

Adding a Fellowship Position and Fellowship Funding

The American College of Rheumatology 2015 Workforce Study found that demand for rheumatology services was increasing over time, but supply was decreasing. There is a critical need to increase the number of trained rheumatologists. This module presents strategies for divisions to add a fellowship position, obtain funding, and develop a business plan.

Toolkit components:

- Adding a Fellowship Position
- Funding Sources and Strategies
- Business Plan for Adding a Fellow

For strategies that increase interest in rheumatology fellowship training among medical students, residents and internists, see toolkit module [“Filling the Pipeline: Generating Interest in Rheumatology as a Career Choice.”](#)

Adding a Fellowship Position

Adding a fellowship position requires an understanding of how it will benefit your division, institution, and community; assistance from your program director, including navigation of institutional and ACGME regulatory processes; and knowledge of current and potential available resources. This will allow you to develop a rational and persuasive business plan that will garner support from institutional administration. Common sources of support are federal (Medicare, NIH training grants), private institutions (private hospitals, pharmaceutical companies, and philanthropy), research grants, and clinically derived funds.

Other considerations include ACGME supervisory requirements such as:

- **For programs with more than three fellows**, there must be at least one key clinical faculty member for every 1.5 fellows.
- **If you are considering adding an additional site** (e.g., a VA affiliation), each participating site must have a sufficient number of faculty with documented qualifications to instruct and supervise all fellows at that location.

Establish rationale for adding a fellow: what are the benefits?

- **Division Benefit:** enhances educational and research missions, improves access to patient care/referrals, reduces fellow burnout (e.g., less on call time).
- **Institutional Benefit:** improves access to patient care/referrals and outreach efforts, enhances revenue by increasing visits/RVUs/infusions, and provides potential recruits for faculty/clinicians for institution and/or wider health network.
- **Community Benefit:** improves access to patient care and outreach, provides future clinicians practicing in general community or outreach areas (trainees tend to remain in same area as where they were trained).
- **Educational Benefit:** increases time and availability for electives, research, and quality improvement projects.

Obtain regulatory approval and establish a feasible timeline

- **First, work with your Program Director** to understand the regulatory process and ensure there are sufficient educational resources (adequate faculty: fellow ratio, clinic and office space, and patient volume).

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- **Addition of fellowship positions** requires approval by the DIO (designated institutional official) of the GME (graduate medical education) office and the GME Committee at your institution, as well as approval by the ACGME (Accreditation Council for Graduate Medical Education); there are “caps” on the number of approved positions, but exceptions can be made. Most importantly, a source of funding must be identified prior to requesting approval.
- **Establish when the fellow would begin**, which is preceded and determined by the ERAS (Electronic Residency Application Service) recruitment cycle. Current fellowship recruitment begins in July and an open position must be declared in ERAS by approximately September/October.

Funding a Fellowship Position and Creating a Business Plan

In addition to many other resources, adequate funding is required to maintain and expand your rheumatology fellowship clinical training program. Obtaining and sustaining funding for fellowship clinical activities is challenging, especially in a climate of lack of expansion or cutbacks in federal funding programs. You must be creative in your approach; many divisions not only cultivate and develop a portfolio of funding sources, they also combine funds from a diverse variety of sources to achieve their goals.

Historical Perspective

GME funding, which began in 1965, has been a primary source of funding for post-graduate education, and is generally supported by CMS Medicare/Medicaid, State Medicaid and indigent care monies, Veterans Administration, hospital and private funding, research grants, and stipends. Much of the direct GME costs have been supported by teaching hospitals, but this funding is limited.

In the past quarter century, GME funding became restricted to fully fund only the Initial Residency Period (IRP), which is the first three years of internal medicine residency, prior to fellowship. Because fellows are beyond the IRP they are funded as 0.5 FTE, and cannot bill at attending rates while receiving Medicare trainee funding. Furthermore, a cap was applied to the Intern and Resident to bed ratio that restricted expansion of training programs; exceeding the cap resulted in reducing the per trainee subsidy.

Thus, other funding sources are necessary to support and expand fellowship training.

Salary Is Only Part of What Is Needed

Training programs incur expenses beyond trainee salary and benefits: liability insurance, fees for accreditation, in-training examination and licensing, recruitment expenses, and other incidentals (educational materials, meeting expenses, lab coats, etc.). Some rotations (e.g., electives) that occur outside the primary training site may incur additional expenses, if the other hospitals do not return or in fact require GME money. There may also be costs incurred for supervision of clinical duties, such as loss of faculty productivity.

Build a Case to Support Expansion: A Business Plan

After assessing both direct and indirect costs of adding a fellow, you must demonstrate a return on investment to justify the cost of the fellow. It is essential to build a business plan that not only includes potential financial benefits (e.g. increased productivity and downstream revenue) but also other benefits such as improved patient access and enhancement of research and educational experiences.

Business Plan Components:

- **Assess the direct cost and the operational expenses** associated with adding an additional fellow. See Business Plan Worksheet below.

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- **Estimate required resources:**
 - Financial, staffing [faculty, nursing, administrative], facility [clinical and office space].
 - Do resources need to be expanded, or can current resources support the additional position?
 - Clinical resources may need to be separately identified from divisional or educational resources if hospital-based funding is part of the business plan.
- **Your Financial Administrator** is a valuable source of information on financial resources and other institutional support, including nursing and administrative staff.
- **Your Program Director** is a valuable resource for information on best fellow to faculty ratio, and what educational or physical resources are needed [additional clinic/office space or other staff support such as Program Coordinator].
- **Identify potential funding source(s);** see Table 1.
 - **Can these be accessed** easily and within time frame? Can they be sustained for greater than two years?
 - **Leverage funding** from all hospitals through which your fellows currently rotate; for example, is there a hospital that benefits from the work your fellows have done but is not contributing to the cost of the fellowship program?
 - **Consider expanding** to new institutions; for example, you may be able to affiliate with a local VA provided they are willing to cover the cost of the fellow's time and can provide appropriate supervision.
 - **Institutional funding sources** may come with the added expectation of increased clinical revenue.
- **If requesting additional institutional resources** to support the additional fellowship, choose a model that works for your institution based on your rationale [workforce expansion, downstream revenue, enhanced education and/or research productivity].
- **Include benefits to the institution:**
 - **Decreased average wait time** to new patient visit
 - **Anticipated decrease** in wait time for established patients
 - **Anticipated increase** in patient volume/RVUs
 - **Anticipated increase** in hospital-based infusion visits/revenue
 - **Opportunity to add or expand** "emergent" consultation service for outpatients who require rapid but non-emergency evaluation
 - **Potential partnerships** with local lay organizations through co-funding of new fellowship positions
- **The [ACR Workforce Study](#)** can be used as a resource, especially if your location is considered underserved.
- **Include fiscal support** currently provided by the Division-Program Director, Program Coordinator, office space, operational costs, and the amounts supported by other funding streams that are sharing the cost of this addition to the institutional workforce.

Cultivate and Leverage Funding Sources

A 2018 survey of U.S. rheumatology fellowship training programs indicated that programs have used a variety of sources to successfully fund new training slots. The most common funding sources were Veterans Administration [27%] and Division Funds [20%]. Foundations, grants, and philanthropic support were also utilized [12%]. Less common sources included local state government and international funds. GME support accounted for only 14% of the reported new training slots; this was accomplished by transferring an open slot from another specialty to rheumatology. Thus, due to the cap on new slots as well as changes in institutional needs, GME is an unlikely source for future funding. Also, one rheumatology program reported losing a slot when their GME office transferred it to another subspecialty program.

For a description of funding sources beyond GME, please see Table 1 below.

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Challenges to Funding, Maintaining and Expanding Fellowship Positions

The obvious barrier to fellowship funding is lack of dependable and sustainable funding support superimposed on insufficient GME funding. There are many other barriers to maintaining and expanding fellowship programs, including some that are non-financial.

Other barriers include:

- **Lack of acknowledgment** by your institution or department of the benefit provided by fellows.
- **Restrictions on fellow** clinical and academic activities during externally funded rotations [e.g. VA].
- **Excessive regulatory burdens.**
- **GME cap restrictions.**
- **Lack of infrastructure:** insufficient support for administrative workloads of program director, program coordinator, and key faculty; insufficient faculty numbers/time; insufficient qualified fellow candidates; insufficient space.

Despite these limitations, there are pathways available to fund fellowship training. Having a robust fellowship training program is one of the primary academic pillars, and the presence of fellows in training will greatly enhance the quality and attractiveness of your program for interested faculty.

RESOURCES:

https://www.acgme.org/Portals/0/PFAssets/ProgramRequirements/150_rheumatology_2017-07-01.pdf?ver=2017-04-27-153540-583

<https://www.rheumatology.org/Learning-Center/Statistics>

<https://www.rheumatology.org/Learning-Center/Statistics/Workforce-Study>

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Business Plan Worksheet to Estimate Required Resources

FELLOW EXPENSES	EXPENSE	YEAR 1	YEAR 2	YEAR 3
	Fellow Salary			
	Fringe (Benefits)			
	Additional stipend for food/housing			
	In-Service Training Exam (ACR)			
	Pager+Service			
	Coats			
	Business cards			
	ACR membership			
	IT expenses			
	Educational expense (books, Up To Date, CARE)			
	Ultrasound training			
	Office space			
	Travel			
	Meeting registration			
	Research expenses			
	Poster/presentation			
	Malpractice/liability			
	Other			
	Subtotal Expense/Fellow			
	Number of Fellows/Year			
	Total Expense/Year			
	TOTAL FELLOW EXPENSE			

PROGRAM EXPENSES	EXPENSE	YEAR 1	YEAR 2	YEAR 3
Program Coordinator	Salary			
	Fringe			
	IT Expense			
	Telecommunication			
	Human resources fees/institutional tax			
	Office supplies			
	Office space charges			
	Computer hardware/software			
	Other			
	Subtotal Expense for the Program Coordinator			

Program Director (FTE)	Salary (FTE)			
	Fringe (FTE)			
	IT			
	Admin Fees/institutional taxes			
	Office space charges			
	Subtotal Expense for the Program Director			

Operational Expenses				
	Website fees (maint./devel.)			
	Food recruitment/lunch			
	Speaker honoraria			
	Room use fee			
	AV expenses			
	Computer/software/elec. mtg fees			
	Office supplies/mailing			
	ERAS			
	Subtotal Expense for Program Expenses			
	Total Expense of Fellowship			

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Example of a Completed Worksheet to Add Two Fellows (all numbers in dollars)

FELLOW EXPENSES	EXPENSE	YEAR 1	YEAR 2	YEAR 3
	Fellow Salary	\$65,000	\$70,000	\$75,000
	Fringe (Benefits)	\$15,000	\$15,000	\$15,000
	Additional stipend for food/housing	\$4,000	\$4,000	
	In-Service Training Exam (ACR)	\$255	\$255	
	Pager+Service	\$100	\$100	\$100
	Coats	\$50		
	Business cards	\$30		
	ACR membership	\$110	\$110	\$110
	IT expenses	\$1,000	\$1,000	\$1,000
	Educational expense (books, Up To Date, CARE)	\$200		
	Ultrasound training			
	Office space			
	Travel			
	Meeting registration			
	Research expenses			
	Poster/presentation			
	Malpractice/liability			
	Other			
Subtotal Expense/Fellow		\$85,745	\$90,465	\$91,210
Number of Fellows/Year		2	2	0
Total Expense/Year				
TOTAL FELLOW EXPENSE				\$352,420
PROGRAM EXPENSES	EXPENSE	YEAR 1	YEAR 2	YEAR 3
Program Coordinator	Salary	\$60,000		
	Fringe	\$15,000		
	IT Expense	\$1,000		
	Telecommunication	\$100		
	Human resources fees/institutional tax	\$100		
	Office supplies	\$150		
	Office space charges			
	Computer hardware/software	\$250		
	Other			
Subtotal Expense for the Program Coordinator		\$76,600		
Program Director (FTE)	Salary (FTE)	\$20,000		
	Fringe (FTE)	\$15,000		
	IT	\$1,000		
	Admin Fees/institutional taxes	\$500		
	Office space charges			
Subtotal Expense for the Program Director		\$66,500		
Operational Expenses				
	Website fees (maint./devel.)	\$1,000		
	Food recruitment/lunch	\$1,000		
	Speaker honoraria			
	Room use fee			
	AV expenses			
	Computer/software/elec. mtg fees			
	Office supplies/mailing	\$400		
	ERAS	\$200		
Subtotal Expense for Program Expenses		\$2,600		
Total Expense of Fellowship		\$498,120		

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Table 1. Fellowship Funding Resources

SOURCE	DESCRIPTION	CAVEATS
Hospital/Home Institution	The benefits are usually supported at the institutionally-mandated level. This type of funding can be sustainable.	May only cover the time allocated to out-patient sessions or inpatient consultation months of the fellow.
Division Discretionary Funds or Endowment	Can be used to cover gaps in benefits and scholarly time for the Fellows.	These are usually limited.
VA Affiliation	These funds cover the clinical activity of the Fellow in eighths. One session is one-eighth of a Fellow's time in terms of FTE. The benefits are usually covered at the institutional level. This type of funding can be sustainable.	Research efforts need to be guided by a VA investigator with a VA-approved protocol. There should be a program site director and there may be a PLA with your home institution regarding affiliation for the faculty.
Kaiser Affiliation	Fellows do sessions at a Kaiser facility. This type of funding can be sustainable.	PLA with Kaiser. Compensation will need to be negotiated. There should be a program site director and there may be a PLA with your home institution regarding affiliation for the faculty.
Federal Training Funds (e.g., T32)	These provide the Fellow who is interested in research with protected time so that the salary is not solely tied to clinical activity. These funds require an NIH application and a renewal application may not be funded.	The salary and benefits are at the NIH pay scale, which falls below the usual salary for a clinical Fellow and the difference may need to come from other sources. Since the research is during protected time, the time for clinical activities is restricted. There is also a payback agreement if academic pursuits last less than 2 years while funded by this mechanism.
Industry Funds	Pharmaceutical companies can provide funding for fellowships, including AbbVie and Pfizer. Each award typically requires an independent application. These may not be sustainable if not renewed.	These funds may only cover salary and not benefits. Fellows need to be made aware that they are reported under the Sunshine Act and should disclose this income source as required.
Private Foundations	The RRF and Arthritis Foundation are pillars of educational funds. These require annual application and may not be sustainable if not renewed.	These are typically for a fixed amount that is less than the full salary and may be for one year.