

ADVISORY GROUP ON Efficiency and Benchmarking

PROPOSAL #: AGEB # 38

SUBJECT: LSU Hospital System/Medicare GME

DATE ADOPTED BY ADVISORY GROUP: 11-4-09

COMMISSION ACTION: \_\_\_\_\_

DATE: \_\_\_\_\_

**RECOMMENDATION:** The LSU Health Care Services Division be directed, to the maximum extent possible, to execute affiliation agreements with other hospitals that have high levels of Medicare patients and a commitment to resident training in order to receive additional money from Medicare for graduate medical education, which such additional monies are currently being left on the table because of low numbers of Medicare patients in the Charity Hospital system.

Summary Description/Nature of Change	Key/Implementation Responsibilities	Need	Action Needed	Benefit/Saving	Done/ Study
The LSU Health Care Services Division be directed, to the maximum extent possible, to execute affiliation agreements with other hospitals that have high levels of Medicare patients and a commitment to resident training in order to receive additional money from Medicare for graduate medical education, which such additional monies are currently being left on the table because of low numbers of Medicare patients in the Charity Hospital system.	LSU Board of Supervisors	To maximize the utilization of Medicaid Graduate Medical Education dollars and train more medical residents.	Legislation; Cooperative Endeavor Agreements		

Charity Hospitals in Louisiana have a dual mission: to provide training sites for physician residents and to provide medical care for the uninsured. Most United States teaching hospitals utilize Medicare funds to finance graduate medical education (GME) programs. (Medicare reimburses teaching hospitals for a share of their costs associated with the training of medical residents who treat Medicare patients.) Because so few Medicare patients seek care in Louisiana's Charity Hospitals, all of the three Louisiana medical schools whose residents train in these hospitals forfeit a portion of federal funding for Medicare-funded graduate medical education that is widely accessed at other schools around the nation. According to the Public Affairs Research Council, \$160 million in additional Medicare payments annually is left untapped in Louisiana because of the limited Medicare patient population at Charity Hospitals. Affiliation agreements with other hospitals that have high levels of Medicare patients and a commitment to resident training would provide significant additional dollars for training LSU and Tulane medical residents.

The Louisiana Streamlining Government Commission recommends to the governor and the Louisiana Legislature that the LSU Health Care Services Division be directed, to the maximum extent possible, to execute affiliation agreements with other hospitals that have high levels of Medicare patients and a commitment to resident training in order to receive additional money from Medicare for graduate medical education, which such additional monies are currently being left on the table because of low numbers of Medicare patients in the Charity Hospital system.