

PAYMENT EXEMPTION POLICY
FOR AFFILIATION AGREEMENTS FOR PHYSICIANS IN POSTGRADUATE
TRAINING

1. INTRODUCTION:

The purpose of this Policy is to set forth the conditions and procedures which must be satisfied before the Director of the Department of Health Services, or his authorized designee (hereafter collectively "Director"), is authorized to execute any standard form Amendment (hereafter "Amendment") to any standard form Affiliation Agreement for Physicians in Postgraduate Training (hereafter "Agreement") in order to exempt the particular Agreement from the payment requirement set forth in Agreement Paragraph 13 (BILLING AND PAYMENT). This Policy, the standard form for the Agreement, and the standard form for the Amendment have been approved by the Board of Supervisors.

The payment requirement of Agreement Paragraph 13 (BILLING AND PAYMENT) provides that the party sending its residents for residency training (Sending Party) shall bill the party providing the training at its health facilities (Receiving Party), and that the Receiving Party shall pay the Sending Party, for the salary and other compensation of the Sending Party's residents for the time spent by such residents at the Receiving Party's health facility during such residents' exchange for residency training under the Agreement.

To ensure that the County's physician postgraduate training

programs at Department of Health Services' (hereafter "DHS") health facilities maintain their accreditation by the Accreditation Council for Graduate Medical Education, it is sometimes necessary for County residents to temporarily rotate to non-County health facilities in order to obtain training which is essential to fulfill certain residency training requirements. Also, non-County health facilities sometimes need to have the residents in their physician postgraduate training programs temporarily rotate to DHS health facilities in order to obtain training necessary to fulfill certain residency training requirements. The Agreement is used by the County to contract with non-County health facilities to carry out these necessary exchanges of residents for training.

On occasion, a non-County health facility is willing to accept County residents for residency training but refuses to pay the County for such residents' salary and other compensation for the time spent by such residents at the non-County health facility during such residents' exchange for residency training as required by Agreement Paragraph 13 (BILLING AND PAYMENT). Also, on occasion, a non-County health facility may not require the County to pay it for the salary and other compensation of its residents for the time spent by such residents at DHS health facilities during such residents' exchange for residency training as required by Agreement Paragraph 13 (BILLING AND PAYMENT).

2. DOCUMENTATION REQUIRED FOR PAYMENT EXEMPTION:

For each Agreement for which an Amendment to exempt the

particular Agreement from the payment requirement of Agreement Paragraph 13 (BILLING AND PAYMENT) is requested by a DHS health facility, the following shall be provided to the Assistant Director of Hospitals by the Medical Director of such DHS health facility:

- A. In cases where the particular non-County health facility refuses to pay the County for County residents' salary and other compensation for the time spent by such residents at such non-County health facility during such residents' exchange for residency training as required by Agreement Paragraph 13 (BILLING AND PAYMENT), all of the following shall be provided:
 - (1) A copy of the specific training requirements of the Accreditation Council for Graduate Medical Education: (a) which cannot be satisfied at DHS health facilities, (b) which will be provided by the particular non-County facility under the particular Agreement requested to be exempt from the payment requirement under Agreement Paragraph 13 (BILLING AND PAYMENT), and (c) for which such non-County health facility refuses to pay the County for the time spent by County residents at such non-County health facility during such residents' exchange for residency training as required by the Agreement Paragraph 13 (BILLING AND PAYMENT). The training requirements shall

specify the minimum training hours and the minimum length of exchange required by the Medical Director of the requesting DHS health facility in order to satisfy the requirements of the Accreditation Council for Graduate Medical Education as to the training necessary to maintain the accreditation of the particular County physician postgraduate training program(s).

- (2) Written confirmation from an authorized officer of the particular non-County health facility that such non-County health facility is willing to furnish the specified residency training under the terms of the Agreement but refuses to pay the County for the time spent by County residents at such non-County health facility during such residents' exchange for residency training as required by Agreement Paragraph 13 (BILLING AND PAYMENT).
- (3) Written certification by the Medical Director of the requesting DHS health facility that the proposed noncompensated training is absolutely necessary in order for the particular County physician postgraduate training program(s) to maintain accreditation by the Accreditation Council for Graduate Medical Education.

B. In cases where the particular non-County health

facility does not require the County to pay it for the salary and other compensation of its residents for the time spent by such residents at DHS health facilities during such residents' exchange for residency training as provided in Agreement Paragraph 13 (BILLING AND PAYMENT), written confirmation of this fact shall be provided by an authorized officer of such non-County health facility. Such non-County health facility shall also specify the residency training areas and the length of the exchange for residency training at such non-County health facility.

3. PAYMENT EXEMPTION DETERMINATION BY DIRECTOR:

The Director, upon receipt from the Assistant Director of Hospitals of a DHS health facility's request for payment exemption and the documentation described in Paragraph 2 (DOCUMENTATION REQUIRED FOR PAYMENT EXEMPTION), shall review the request and documentation and shall determine if all required information and certifications have been provided. The Amendment exempting the particular Agreement from the payment requirement of Agreement Paragraph 13 (BILLING AND PAYMENT) is appropriate and justified and shall be executed by Director if:

- A. In cases where the particular non-County health facility refuses to pay the County for County residents' salary and other compensation for the time spent by such residents at such non-County health facility during such residents' exchange for residency

training as required by Agreement Paragraph 13 (BILLING AND PAYMENT), the Director determines, in writing, that all of the following conditions exist:

- (1) That the particular residency training cannot be satisfied at DHS health facilities.
- (2) That the particular residency training is absolutely necessary to maintain the accreditation of the particular County physician postgraduate training program(s) by the Accreditation Council for Graduate Medical Education.
- (3) That the particular non-County health facility refuses to pay the County for the time spent by County residents at such non-County health facility during such residents' exchange for residency training as required by the Agreement Paragraph 13 (BILLING AND PAYMENT).
- (4) That DHS shall provide ongoing monitoring of all County residents rotated to such non-County health facility under the Agreement in order to assure that their training hours spent at such non-County health facility shall be no more than the minimum necessary to satisfy the training requirements of the Accreditation Council for Graduate Medical Education to maintain the accreditation of the particular County physician postgraduate training program(s).

B. In cases where the particular non-County health facility does not require the County to pay it for the salary and other compensation of its residents for the time spent by such residents at DHS health facilities during such residents' exchange for residency training as provided in Agreement Paragraph 13 (BILLING AND PAYMENT), the Director determines, in writing, that there is written confirmation of this fact provided by an authorized officer of such non-County health facility.

4. PAYMENT EXEMPTION IMPLEMENTATION:

If the Director determines that the Amendment exempting the particular Agreement from the payment requirement of Agreement Paragraph 13 (BILLING AND PAYMENT) is appropriate and justified pursuant to Paragraph 3 (PAYMENT EXEMPTION DETERMINATION BY DIRECTOR), the Assistant Director of Hospitals shall submit the particular DHS health facility's request for payment exemption and the documentation described in Paragraph 2 (DOCUMENTATION REQUIRED FOR PAYMENT EXEMPTION) to DHS' Contracts and Grants Division.

The Contracts and Grants Division shall notify the requesting DHS health facility and DHS' Director of Medical Education whether an Agreement and/or an Amendment currently exist to implement the Director-approved payment exemption or whether an Agreement and/or an Amendment must be prepared, using the standard forms approved by the Board of Supervisors, to

implement the Director-approved payment exemption.

If an Agreement and/or an Amendment must be prepared to implement the Director-approved payment exemption, the Contracts and Grants Division shall process the Agreement and/or the Amendment using the standard forms approved by the Board of Supervisors, shall obtain the necessary signatures of the particular non-County health facility, and shall submit the Agreement and/or the Amendment to the Director for final execution.

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