



Unfunded Direct Costs per Resident per Year in Texas updated 2016		
Total Med School + Direct Costs : \$107,000 PRPY		Est Total Cost \$150,000 PRPY
Medical School Costs: Faculty to teach residents during GME	Medical School Payments: <ul style="list-style-type: none"> • Estimated costs: ~\$18,000/resident • Funding Sources: GME Formula Funding \$6,266 • Unfunded cost: \$11,734 per year per resident 	
Teaching Hospital Costs: <ul style="list-style-type: none"> • Direct: Resident salary and benefits • Direct: Malpractice • Indirect Costs (work slow down; additional tests).*** 	Teaching Hospital: Positions included in Medicare Cap 83 % of resident positions included in cap (4,435) <ul style="list-style-type: none"> • Estimated cost: ~\$89,000* • Funding Sources: <ul style="list-style-type: none"> ○ Medicare DME for Medicare ratio of hospital patients pays \$21,600** • Unfunded Costs: \$67,400 ----- • THOT average: paid by Medicare: \$12,000. • Unfunded: \$77,000 	Teaching Hospital: Positions Not Included in Medicare Cap 17 % of resident positions over cap (885) <ul style="list-style-type: none"> • Estimated cost: ~\$89,000* • Funding Sources: <ul style="list-style-type: none"> ○ Zero. ○ (State Teaching Hospital: GR for some Medicaid funding) • Unfunded Costs: \$89,000/resident

Total Unfunded Direct Costs per Resident per Year in Texas:
\$79,134 - \$100,734 per resident per year all existing positions.

\$88,734 - \$100,734 PRPY existing positions.
THOT average

*Average based on Medicare cost reports using baseline year of 1984. Note that reported direct costs per resident in Texas range from \$70,000 to \$190,000 per hospital based on variables such as hospital's number of residents, wage index, economies of scale, etc.

**This is an average for teaching hospitals in CMS Hospital Cost report. Actual will vary by hospital based on factors including Medicare utilization. For hospitals with lower than average Medicare utilization, such as THOT members, this number payment will be lower and related unfunded costs higher.

***Indirect costs are not included in the numbers cost and unfunded calculations on this sheet. Medicare and Medicaid pay some indirect GME based on Medicare utilization.

Source: CMS 2552 Hospital Cost report with hospital Fiscal Year ending during state fiscal year 2012; and inflated using the hospital Market Basket.