

DISBURSEMENT AGREEMENT FOR RESIDENT STIPENDS AND FRINGE BENEFITS FOR PAYMENT IN ADVANCE

The Medical University of South Carolina (MUSC), Charleston, SC and the Department of Veterans Affairs facility, Charleston, SC, do hereby mutually agree to the following:

1. QUALIFICATIONS

Each physician and dentist appointed to the affiliated residency program must meet the requirements established by the Department of Veterans Affairs (VA) and by the sponsoring institution and program.

2. RESPONSIBILITIES

During the period of the VA residency training, all trainees will be subject to VA policies and procedures and the regulations of the medical staff bylaws for the VA facility.

3. VA ASSIGNMENTS AND EDUCATIONAL ACTIVITIES

a. Prior to the beginning of the allocation cycle (e.g., September or earlier), the VA Designated Education Officer (DEO) and the Designated Institutional Official (DIO) of the sponsoring institution will conduct a joint planning process to determine the number and distribution of VA resident positions within the base allocation. The outcome of the process will be a mutually agreed upon plan for the number and distribution of resident positions that will have assigned educational activities at VA for the coming academic year.

b. After the Match, each Program Director, in collaboration with the VA Site Director, will prepare the schedules of educational activities based upon capacity to train and the number of available and allocated resident positions and the results of recruitment to those positions. The updated schedules will be communicated to the DEO and the DIO.

c. The performance of resident educational activities at the VA facility will be guided by the monthly or rotational schedules prepared by the Program Director. All Accreditation Council for Graduate Medical Education (ACGME) or American Osteopathic Association (AOA) as appropriate, requirements regarding duty hours must be met for programs accredited by the ACGME, or AOA.

d. The VA facility will maintain educational activity records that accurately document resident participation by program, name, and VA-approved PGY level. The basic document for comparison to submitted invoices will be a summary document prepared by each VA Site Director of actual participation in assigned educational activities by program and days in approved activities by PGY level (names of residents need not be included in the summary document).

4. CIVIL SUITS

This agreement does not limit or otherwise affect the rights of residents as provided in Title 38 United States Code (U.S.C.) 7316.

5. TERMINATION

This agreement remains in force unless terminated at the request of either party after 90-days notice in writing. If this agreement is so terminated, VA is liable only for the payment provisions of this agreement for services rendered prior to the effective date of termination.

6. RATE AND COST DETERMINATION AND CHANGES

a. In the preparation of the Disbursement Agreement Rate Schedule (see Attachment), current stipend and benefit rates by PGY level will be submitted by the disbursing agent for the purpose of establishing the VA-approved rates. Documentation supporting the stipend and fringe benefit rates must be submitted with the rate schedule. New rates must be updated and approved on an annual basis and incorporated into the agreement by amendment to the Attachment. Any modification or amendment of the Disbursement Agreement Rate Schedule (see Attachment) will be subject to review and approval by the Chief Academic Affiliations Officer. Increases or decreases will be retroactive to the effective date of such changes when approved by the Chief Academic Affiliations Officer.

b. The calculation of allowable reimbursement will be determined by the monthly or rotational educational activity records and the per diem rates of reimbursement for the postgraduate year (PGY) level of residents assigned to and participating in educational activities at VA. The per diem rate will be determined based upon the annual PGY-specific stipend rates at the sponsoring institution or disbursing agent plus the fringe benefits.

(1) A weighted or average Federal Insurance Contributions Act (FICA) rate will be determined based upon the proportion of non-citizen residents on J1 visas, as no reimbursement for FICA is allowed for residents on J1 visas for the first 2 years of US residency.

(2) The basis for calculation of the per diem rate is the annual stipend plus benefits divided by 365 days per year, less the allowed annual (vacation) leave at the sponsoring institution.

(3) Non-duty days as required by duty-hour restrictions, weekends with no clinical assignments, and holidays are reimbursable (based upon the proportion of time assigned and actually spent in VA educational activities) and other VA-approved absences as allowed by VA policy.

c. Stipends and benefits of without compensation (WOC) residents will not be reimbursed. That is, residents paid by other sources (e.g., Department of Defense or visiting residents not paid by the Disbursing Agent) are not eligible for stipend or benefit reimbursement.

d. The Medical University of South Carolina will not be reimbursed under this disbursement agreement for any administrative costs related to resident education.

7. SCHEDULE OF ASSIGNMENTS.

Prior to the beginning of the academic year, the disbursing agent will provide an invoice showing the planned number of residents assigned to VA for the ensuing academic year by quarter and the estimated total cost. The basis of the invoice will be the plan for scheduled resident assignments by program and by PGY level. No resident names need to be listed on the invoice estimate. The planned assignment of VA activities cannot exceed the number of positions allocation to the VA facility.

8. FISCAL PROCEDURES

a. The VA facility will establish a fiscal obligation in advance of each quarter, based on the schedule of resident assignments provided by the affiliate and approved by the VA facility.

b. The disbursing agent will submit a monthly (or quarterly) invoice containing the following basis for billing:

(1) For each training program, the number of residents at a given PGY level x the calculated number of days per month spent in VA-assignments based upon the percent (%) of VA-assigned educational activities for those residents during the month or rotation = the calculated number of days = the PGY subtotal days. *NOTE: Individual resident determinations need not be shown; however, the basis for these calculations should be available in order to understand or resolve any discrepancies with VA records.*

(a) The aggregate number of days x the per diem rate (specified on the invoice) by each PGY level by program = the subtotal amount being charged for the training program (sum of all PGY subtotals for a given program), and

(b) The total charge (sum of all program subtotals)

(c) The invoice does not need to contain the names or other identifiers of individual residents.

c. The VA facility will reconcile the invoice against VA educational activity records.

d. VA educational activity records are the sole determinant of whether VA activities were performed as billed. VA records are the controlling documentation, and unsubstantiated claims will not be paid.

9. PAYMENTS

a. **Timing of Payments.** The timing of payments to the affiliate for this agreement is payments in advance.

b. Provisions for Payment in Advance

(1) VA agrees to pay up to **80** percent of the estimated charges for a calendar quarter in advance, between the first and the 10th day of each calendar quarter (July 1-10, October 1-10, January 1-10, and April 1-10), provided the Medical University of South Carolina submits to VA a summary schedule of educational activity assignments for VA residents on or before June 1, which is approved by the VA facility Chief of Staff in collaboration with the DEO. The schedule will show the planned number of residents assigned to VA for the ensuing academic year by quarter and the estimated total cost. The actual charges incurred will be determined after receipt of a properly prepared invoice and reconciliation with VA educational activity records (see par. 8). VA will pay the difference between actual charges and the amount paid in advance for the same time period. If monies advanced by VA are more than the actual charges incurred, the difference shall be refunded to VA within 30 days after reconciliation of the invoices for each quarter.

(2) Payments will be based on the residents' schedules of educational activities. Residents on "full" VA assignments for the month will have their stipends and benefits reimbursed based upon the days

in the month or assigned rotation (if less than 1 month), multiplied by the appropriate, approved daily rate by PGY level listed in the Attachment. The daily rate is determined by dividing the total annual stipend by 365 (366 in leap years) minus the allowed annual leave. Reimbursement for "split" assignment residents will be determined by multiplying the percentage of the resident's activities at VA times the daily rate for the month x the number of days per month and the percent assigned VA activities for their PGY level.

(3) Annual leave is incorporated into the per diem rate and thus cannot be billed for additionally.

(4) No other excused absences (e.g., sick leave or holidays) may be incorporated into the per diem rate calculation; however, some VA-approved excused absences may be reimbursed per policy.

(5) The Medical University of South Carolina will withhold from the salary checks of all residents all required federal, state, and local income taxes, if any, and any other salary deductions required or authorized by law or regulation. Such withholding services will include preparation and submission of all required reports, and the forwarding of monies withheld to the appropriate taxing or other collecting agency.

10. LEAVE

a. **Annual Leave.** Annual leave for residents is incorporated into the per diem or daily rate. {I.e., the basis for calculation of the per diem rate is the annual stipend plus benefits divided by [365 days per year less the allowed annual (vacation) leave at the sponsoring institution].} VA will not additionally reimburse annual leave. The disbursing agent will not bill for resident annual leave that may occur during VA assignments. VA-assigned residents may take annual leave provided the leave has been approved in advance by the Program Director and the VA Site Director (if during VA assignments).

b. **Sick Leave.** Sick leave will be governed by the policy at the Medical University of South Carolina but must not to exceed 15 days per academic year of training for each resident position as a leave pool or per individual resident. Resident sick leave days do not accrue from year to year. Unused sick leave is non-reimbursable. Sick leave may include family leave, bereavement, or maternity leave if allowed by the policy at Medical University of South Carolina.

c. **Military Leave.** Residents who are members of the United States National Guard or a reserve component of the armed forces may be granted military leave, not to exceed 15 calendar days per year, for the performance of active military duty.

d. **Examination Leave.** Residents will be allowed leave to undergo examinations for state medical licensure and U.S. specialty boards. The amount of authorized examination leave will not exceed the time actually required for taking the examination and for travel to and from the place of examination.


e. **Authorized Absence for Educational Purposes.** As part of their expected scholarly activities and provided attendance could be reasonably considered to enhance the provision of care to veterans, residents may be permitted to attend a national or local meeting using "authorized absence" (i.e., approved in writing by the VA Site Director and DEO) for no more than 5 days.

11. TERM OF AGREEMENT

This agreement is effective 1 July 2009. *NOTE: The beginning date can not be prior to the date when the agreement is accepted by the disbursing agent and the sponsoring institution and the VA facility.*

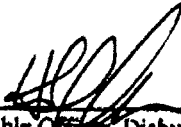
12. AUTHORITY

This agreement is entered into under the authority of Title 38 United States Code Section 4114(b)(3) added by Public Law 93-82 Section 206.



Jeffrey G. Reves, MD
Dean, College of Medicine and
VP for Medical Affairs
Medical University of South Carolina

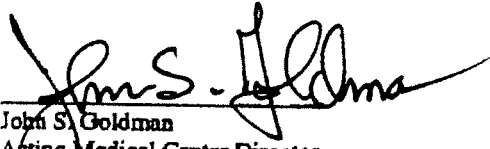
DATE



Responsible Officer, Disbursing Agent
(if different from Sponsoring Institution)

7 27 09

DATE



John S. Goldman
Acting Medical Center Director
Ralph H. Johnson VAMC

8/16/09

DATE

Chief Academic Affiliations Officer

DATE

OFFICE OF THE GENERAL COUNSEL
MUSC
APPROVED AS TO LEGALITY
AND FORM

By: 

Date: 6-24-09

RETROACTIVE

**Department of Veterans Affairs
Office of Academic Affiliations**

OAA Disbursement Agreement Approval Signature Page

This page is the Office of Academic Affiliations approval and signature page for the disbursement agreement for:

VA Facility: Charleston VAMC

Affiliate: Medical University of South Carolina College of Medicine

Agent: Harry Clarke, MD, PhD

Approved On: 2/9/2010



Malcolm Cox, M.D.
Chief Academic Affiliations Officer