



★ ★ COMMITTEE ON ★ ★  
**WAYS AND MEANS**  
CHAIRMAN PAUL RYAN

## **The Medicare Crosswalk IME Pool Act of 2015**

### **Section-by-Section**

#### **Section 1. Short Title**

#### **Section 2. Revision of Medicare Payments for Indirect Medical Education (IME) Costs in Teaching Hospitals**

Section 2 of the bill adds a new subclause to section 1886 of the Social Security Act. Subclause (t) requires the Secretary to reimburse teaching hospitals IME funds in a lump sum, rather than the current “add-on” payment teaching hospitals receive per inpatient discharge. This lump sum change would occur for cost reporting periods ending during or after fiscal year 2019. These new lump sum IME payments would be paid out to teaching hospitals on the same timeframe, approximately every two weeks, as the direct Graduate Medical Education (dGME) payments teaching hospitals receive.

The bill requires the Secretary to create a new “IME pool.” The IME pool will initially be funded at \$9.5 billion for fiscal year 2019. If there are new teaching programs that are added to the Medicare program in fiscal years 2015 through 2019, the Secretary is required to increase the total amount of the IME pool.

Beginning with fiscal year 2020 and thereafter, the IME pool amount would be updated by the inpatient prospective payment system (IPPS) market basket update. Further, if any new teaching programs are added after fiscal year 2019, the Secretary is required to increase the total amount of the IME pool to reflect the addition of new teaching programs.

Finally, the bill requires the Secretary to maintain the same current law formula that is used today to derive IME payments.