

Articulating the Value of GME

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Collective Wisdom

A working session in which the group will create an inventory of the value of GME in an independent academic medical center

What a great group we have today!



Balanced Budget Act of 1997

- Federal reimbursement for GME has declined
- Concomitant reduction in reimbursement for Medicare DRG's resulted in a "double impact" that caused major reductions in federal support for GME.
- Fiscal pressures contributed to a significant loss of primary care training programs and positions.*
 - Family medicine has lost 40 programs and 390 first-year resident positions
 - General internal medicine has lost 25 programs and 865 first-year slots

*Phillips RL. Are Medicare GME policies adequate to meet the rising need for primary care physicians? Presentation at 2009 Health Resources and Services Administration Workforce Summit, Washington, DC, August 2009

Beyond the GME Cost Center

Consider GME as a Strategic Asset

What is your return on the GME Investment?

$$\text{ROI} = (\text{Gains} - \text{Costs}) / \text{Costs}$$

Costs can be determined by understanding:

Direct costs of residents, faculty, program and administration

Indirect costs – teaching and hospital costs and revenues for increased service intensity, new technology, case mix, differences, reduced productivity of staff, a way to cover unreimbursed care.

Gains include revenues... but is this all?

Why Hospitals Participate in GME

Physician Workforce



- » Physician recruitment and retention
- » Next generation of physicians
- » Coverage
- » Physician/hospital relationships

Quality/Market Distinction



- » Research/innovation
- » Cost of care delivery
- » Market differentiation
- » Enhanced quality
- » Service line advancement

Cultural Impact



- » Supports organizational mission/vision
- » Team training and skill building
- » Continuous learning
- » Process improvement

Community Benefit



- » Access for medically underserved
- » Population health management strategies
- » Advancement of technologies
- » Partnership strategies

A clear rationale for GME participation and calculated investment and return in one or more areas are compelling value propositions, and increasingly important as health system leaders evaluate investment in GME.

Inventory of things to Value

- Differentiate between tangible (direct or indirect) and intangible benefits of GME
- Discuss the five contexts that benefit from graduate medical education.

Discuss the details of the following issue in GME with regard to your institution:

- Group 1- Cost avoidance
- Group 2- Liability exposure
- Group 3- Secondary financials and “downstream revenues”
- Group 4- Quality of care
- Group 5- Safety net issues

How do the following effect your perception of GME on profit and loss assumptions?

- Group 1- Indirect revenue
- Group 2- Consultation and referrals
- Group 3- Faculty recruitment and retention
- Group 4- Patient access
- Group 5- Community/nonprofit effects-Woodcock-Saultz multiplier effect

Report Out of our work

We intend to take the contributions from today's inventory of the value of GME and build "The AIAMC position on the value of GME to the independent academic medical center".

Thanks for your participation and check your email for the finished product.