

SUMMARY OF REQUEST

DATE: May 25, 2022

FACILITY: Broward Health - System Wide

**PROGRAM/
PRODUCT LINE:** Graduate Medical Education: Medicaid Indirect Medical Expense

REQUEST: Approval to compensate Sellers Dorsey & Associates, LLC (“Sellers Dorsey”) an unbudgeted amount in excess of \$400,000.

PURPOSE: To compensate Sellers Dorsey for assisting Broward Health with the design, implementation, and approval of the Medicaid Indirect Medical Expense (IME) program

CAPITAL REQUIRED: N/A

FINAL FMV REPORT N/A

FISCAL IMPACT: Sellers Dorsey will be paid based on a contingency fee schedule up to 7% of net receipts

BUDGET STATUS: Not budgeted. Net impact is favorable to the district.

PRACTICIONER CV¹: N/A

LEGAL REVIEW: The contract has been reviewed and approved by the Office of the General Counsel .

APPROVED:

Shane Strum, President/CEO

Shane Strum
05/12/2022 16:46 EDT

DATE: _____

¹ This applies to physician contracts

MEMORANDUM

TO: Board of Commissioners

FROM: Shane Strum, President/Chief Executive Officer

DATE: May 25, 2022

SUBJECT: Approval to compensate Sellers Dorsey & Associates, LLC an unbudgeted amount in excess of \$400,000.

BACKGROUND

The State of Florida historically employed three annual Medicaid Graduate Education Programs (GME) with a total funding of \$241,000,000: (1) The Statewide Medicaid Residency Program (MRP) funded through general revenue; (2) the Startup Bonus and Retention Program funded through intergovernmental transfers (IGTs); and (3) the Shortages in a Continuous Decline, High Tertiary/High Charity, and Severe Shortages in Region 8 programs, funded through IGTs. Despite the state funding these GME programs, 2018 data showed that Florida hospitals have an average GME payment per capita equal to less than half of the national average.

Another potential source of GME funding is IME payments, which compensate for patient care costs related to teaching activities and care of low-income populations who may rely more heavily on teaching hospitals for care. Prior to Broward Health's engagement of Sellers Dorsey, Florida did not make Indirect Medical Education (IME) payments to teaching hospitals.

Sellers Dorsey worked with Broward Health to (i) design and implement, and (ii) assist in obtaining approval for, additional funding in the form of IME payments. Implementation of the Medicaid IME payment methodology has increased funding for Florida teaching hospitals, including hospitals within Broward Health.

Sellers Dorsey's compensation for the services provided to Broward Health relating to the IME payments is based on a contingency fee determined as a percentage of IME payments received by Broward Health.

ACTION/PROJECT DESCRIPTION

Approval to compensate Sellers Dorsey & Associates, LLC an unbudgeted amount in excess of the \$400,000

FINANCIAL/BUDGETARY IMPACT

Sellers Dorsey will be paid based on a contingency fee schedule up to 7% of IME net receipts

JUSTIFICATION

The contingency fee to be paid to Sellers Dorsey is a percentage of the IME payments received by Broward Health, which is additional funding for patient care costs related to teaching activities and care of low-income populations.

STAFF RECOMMENDATION

Therefore, it is requested that the Board of Commissioners of the North Broward Hospital District authorize the District to compensate Sellers Dorsey at a rate of up to 7% of IME net receipts, which will result in payments to Sellers Dorsey in excess of \$400,000.