

Centers for Medicare & Medicaid Services, HHS

§415.164

Cost of physician direct medical and surgical services furnished to inpatient beneficiaries covered under Part B: \$20 per diem × 1,000 \$22,000

Cost of physician direct medical and surgical services furnished to outpatient beneficiaries covered under Part B: \$22 per diem × 5,000 \$110,000

(2) The following illustrates how the imputed value of physician volunteer direct medical and surgical services furnished in a teaching hospital to beneficiaries is determined.

Example: The physicians on the medical staff of Teaching Hospital Y donated a total of 5,000 hours in furnishing direct medical and surgical services to patients of the hospital during a cost reporting period and did not receive any compensation from either the hospital or the medical school. Also, the imputed value for any physician volunteer services did not exceed the rate of \$30,000 per year per physician.

STATISTICAL AND FINANCIAL DATA:

Total salaries paid to the full-time salaried physicians by the hospital (excluding interns and residents) \$800,000

Total physicians who were paid for an average of 40 hours per week or 2,080 (52 weeks × 40 hours per week) hours per year 20

Average hourly rate equivalent: $\$800,000 \div 41,600 (2,080 \times 20)$ \$19.23

Computation of total imputed value of physician volunteer services applicable to all patients:

(Total donated hours × average hourly rate equivalent): $5,000 \times \$19.23$ \$96,150

Total inpatient days (as defined in paragraph (h)(2) of this section) and outpatient visit days (as defined in paragraph (h)(3) of this section) 75,000

Total inpatient Part A days 20,000

Total inpatient Part B days if Part A coverage is not available 1,000

Total outpatient Part B visit days 5,000

Computation of imputed value of physician volunteer direct medical and surgical services furnished to Medicare beneficiaries:

Average per diem for physician direct medical and surgical services to all patients: $\$96,150 \div 75,000 = \1.28 per diem

Imputed value of physician direct medical and surgical services furnished to inpatient beneficiaries covered under Part A: $\$1.28$ per diem × 20,000 \$25,600

Imputed value of physician direct medical and surgical services furnished to inpatient beneficiaries covered under Part B: $\$1.28$ per diem × 1,000 \$1,280

Imputed value of physician direct medical and surgical services furnished to outpatient beneficiaries covered under Part B: $\$1.28$ per diem × 5,000 \$6,400

Total \$33,280

(j) *Allocation of compensation paid to physicians in a teaching hospital.* (1) In determining reasonable cost under this section, the compensation paid by a teaching hospital, or a medical school or related organization under arrangement with the hospital, to physicians in a teaching hospital must be allocated to the full range of services implicit in the physician compensation arrangements. (However, see paragraph (d) of this section for the computation of the “salary equivalent” payments for volunteer services furnished to patients.)

(2) This allocation must be made and must be capable of substantiation on the basis of the proportion of each physician’s time spent in furnishing each type of service to the hospital or medical school.

§ 415.164 Payment to a fund.

(a) *General rules.* Payment for certain voluntary services by physicians in teaching hospitals (as these services are described in §415.160) is made on a salary equivalent basis (as described in §415.162(d)) subject to the conditions and limitations contained in parts 405 and 413 of this chapter and this part 415, to a single fund (as defined in paragraph (b) of this section) designated by the organized medical staff of the hospital (or, if the services are furnished in the hospital by the faculty of a medical school, to a fund as may be designated by the faculty), if the following conditions are met:

(1) The hospital (or medical school) furnishing the services under arrangement with the hospital) incurs no actual cost in furnishing the services.