## Residents' Ambulatory Training Left in Doubt

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◀he ability of hospitals to maintain ambulatory training for medical residents seems to be in doubt with the departure of Dr. Mark McClellan as head of the Centers for Medicare and Medicaid Services. Dr. McClellan left without resolving an issue that has led to retroactive payment denials in recent years.

In 2003, the CMS officially changed the definition of what constituted acceptable charges that hospitals could send to Medicare for the training of medical residents with volunteer faculty in the community. That change has led program intermediaries to deny payment for costs related to ambulatory training time.

"Many hospitals are no longer offering educational experiences at ambulatory sites as a result of the confusing and in-

CMS's policy of denying payments to hospitals for ambulatory training is having a chilling effect on ambulatory training programs. 'The situation is dire.'

equitable regulations being enforced. Some teaching hospitals may be forced to eliminate training programs," according to a letter that more than 100 physician and hospital groups sent to lawmakers.

Groups that represent primary

physicians worry that the policy will undermine efforts to increase the number of primary care physicians. In discussions with the agency, CMS officials have offered little more than modest concessions that fail to address the underlying problem, they said.

Over the summer, Dr. McClellan told CMS's Practicing Physicians Advisory Council that the agency would explore solutions to the impasse. And during a Senate hearing in the fall, he vowed to address the issue personally before he left CMS.

But despite those promises, Dr. Mc-Clellan departed the agency on Oct. 15 without resolving the issue. Leslie Norwalk, acting CMS administrator, was also questioned about the payment denials during the PPAC meeting, but seemed unaware of the problem.

Dr. McClellan also announced during the Senate hearing that the agency had suspended the policy. However, CMS did not comment for this article, nor did it provide any details about how long that suspension might last, or state whether the policy will ultimately be changed.

Sen. Susan Collins (R-Maine) has urged her colleagues to adopt a legislative fix during the lame-duck Congressional session.

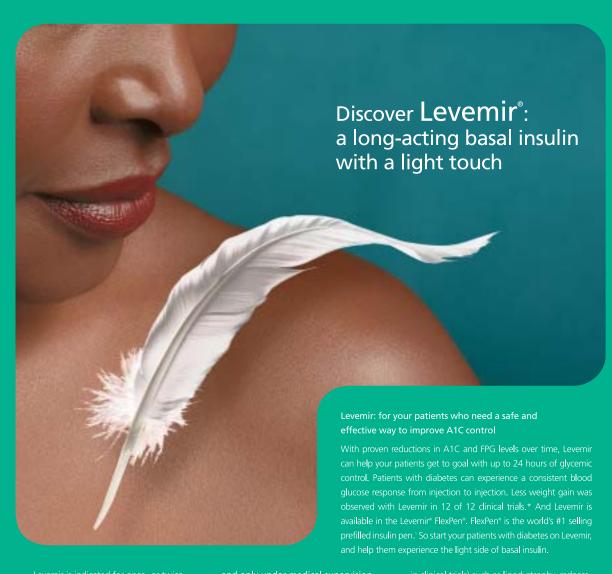
While we appreciate CMS's efforts to try to lend clarity to a difficult and poorly understood policy, we are concerned that the direction they are taking does little to resolve the underlying issues and remains, in our opinion, in direct conflict with Congressional intent. We are also concerned that CMS regulations continue to impose undue regulatory burdens on teaching hospitals that impede rather than encourage training in non-hospital settings," Sen. Collins wrote in a "Dear Colleague" letter.

However, it is not clear whether the CMS policy even complies with existing law-specifically the 1999 Balanced Budget Act—which contains provisions designed to encourage rural and out-of-hospital experiences in residency training. Even more recently, the Medicare Modernization Act contained a 1-year moratorium on just these kinds of payment denials, according to Sen. Collins.

The CMS policy of denying payments to hospitals for ambulatory training actually dates back to a definition change contained in a rule proposed in 1999. The rule's drafters decided that time spent training under volunteer physicians in the community did not meet requirements that hospitals pay virtually all of the supervisory costs when residents rotate to nonhospital sites. Although that rule was not finalized until 2003, audits by Medicare intermediaries that led to retroactive denials started as early as 2002.

Dr. McClellan denied that the rejected payments amounted to millions of dollars, but hospital groups have warned that the policy is having a chilling effect on ambulatory training programs.

The situation is dire. These programs will close if we can't get this resolved," Sen. Collins warned.





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