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MEMORANDUM

June 29, 2020

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, 2020. Please remember that this discount is in addition to the 7.7% Medicare waiver differential and applies only to MAO patients. If you have any questions, you may contact Dennis Phelps at dennis.phelps@maryland.gov

FY 2021 GME DISCOUNTS

<u>Hospital</u>	<u>1-Jul-20 30-Jun-21 GME Discount</u>
University of Maryland	5.42%
Prince George's Hospital Center	4.11%
Holy Cross Hospital	0.71%
Mercy Medical Center	3.31%
Johns Hopkins Hospital	2.05%
St. Agnes Hospital	3.40%
Sinai Hospital	4.76%
Franklin Square Hospital	7.52%
Suburban	0.04%
Union Memorial Hospital	8.36%
Johns Hopkins Bayview Medical Ctr.	6.96%
Harbor Hospital	4.56%
Midtown	6.44%
GBMC	1.63%
Good Samaritan Hospital	4.76%