

State of Maryland
Department of Health

Nelson J. Sabatini
Chairman

Joseph Antos, PhD
Vice-Chairman

Victoria W. Bayless

John M. Colmers

James N. Elliott, M.D.

Adam Kane

Jack C. Keane



Katie Wunderlich
Executive Director

Allan Pack, Director
Population Based
Methodologies

Chris Peterson, Director
Payment Reform &
Provider Alignment

Gerard J. Schmith, Director
Revenue & Regulation
Compliance

William Henderson, Director
Medical Economics &
Data Analytics

Health Services Cost Review Commission

4160 Patterson Avenue, Baltimore, Maryland 21215
Phone: 410-764-2605 · Fax: 410-358-6217
Toll Free: 1-888-287-3229
hsrc.maryland.gov

MEMORANDUM

June 27, 2019

RE: Medicare Graduate Education Discounts

Pursuant to the Balanced Budget Act of 1997, Medicare payments for direct and indirect Graduate Medical Education (GME) are carved out of the capitation rates paid to Medicare Advantage Organizations (MAOs). Beginning in 1998, hospitals with approved residency programs have been receiving direct Medicare GME payments on behalf of their MAO patients.

Since the Maryland rate setting system provides GME in rates, the goal of the HSCRC is to ensure that the direct payments from Medicare are passed along as savings to MAOs.

Attached you will find the calculation of the FY 2020 discounts effective July 1, 2019. Please remember that this discount is in addition to the 6% Medicare waiver differential and applies only to MAO patients. If you have any questions, you may contact Dennis Phelps at 410-764-2565.

FY 2020 GME DISCOUNTS

<u>Hospital</u>	<u>1-Jul-19</u> <u>30-Jun-20</u> <u>GME Discount</u>
MedStar Franklin Square Hospital	2.95%
GBMC	0.00%
MedStar Good Samaritan Hospital	1.87%
MedStar Harbor Hospital	12.55%
Holy Cross Hospital	0.00%
Johns Hopkins Bayview Medical Center	0.44%
Johns Hopkins Hospital	0.00%
Mercy Medical Center	2.41%
University of Maryland Midtown Campus	2.61%
University of Maryland Prince George's Hospital Center	0.00%
Sinai Hospital	2.76%
St. Agnes Hospital	2.81%
Suburban	0.00%
MedStar Union Memorial Hospital	3.85%
University of Maryland Medical Center	0.97%