



2023 Annual Grantee Meeting

A partnership between





Disclosures

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Program Agreements

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Hall Render Advisory Services is a health care consulting firm advising healthcare organizations in the areas of Graduate Medical Education, Compliance, 340B, IT, Real Estate, and Reimbursement Consulting.

Scott Geboy is a lawyer by training, advising clients in the full range of GME topics, including THC funding, Medicare GME, program accreditation and resident disputes – ***this is not legal advice.***



Introduction

- Starting and operating GME programs almost always involves multiple parties and organizations: THCs, FQHCs, RHCs, Teaching Hospitals, Teaching Health Systems, Medical Schools, Physician Practices, and more
- A variety of different agreements/contracts are needed to align the needed parties, define roles and responsibilities, and coordinate funding



Program Agreements to be Discussed Today

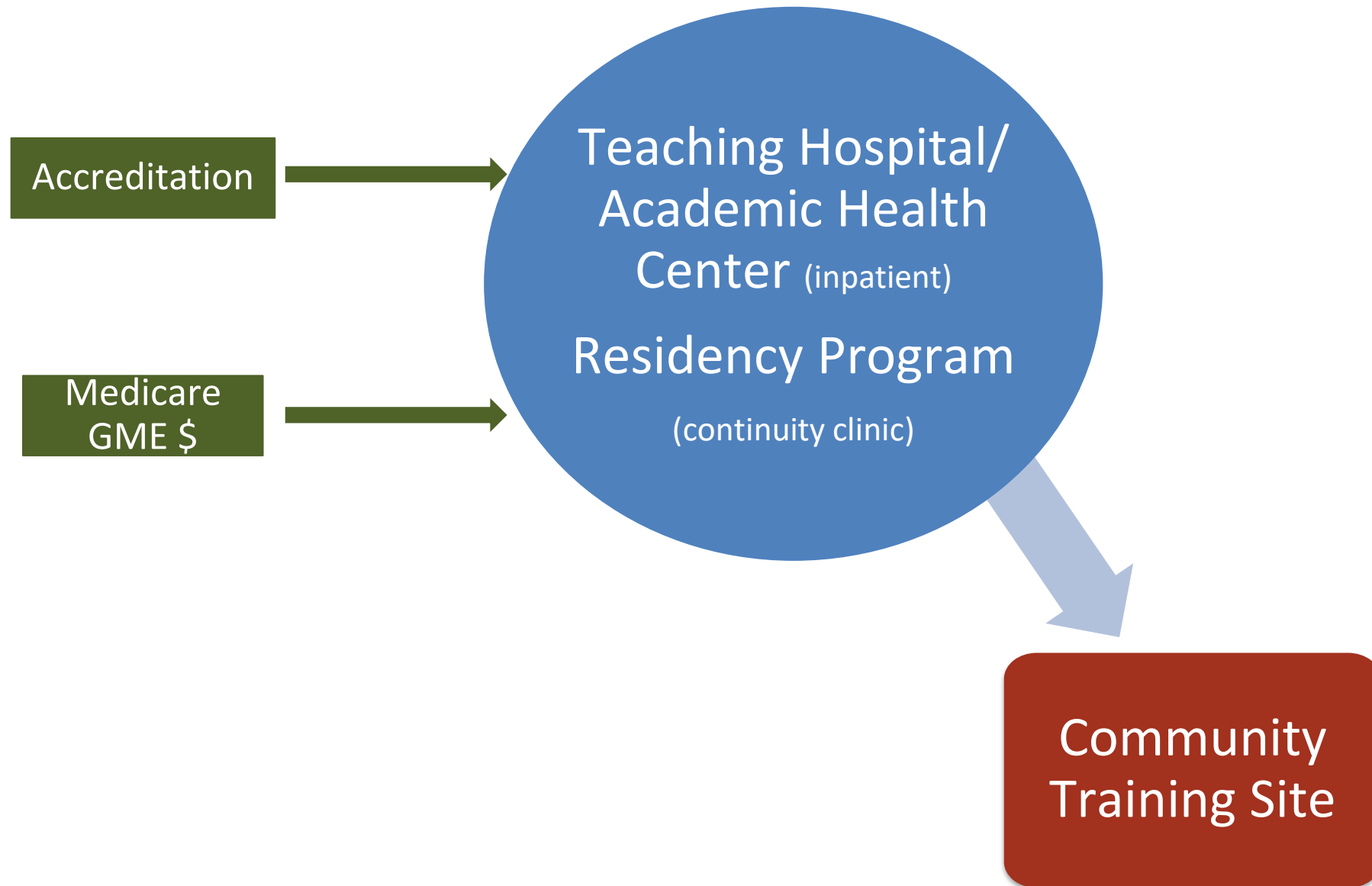
- Memoranda of Understanding - MOUs
- Consortium Agreements
- Affiliation Agreements
- Program Letter Agreements – PLAs
- And Medicare GME affiliation agreements – just a mention



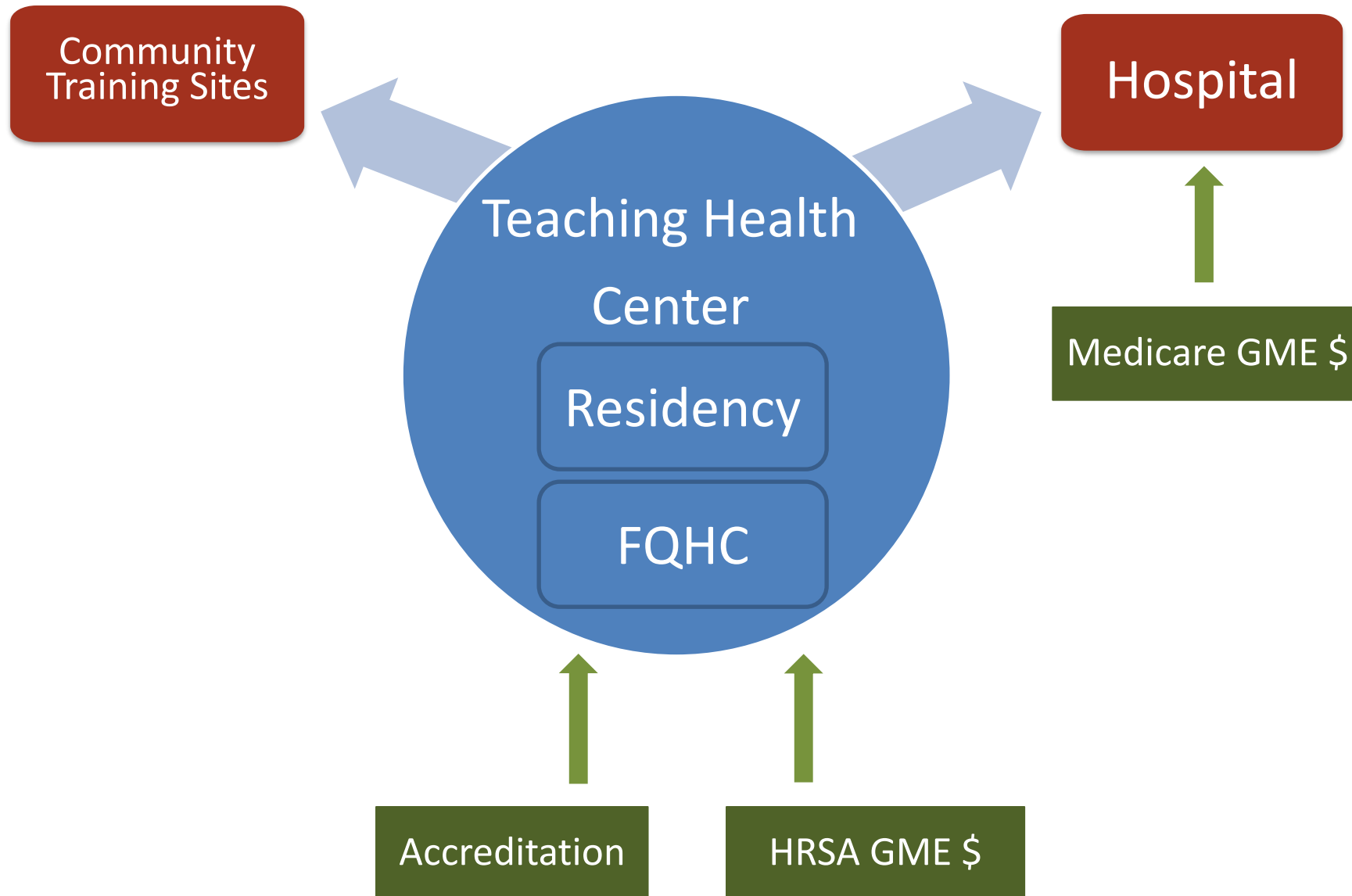
Understand the Participants

- You know your operations and revenue sources, but do the other participants understand? Be prepared to explain ... again and again
- Do you understand the unique characteristics of the other participating parties?
- For teaching hospitals, status matter ...
 - Is the hospital GME Naïve?
 - Is the hospital an IPPS hospital, or is it a SCH, MDH, RRC
 - For teaching hospitals in urban areas, has it reclassified as rural?
- Is a participating medical school receiving state appropriations?

Traditional Teaching Model – Hospital Centric



THC Model



Memoranda of Understanding – MOU, or Term Sheet



- Can be helpful to put in words what is being proposed so that all parties to the new educational structure understand their roles and are committed
- Not required and not a binding obligation – a tool to foster understanding and commitment
- An MOU will be a document signed by both parties, but without a fully binding commitment – the signatures reinforce a common understanding
- A Term Sheet may not be signed, but circulated, maintained, and updated as the common understanding of the participants increases

Memoranda of Understanding – MOU or Term Sheet



- Topics to be addressed
 - Brief statement of the proposed structure
 - Statement of Initial term commitment
 - The purpose, goals and objectives of the arrangement
 - Statement of each party's role and responsibilities
 - Resource commitment: initial outline of GME funding and expenses, grants, Medicare, other funding
 - Timeline description: starting the relationship, documenting agreements, starting the new program(s)



Consortium Agreements

- A GME consortium is two or more organizations who come together to assemble and maintain the resources: people, places and funding, to start, operate, and maintain graduate medical education training programs—a very broad concept
- THC GME consortia are formal associations of community-based training sites (FQHCs, RHCs), medical schools, teaching hospitals, and other organizations involved in residency training, with central support, direction, and coordination allowing members to function collectively
- This consortium discussion is also relevant to the FQHC/RHC Sponsoring Institution models, since the FQHC/RHC Sponsoring Institution needs to assemble all the same resources for itself, through agreements and not as a new consortium organization



HRSA FAQ on THC Consortia

Are teaching hospitals and academic institutions eligible for THCGME funding?

No. Entities that are not community-based ambulatory patient care centers, such as teaching hospitals, health care systems and/or networks, and academic institutions are **not eligible** to receive THCGME funding.

However, a community-based ambulatory patient care center may form a Graduate Medical Education (GME) consortium with community stakeholders (e.g., academic health centers, universities and/or medical schools, teaching hospitals) where the GME consortium serves as the Sponsoring Institution.

Within the consortium, the community-based ambulatory care center is expected to play an integral role in the academic, financial, and administrative operations of the residency.

[HRSA Health Workforce: FAQ: Teaching Health Center Graduate Medical Education \(THCGME\) Program](#)



What is a GME Consortium?

- For THCGME, the consortium must be THC-centered, which is required under the HRSA grant terms
- Consortia must also be hospital-centered: it is where the CMS GME funding is received – if it is for the new program
- Consortia must be physician-centered: without the teaching physicians there is no GME
- Consortia must be resident-centered: the residents are the goal



Guidance from HRSA

Has collaborated to form a community-based GME consortium that will operate an accredited primary care residency program.

In order to satisfy accreditation, academic and administrative responsibilities, a community-based ambulatory patient care center may form a GME consortium with stakeholders (e.g., academic health centers, universities and/or medical schools) where the GME consortium will serve as the institutional sponsor of an accredited primary care residency program. The relationship between the community-based ambulatory patient care center and the consortium must be legally binding, and the agreement establishing the relationship must describe the roles and responsibilities of each entity.

Within the consortium, the community-based ambulatory care center is expected to play an integral role in the academic, financial and administrative operations of the residency. THCPD payments must be used to support residency planning and development activities at the ambulatory training site.

[Teaching Health Center Planning and Development Program, HRSA Grants website](#)



More Guidance from HRSA

GME consortium means a collaboration between a community-based, ambulatory patient care center and community stakeholders (e.g., academic health centers, universities and/or medical schools, teaching hospitals), to form an entity that serves as the institutional sponsor of, and operates, an accredited primary care residency program. The community-based ambulatory patient care center plays an integral role in the academic, financial, and administrative operations of the residency program, as well as in the academic and clinical aspects of the program including, but not limited to: curriculum development, scheduling of clinical rotations, and selection of staff and residents. The relationship between the THC and the consortium must be legally binding, and the agreement establishing the relationship must describe the roles and responsibilities of each entity.

HRSA-22-139-Full Announcement – HRSA -22-139, page 7.



For the ACGME, the consortium is the SI

A Sponsoring Institution's organizational chart(s) should illustrate the authority of a **single governing body** and its relationships with a DIO, GMEC, and other individuals or entities with responsibility for GME in the Sponsoring Institution (e.g., program directors, participating sites). While a variety of organizational structures can be found among ACGME-accredited Sponsoring Institutions, a substantially compliant Sponsoring Institution has a DIO who collaborates with a GMEC with appropriate reports to a **singular governing body**.

[Frequently Asked Questions: Institutional Requirements ACGME](#)



Common Consortium Functions

- Hold the accreditation from the accrediting body: institutional accreditation of multiple programs can ease accreditation survey burden
- Centralize GME administration: coordinate rotations
- Employ/contract with the Residents – but the FQHC/RHC can also employ the residents
- Organize and facilitate didactic and research components
- Centralize educational resources (e.g. medical library)
- Coordinate/embody financial arrangements



Consortium Agreements

- Must be legally binding among the parties
- Must describe the roles and responsibilities of the parties
- Establishes the financial terms under which all the parties participate
- Address how Consortium decisions and governance will occur
- Establishes long-term relationship – start at 10 years?
- Documents agreement for exit
- A Consortium may have organization-like qualities (without a new entity) and the Consortium Agreement may work as the “Bylaws” for how the Consortium will operate



Affiliation Agreements

- There is no “standard form” affiliation agreement – some sample agreements are linked in **slide 28** below
- Affiliation Agreements are generally between the party holding the ACGME accreditation – that could be the “Consortium” – and the other entities needed to round out the GME educational structure
- If the “Consortium” will hold the accreditation, then a legal entity may be needed at the Consortium level
- Affiliation agreement should also be long term, maybe 5 or 10 years to start



Affiliation Agreements

- Affiliation Agreement common sections
 - Obligations of party holding ACGME accreditation
 - Obligations of the affiliated teaching site
 - Joint obligations
 - Financial terms – the details
 - PLA terms – unless separate PLA is used
 - Term and termination
 - Standard terms: the “boiler plate”



Affiliation Agreements

- Engage local counsel – **Assisted by the resources made available through THCGME.org**
- Create draft agreement
- Customize to each affiliate party (e.g. teaching hospital, other ambulatory care training site, medical school, etc.)
- Prepare and negotiate agreements



Program Letter Agreements

- Program Letter Agreements (PLAs) are ACGME required agreements between the Sponsoring Institution (SI)/Program and each of the training sites where the residents will train
- PLAs may be needed between the Consortium/SI and its consortium members, unless all elements of the PLA required by the ACGME are addressed in affiliation agreements
- PLAs may be needed between the SI and parties to affiliation agreements, unless all elements of the PLA required by the ACGME are addressed in the affiliation agreements



Program Letter Agreements

- Basic sections of the PLA
 - Identification of the parties
 - The persons responsible for education and supervision
 - Participating site responsibilities
 - Content and duration of education experience
 - Governing policies and procedures
- PLAs are intended by the ACGME to address the sites commitment to the education of the residents
- It is possible to use PLAs for other terms too, such as financial relationships



PLA: AAMC Resource

- AAMC Developed and Recommended Form
 - In 2018, the Association of American Medical Colleges (AAMC) assemble a group of experts to create a template PLA
 - The document consists of
 1. An editable Program Letter of Agreement to describe the details of the rotation and any financial arrangements between the SI/Program and the training site, and
 2. AAMC Uniform Terms and Conditions: intended to not be edited
- A slightly more complex agreement than may be needed for the ACGME
- But a good “standard” form to facilitate ease of use and replication

[AAMC Uniform Resident Rotation Agreement](#)

The AAMC has not endorsed this presentation, and this is a recommendation of a resource available to the public



Medicare GME Affiliation Agreements

- Any search for “GME affiliation agreements” on the internet will return many hits referring to “Medicare GME affiliation agreements”
- Medicare GME affiliation agreements are Medicare required agreement between two or more Medicare participating teaching hospitals who want to share Medicare DGME and/or IME FTE cap
 - Only required **between Medicare teaching hospitals**
 - Never needed between and FQHC and a teaching hospital
 - Never needed between a consortium and the consortium members



Additional Resources: Consortia

["All GME is Local: A Novel Approach to GME Governance in a Consortium Model." Journal of Graduate Medical Education, June 2019.](#)

[Washington University School of Medicine in St. Louis Graduate Medical Education Consortium](#)

[Authority Health Graduate Medical Education \(GME\)](#)

[Marshall University Joan C. Edwards School of Medicine - Marshall Community Health Consortium - Overview](#)

[WiNC GME Consortium](#)

[The Valley Health System Graduate Medical Education Consortium](#)

No entity linked above has endorsed this presentation, and this is a recommendation of a resource available via the internet



Additional Resources: Affiliation Agreements

[University of Maryland Medical Center Affiliation Agreements - GME](#)

[Graduate Medical Education Master Affiliation Agreement By and Between Our Lady of the Lake Hospital, Inc. and Board of Supervisors of Louisiana State University and Agricultural and Mechanical College](#)

[University of Minnesota Educational Affiliation Agreements - Single Program Affiliation Agreements](#)

No entity linked above has endorsed this presentation, and this is a recommendation of a resource available via the internet



QUESTIONS

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