requirements

The questions in this section relate to standards for participation:

1. Should this program focus on particular specialties for which there is a greater access need?
2. Should HSCRC prioritize slots in Health Professional Shortage Areas (HPSAs)?
3. What outcomes should be required for retention of residents within the hospital or within Maryland to support Maryland hospital workforce needs? Should HSCRC require residency in Maryland for a period, or would the payback of funds be required?
4. How should efficiency be considered in any new GME funding program?
5. Are there other performance requirements that should be expected of participating GME programs?

## D3. Other Questions

1. Are there other programs, programs, or initiatives, HSCRC should consider supporting to advance workforce development goals?
2. What else should HSCRC consider in designing this program that has not already been addressed above?
1. <https://www.cms.gov/medicare/payment/prospective-payment-systems/acute-inpatient-pps/direct-graduate-medical-education-dgme#:~:text=Section%20126%20of%20the%20Consolidated,beginning%20in%20fiscal%20year%202023>. [↑](#footnote-ref-1)
2. [Final Recommendation for Full Rate Application Policy FINAL (Post Meeting) (1) (2).pdf](https://hscrc.maryland.gov/Documents/global-budgets/2023%20Website%20Update%20Files/Final%20Recommendation%20for%20Full%20Rate%20Application%20Policy%20FINAL%20%28Post%20Meeting%29%20%281%29%20%282%29.pdf) [↑](#footnote-ref-2)