
CMS Manual System
Pub. 100-20 One-Time Notification

Department of Health & Human
Services (DHHS)
Centers for Medicare & Medicaid
Services (CMS)

Transmittal 127

Date: DECEMBER 3, 2004

CHANGE REQUEST 3558

NOTE: Transmittal 125, dated November 5, 2004, is rescinded and replaced with Transmittal 127, dated December 3, 2004. There was an attachment missing from the original revision. All other information remains the same.

SUBJECT: Instructions Applicable to the Audit of Hospitals that are Part of an Affiliated Group in Relation to the “Redistribution of Unused Resident Positions,” Section 422 of the Medicare Modernization Act of 2003 (MMA), P.L. 108-173, for Purposes of Graduate Medical Education (GME) Payments

SUMMARY OF CHANGES: Change Request (CR) 3247, Transmittal 87, issued on May 26, 2004, contained instructions for the submission of a hospital’s timely request to its fiscal intermediary (FI) related to P.L. 108-173, Section 422, “Redistribution of Unused Resident Positions.” The CR 3353, Transmittal 92, issued on July 2, 2004, provided additional instructions to FIs related to this section. This One-Time Notification (OTN) provides instructions to FIs regarding the audit of hospitals that are part of a Medicare GME affiliated group in relation to section 422 of P.L. 108-173.

REVISED MATERIAL - EFFECTIVE DATE: December 6, 2004

IMPLEMENTATION DATE: December 6, 2004

Disclaimer for manual changes only: The revision date and transmittal number apply to the red italicized material only. Any other material was previously published and remains unchanged. However, if this revision contains a table of contents, you will receive the new/revised information only, and not the entire table of contents.

II. CHANGES IN MANUAL INSTRUCTIONS: (N/A if manual not updated.)

R/N/D	CHAPTER/SECTION/SUBSECTION/TITLE
N/A	

III. FUNDING: Medicare contractors shall implement these instructions within their current operating budgets.

IV. ATTACHMENTS:

	Business Requirements
	Manual Instruction
	Confidential Requirements
X	One-Time Notification
	Recurring Update Notification

***Unless otherwise specified, the effective date is the date of service.**

Attachment – One-Time Notification

Pub. 100-20	Transmittal: 127	Date: December 3, 2004	Change Request 3558
-------------	------------------	------------------------	---------------------

NOTE: Transmittal 125, dated November 5, 2004, is rescinded and replaced with Transmittal 127, dated December 3, 2004. There was an attachment missing from the original revision. All other information remains the same.

SUBJECT: Instructions Applicable to the Audit of Hospitals that are Part of an Affiliated Group in Relation to the “Redistribution of Unused Resident Positions,” Section 422 of the Medicare Modernization Act of 2003 (MMA), P.L. 108-173, for Purposes of Graduate Medical Education (GME) Payments

I. GENERAL INFORMATION

A. Background: Change Request (CR) 3247, Transmittal 87, issued on May 26, 2004, contained instructions for the submission of a hospital’s timely request to its fiscal intermediary (FI) related to P.L. 108-173, Section 422, “Redistribution of Unused Resident Positions.” CR 3353, Transmittal 92, issued on July 2, 2004, provided additional instructions to FIs related to this section. This One-Time Notification (OTN) provides instructions to FIs regarding the audit of hospitals that are part of a Medicare GME affiliated group in relation to section 422 of P.L. 108-173.

B. Policy: In accordance with CR 3353, FIs were not to schedule or perform any audits of providers that are part of a Medicare GME affiliated group for the program year July 1, 2003 through June 30, 2004 until receipt of further instructions. On August 11, 2004, the final rule was issued requiring The Centers for Medicare & Medicaid Services (CMS) to use the cost report that contains July 1, 2003, for hospitals that are part of a Medicare GME affiliated group, as the reference period to determine whether a hospital’s FTE resident cap should be reduced. This OTN provides instructions to FIs on how to proceed with the review of those providers that are part of a Medicare GME affiliated group for the program year July 1, 2003 through June 30, 2004. FIs are to do the following:

Excel file – Summary of providers that are part of a Medicare GME affiliated group

FIs shall complete and submit to CMS an Excel file consisting of a worksheet that identifies all providers that are part of a Medicare GME affiliated group for the program year July 1, 2003 through June 30, 2004 for which you are the contractor. The worksheet shall be completed by entering the following data for each provider that is part of a Medicare GME affiliated group for the program year July 1, 2003 through June 30, 2004: provider number, provider name, provider’s fiscal year end, the allopathic and osteopathic Direct Graduate Medical Education (DGME) and Indirect Medical Education (IME) FTE caps, and unweighted DGME and IME FTE count for the cost report including July 1, 2003 (leave this column blank if this cost report has not yet been filed).

A blank copy of the Excel file has been attached to this OTN. Notify Dorothy Braunsar if you have any problems with this file. The completed excel file shall be sent to Dorothy Braunsar at Dbraunsar@cms.hhs.gov as well as the FI’s Regional Office on or before 30 days from date of issuance.

						FISS	MCS	VMS	CWF	
3558.1	The FI shall complete the excel spreadsheet attached to this OTN with the required information. The FI shall submit the completed spreadsheet to Dorothy Braunsar at CMS as well as the FI's Regional Office by 30 days from date of issuance.	X								
3558.2	The FI shall complete an audit plan based on the affiliated group resident cap audit program and submit this plan to Dbraunsar@cms.hhs.gov and the FI's Regional Office by 30 days from date of issuance.	X								
3558.3	If necessary, the FI shall submit an SBR for activities related to this OTN by 30 days from date of issuance.	X								
3558.4	The FI shall conduct either a desk or field audit using the affiliated group resident cap audit program for all providers that are part of a Medicare GME affiliated group for the program year July 1, 2003 through June 30, 2004 in determining the necessity of revising the provider's GME and IME FTE cap. The audits shall be completed by April 15, 2005.	X								

III. SUPPORTING INFORMATION AND POSSIBLE DESIGN CONSIDERATIONS

A. Other Instructions: N/A

X-Ref Requirement #	Instructions

B. Design Considerations: N/A

X-Ref Requirement #	Recommendation for Medicare System Requirements

C. Interfaces: N/A

D. Contractor Financial Reporting /Workload Impact: N/A

E. Dependencies: N/A

F. Testing Considerations: N/A

IV. SCHEDULE, CONTACTS, AND FUNDING

Effective Date*: December 6, 2004 Implementation Date: December 6, 2004 Pre-Implementation Contact(s): Dorothy Braunsar, 410-786-4037 or Dbraunsar@cms.hhs.gov Post-Implementation Contact(s): Dorothy Braunsar, 410-786-4037 or Dbraunsar@cms.hhs.gov	Funding for Medicare contractors is available through the supplemental budget process for activities identified in this change request.
---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------	------------------------------------------------------------------------------------------------------------------------------------------------

***Unless otherwise specified, the effective date is the date of service.**

Attachment

INSTRUCTIONS

Affiliated groups:

- 1 In cells E 5 & 6 enter your plan name and number.
- 2 In cells C 8, 9 & 10 enter name of the person to contact regarding this file, their phone number and e-mail address.
- 3 In column B, enter the provider number of the provider that is part of a Medicare GME affiliated group.
- 4 In column C, enter the provider name of the provider that is part of a Medicare GME affiliated group.
- 5 In column D, enter the provider's FYE.
- 6 In column E, enter the allopathic and osteopathic DGME FTE base year cap reported on the cost report of the cost reporting period which includes July 1, 2003. For purposes of this review, only include the sum of the FTEs reported on lines 3.01 and 3.02 of Worksheet E-3 Part IV of the cost report. Leave this column blank if this cost report has not yet been filed.
- 7 In column F, enter the allopathic and osteopathic IME FTE base year cap reported on the cost report of the cost reporting period which includes July 1, 2003. For purposes of this review, only include the sum of the FTEs reported on lines 3.04 and 3.05 of Worksheet E Part A of the cost report. Leave this column blank if this cost report has not yet been filed.
- 8 In column G, enter the unweighted allopathic and osteopathic DGME FTEs reported on the cost report of the cost reporting period which includes July 1, 2003. This amount is reported on Worksheet E-3 Part IV, line 3.05, of the cost report. Leave this column blank if this cost report has not yet been filed.
- 9 In column H, enter the unweighted allopathic and osteopathic IME FTEs reported on the cost report of the cost reporting period which includes July 1, 2003. This amount is reported on Worksheet E Part A, line 3.08, of the cost report. Leave this column blank if this cost report has not yet been filed.

NOTE: This information is to be provided only for those providers for which you are the contractor.