Medical Education & Research Costs (MERC) Expenditure Report Manual

INSTRUCTION GUIDELINE
Fiscal Year 2018 Clinical Training

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To obtain this information in a different format, call: 651-201-3838. Printed on recycled paper.

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Guideline

The Minnesota Department of Health (MDH) will collect clinical training expenditure as noted in Step 2 of the Medical Education and Research Costs (MERC) grant application process. Grantees are responsible for maintaining records (including, but not limited to, time certifications or time studies, payroll and purchasing records) that verify all expenses, whether categorized as direct or indirect, for six years from the end of the grant.

The Clinical Training Expenditure Manual is a step-by-step instructions guide to help training sites complete the required MERC grant application expenditure report.

Application Instructions – All Users

The expenditure report must be completed no later than **December 20, 2019** using the application portal available at: https://merc.web.health.state.mn.us.

PLEASE DOUBLE CHECK YOUR WORK. Once the expenditure report has been submitted using the online portal, sites will NOT have the ability to amend their information.

Materials Required to Complete Expenditure Report

Prior to completing the clinical training expenditure report through the application portal, prepare clinical training expenditures using the MERC Grant Expenditures FY2018 Clinical Training spreadsheet. Sites should retain a copy of the spreadsheet as part of their records for auditing purposes.

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MERC Grant Expenditures FY2018 Clinical Training Spreadsheet

The MERC Grant Expenditures FY2018 Clinic Training Spreadsheet is for training sites to utilize as a tool in completing the application portal expenditure report. Detailed instructions on how to complete the spreadsheet are provided on the worksheet.

Worksheet categorization:

- Gray tabs — Provide additional information and instructions
- Green tabs —Expenditure worksheets. Data entered on these worksheets will be used to guide users in completing the application portal expenditure report.
- Blue tabs — For training site's use in running their calculation or attaching supporting documentation.

Spreadsheet includes:

- Technical Assistance (gray tab)
- Definitions (gray tab)
- MERC Expenditures (green tab)
- Preceptor Time Factor (green tab)
- Trainee Stipends & Benefits (blue tab)
- Preceptors Stipends & Benefits (blue tab)
- Direct Operating Costs (blue tab)
- Incurred by Teaching Hospital (blue tab)
- Indirect Costs (blue tab)
- Federal Indirect Rate Agreement (blue tab)
- Funding & Support Received (blue tab)
- Additional Worksheets 1, 2, 3, 4, 5, 6, 7, 8, & 9 (blue tab)

The information entered into the application portal expenditure report may vary slightly due to rounding.

MERC Expenditure Application Instructions

Beginning the Expenditure Report Process

Applicants will be directed to Medical Education and Research Costs (MERC) Grant Application.

- In the black menu bar at the top of each page, users will find quick links.
- Just below the black menu bar, links to previous pages are available for navigation.
- Click, Sign In to begin.
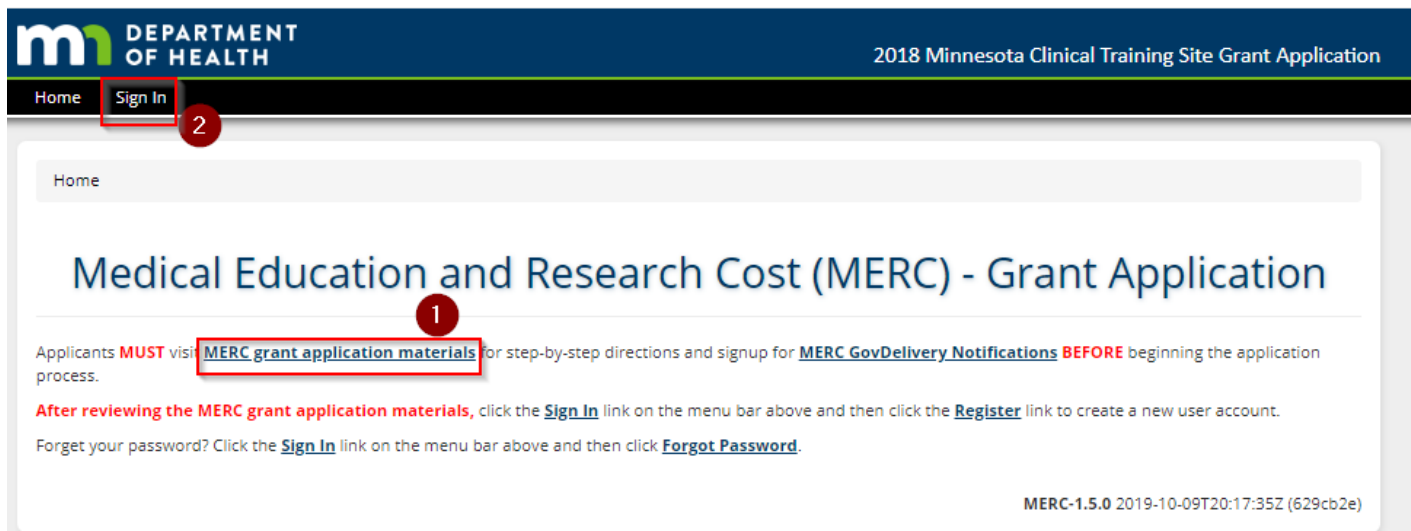
1. Contains a link to the MDH website for instructions and grant details.
2. Click sign-in/register to begin.

MERC Expenditure Application Instructions

Grant Applicant Registration & Sign In

- Representatives who previously registered and completed the grant application will log in using existing email and password.

1. If representative already registered during the application process, there is no need to register again.
2. Applicants who are already registered must enter their:
   - Email address.
   - Password.
   - Press, log in.

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Figure 3

1. When **registering for the first time**, complete each field.
   - Usernames are based on email.
     - Each registered user must have a unique email address.
     - Email must be with the organization you represent.
     - Do not use personal email.
2. Press Register.
3. User must verify email address within 15 minutes of registration.
   - Check email associated with the registration and following the instructions in the email.
   - Email servers have been known to block system generated emails to guard against phishing. Check your junk mail folder if your system is blocking messages from reaching your inbox.

> **Passwords are case sensitive.**
> **The application will remain active for 15 minutes without activity.**
> **If left inactive, any unsaved data will be lost.**

Sign Out

- Sign out is found on the top menu bar under the user's name.

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User Profile

Each user must complete a profile (name, job title, work phone, employer name, and their address at their place of employment). These fields are mandatory.

- All data in the profile must correspond to the registered user.
- The user will be asked to update (verify) their profile each time they access the application.
- Email cannot be changed in profile. If your email changes, contact health.merc@state.mn.us.
- Press update to verify the information.
- Changes to the user's profile will be reflected throughout the application where the user is named.
- Ability to Manage User Profile is also available on the top menu bar and the Home Screen (See Figure 5).

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Home Screen

- Link to instructions manual.
- Ability to manage user profile.
- Defines the applicant types.
- Applicant can access the relevant application by:
  - Clicking on the box under the applicant type.
  - Clicking Applications found on the top menu bar and selecting the relevant section.
  - Click Minnesota Clinical Training Site Grant Application to navigate to Clinical Training Site Application Expenditure Report.

MERC Expenditure Application Instructions

Minnesota Clinical Training Site

Step for this section:

1. Click on "Clinical Training Site Application" link.
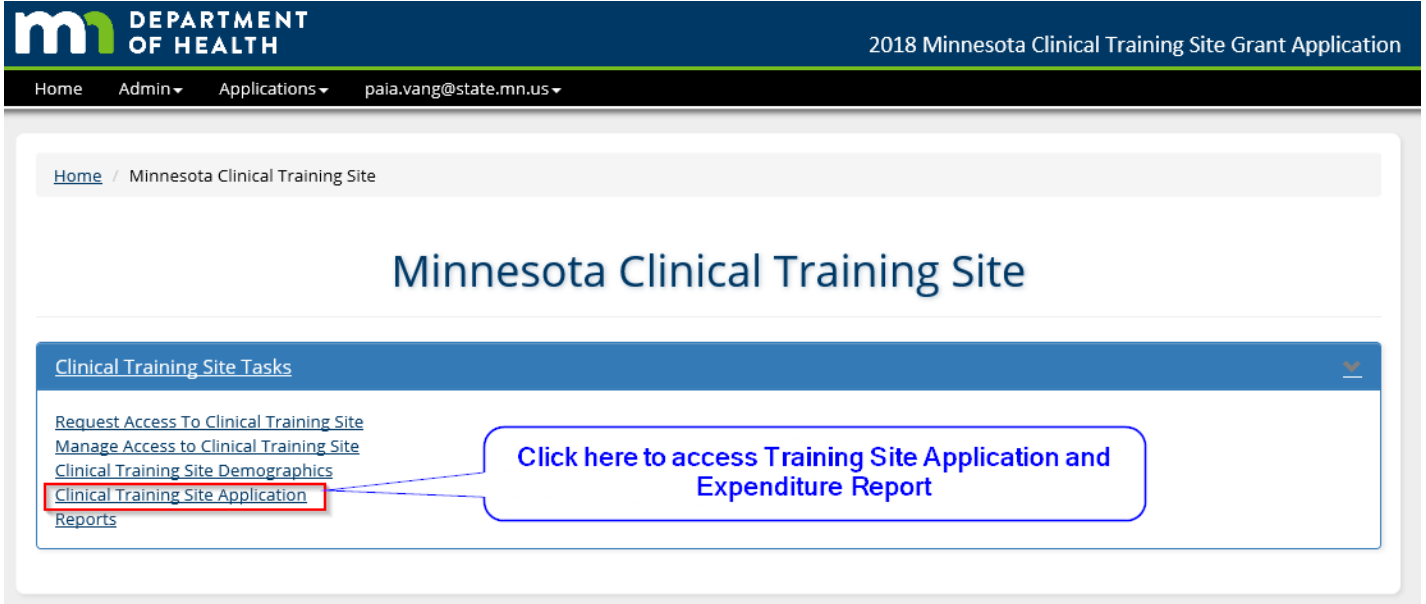
MERC Expenditure Application Instructions

Clinical Training Site Applications

Steps for locating clinical training site application:

1. To locate training site application, user can choose the sort feature (up-down arrow), scroll down the page, or enter site name or grant application ID in the search box feature (#2 in figure 7).
2. Once the Training Site application has been identified – click the corresponding "Expenditure" button on the right (#3 in figure 7).
   a. Sites with fewer than 0.10 clinical trainees do not meet the minimum qualifications to continue to Step 2 of the grant application process. A notice will appear on the page for sites that do not qualify. No expenditure button will appear.

MERC Expenditure Application Instructions

MERC Grant Clinical Training Expenditures

The expenditure report contain six main sections. It is recommended that users complete the MERC Grant Expenditures FY2018 Clinical Training spreadsheet prior to completing the online expenditure report.

The expenditure report sections contain:

- o Site Application Information
- o Expenditure Report Requirements
- o Direct Costs
- o Indirect Costs
- o Expenditure Summary
- o Signature of Authorized Representative

MERC Expenditure Application Instructions

Site Application Information

Steps for completing this section:

1. The information in this section will reflect the grant application.
2. Sites with fewer than 0.10 clinical trainees do not meet the minimum qualifications to continue to Step 2 of the grant application process. Sites meeting the minimum FTE requirement must submit an expenditure report by **December 20, 2019**.The FTEs for each Trainee Type will be required to complete the Clinical Trainee 2018 section within the MERC Expenditures tab of the MERC Grant Expenditure FY2018 Clinical Training Spreadsheet.
3. Sites can determine the total FTEs by trainee type by:
   a) Running a training site report from within the grant application portal.
   b) Refer to the summary section of the expenditure report.

Figure 9

MERC Expenditure Application Instructions

Expenditure Report Requirements

Sites are required to submit clinical training expenditures to continue the application process. If the training site chooses to withdraw their grant application and forgo reporting expenditures, follow the steps below to close the application process.

Withdrawing the Grant Application

By withdrawing the grant application, the site will no longer be eligible for grant funding.

Steps for withdrawing grant application (figure 10):

1. Click the "Withdraw Grant Application" button.

2. An alert message will warn the site of their confirmation to withdrawal their grant application.

> ⚠ **I certify that the clinical training site I represent is opting out of the required clinical training expenditure report by withdrawing their MERC grant application. By withdrawing, I understand the site will not be eligible for a grant. This will close the grant application.**

3. Representative authorization - click the box to certify approval to withdraw the grant application.

Signature of Authorized Representative

☑ I certify that I am an authorized representative approved by the facility named above. I have sufficient knowledge about the facility's MHCP enrollment, identification numbers used for Medicaid billing, and clinical medical education costs. I attest that the training facility hosted clinical trainees in fiscal year 2018. I am aware that the data I provide in the application and expenditure report will be used for grant eligibility and calculations. The data included is accurate and I will comply with all laws related to MERC statute 62J.692.

4. Authorized Representative's information will populate and serve as an electronic signature once certification box has been checked.

Name:

Paia Vang

Title:

Workforce Grant Administrator

Email:

paia.vang@state.mn.us

Date Signed:

11/08/2019

5. Click "Withdraw Grant Application" button to submit withdrawal request.

[Save]   [Withdraw Grant Application]

MERC Expenditure Application Instructions

MERC Expenditure Application Instructions

Direct Costs

Direct costs are costs for activities, goods, or services that benefit, and can be traced to, a specific project. As much as possible, grant funds should support direct costs that correspond with program activities (as opposed to direct costs that correspond with administrative activities).

Student/Resident Trainee Stipend & Benefits

Trainee stipends are the salary or allowance paid to the residents/students of the program(s). Benefits are compensation provided to the residents/students in addition to their salary or allowance.

Only expenditures for trainees associated with the MERC grant application can be claimed.

Steps for completing this section:

1. Enter in annual trainee stipends and benefit amount for each applicable trainee type. Only use whole numbers. (#1 in figure 11)
2. Click "Calculate Totals" to sum the cost category for Student/Resident Trainee Stipends & Benefits before proceeding to the next section. (#2 and 3 in figure 11)

Figure 11

MERC Expenditure Application Instructions

Faculty/Preceptor Stipend & Benefits

This section collects salary and benefits paid to preceptors and calculates a portion attributed to direct clinical training.

Figure 12.1 and 12.2 illustrate the full length of the Faculty/Preceptor Stipends & Benefit section. To navigate, use the tab key to move between the fields or use the scroll bar at the bottom of the section. All fields will need to be completed in this section. Report cost using only whole numbers except for the preceptor time factor field where it will ask for a percentage.

Steps for completing this section:

1. The "?" under the cost categories provide detailed descriptions of cost items that may be included in that cost category.
2. Enter in cost for each cost category. Tab or scroll to the right to move through the section. (Utilize the time factor methodology worksheet and data collected in your excel spreadsheet to complete the fields.)
3. Select methodology used for each Trainee Type.
4. Click "Calculate Totals" to sum the cost category for Faculty/Preceptor Stipends & Benefits. (#5 and 6 in figure 12.1 or #2 and 3 in Figure 12.2)

Figure 12.1

MERC Expenditure Application Instructions

Figure 12.2

MERC Expenditure Application Instructions

Operating Costs Directly Related to Training MERC Eligible Trainees

Expenses directly related to training MERC eligible trainees.

Administrative Support Costs: Include costs related to administrative record keeping, administrative materials, administrative support staff, supplies, postage, and printing.

Trainee On-Boarding Costs: Include initial and recurring costs related to ACGME, certification, testing, lab coats, computer equipment, software, cell, pager, recruitment, and advertising.
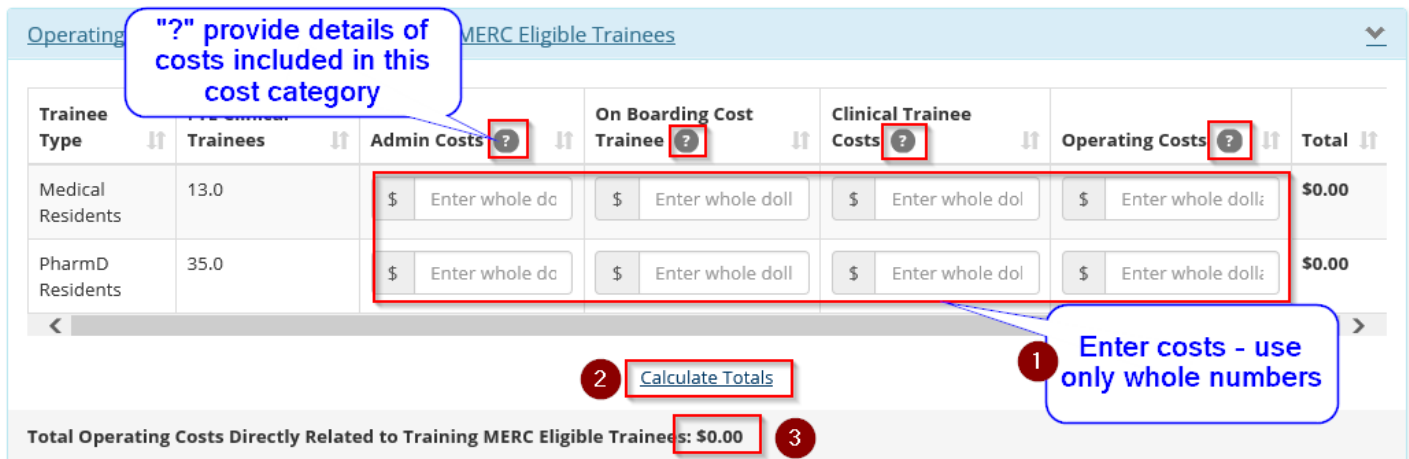
Clinical Trainee Costs: Include costs related to malpractice insurance, conference training and travels, dues, subscriptions, books, food, parking and mileage, skills labs and simulation center, student/resident housing stipends, orientations, receptions, retreats, library, and IT/email/software licensing.

Operating Costs: Include costs related to fees paid to program sponsor(s), call room lease, security, housekeeping, non-preceptor clinical support staff related training, and MMCGME fees.

Steps for completing this section:

1. "?" provide additional detail, definitions, or cost items that may be included in each cost category.
2. Enter in cost for each of the cost categories. Tab or scroll to the right to move through the section.
3. Click "Calculate Totals" to sum cost categories.

Figure 13

MERC Expenditure Application Instructions

Cost Incurred by Other Organizations

This section only applies to costs incurred by teaching hospitals and are expenses that have been incurred during the course of the clinical training cycle that were paid by a third party.

If the third-party organization has also applied for the grant, only one applicant, not both, can report expenses. MDH recommends that expenses related to trainee FTEs be reported under the clinical training site where the training occurred. This ensures the costs associated with the trainees have a defined accounting trail.

The third-party organization must be named on the expenditure report.

Examples of costs incurred by other organizations:

a.   Trainee stipends and benefits incurred by the teaching hospital for an outlying clinic.

b.   Hosting fees incurred by teaching hospital for an outlying clinic.

Steps for completing this section:

1. "?" provide additional detail, definitions, or cost items that may be included in each cost category.
2. Enter in cost for each of the cost categories.
3. Enter name of teaching hospital in the "Name of Teaching Hospital" field.
4. Click "Calculate Totals" to sum all cost categories.

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Funding & Support Received

Financial resources provided by the government, person, or organization to support the training of residents/students at the clinical training site. The funding the organization receives from these sources reduces the clinical training expenditures claimed for the grant. **Previous MERC grants should not be included**.

Examples of clinical education and training support:

- Medicare direct medical education.
- Federal or State GME grants or GME support.
- GME donations.
- GME private grants.

Steps for completing this section:

1. "?" provide additional detail, definitions, or cost items that may be included in each cost category.
2. Enter clinical education and training support costs for each of the cost categories.
3. Click "Calculate Totals" to sum up costs categories.

Figure 15

MERC Expenditure Application Instructions

Indirect Costs

Indirect costs are costs for activities, goods, or services that benefit more than one project and cannot be traced to a specific program. These costs are often allocated across an entire agency and multiple programs. In accordance with federal and state requirements, MDH has limits on the amount of indirect costs that can be billed to each grant so grant funds can be used to support direct costs related to program activities.

- As much as possible, grant funds should support direct costs.
- Grant applicants cannot submit only indirect costs.
- Operating expenses reported under direct costs must not be duplicated under indirect costs.

An indirect cost rate is a percentage used to distribute indirect costs to all of an organization's programs that benefit from them. Grantees cannot claim indirect costs in excess of the indirect cost rate that applies to their organization. Grantees must submit and retain on-file the corresponding documentation of that indirect cost rate as outlined below:

Non-Federally Negotiated Indirect Rate

If the site does **NOT** have a federally negotiated indirect cost rate, the site can claim up to **10%** of the grantee's modified total direct costs.

- Grantees must disclose expenses that are included in the indirect portion of the expenses.
- Modified total direct costs (MTDC) consists of direct salaries, wages, and fringe benefits. MTDC excludes equipment, capital expenditures, charges for patient care, rental costs, tuition remission, scholarships and fellowships, participant support costs and the portion of sub-awards that exceeds $25,000, as applicable.

Steps for completing this section:

1. Click "NO" if there is not a federally negotiated indirect cost rate agreement.
2. Enter percentage of indirect cost rate claimed. (0 to 10 percent)
3. Provide a list of the indirect expense categories being claimed.

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Figure 16

MERC Expenditure Application Instructions

Federally Negotiated Indirect Rate

If the site **has** a federally negotiated indirect cost rate, the site may claim indirect costs up to, but not exceeding, the site's federally negotiated indirect cost rate agreement as applied to the grantees modified total direct costs.

- Grantees must submit proof of the federally negotiated indirect cost rate agreement.
- Grantees are responsible for ensuring that the rate is not applied to direct costs that are excluded from the indirect rate.

Steps for completing this section (Figure 17.1 and 17.2):

1. Click "Yes" if site is claiming a federally negotiated indirect cost rate.
2. Enter in federally negotiated cost rate percentage.
3. Enter in federally negotiated indirect cost rate cap if applicable.
4. Upload a pdf copy of the federally negotiated indirect cost rate agreement.
5. Click box to certify document uploaded matches the indirect rate being claimed, applicable caps, and applicable exclusion reported.
6. Enter in indirect rate exclusions if applicable – use only whole numbers.
7. Click "Calculate Totals" to sum total of Federally Negotiated Indirect Rate Exclusion.

Figure 17.1

MERC Expenditure Application Instructions

Figure 17.2

Expenditure Summary

The summary report will list all direct costs (student/resident trainee stipends & benefits, faculty/preceptor stipends & benefits, and operating costs directly related to training MERC eligible Trainees), costs incurred by teaching hospital, indirect costs, funding and support received, total expenditure and total expenditure per FTE clinical trainee.

Slight variations may exist when comparing the spreadsheet totals to the application portal totals due to rounding.

Figure 18

MERC Expenditure Application Instructions

Signature of Authorized Representative

Do not sign off until the report is final and ready to be submitted. Save the report to finalize at a later date, or sign off and submit using the instructions below.

PLEASE DOUBLE CHECK YOUR WORK. Once the expenditure has been submitted using the online portal, sites will NOT have the ability to amend their information.

Steps for completing this section:

1. Click box to certify that the information submitted is accurate, complies with all laws related to MERC statute 62J.692 and is the authorized individual to complete this report.
2. Authorized Representative's contact information will auto populate and serve as an electronic signature.
3. Click "Save" to save work.
4. Click "Submit Expenditures" to submit report.
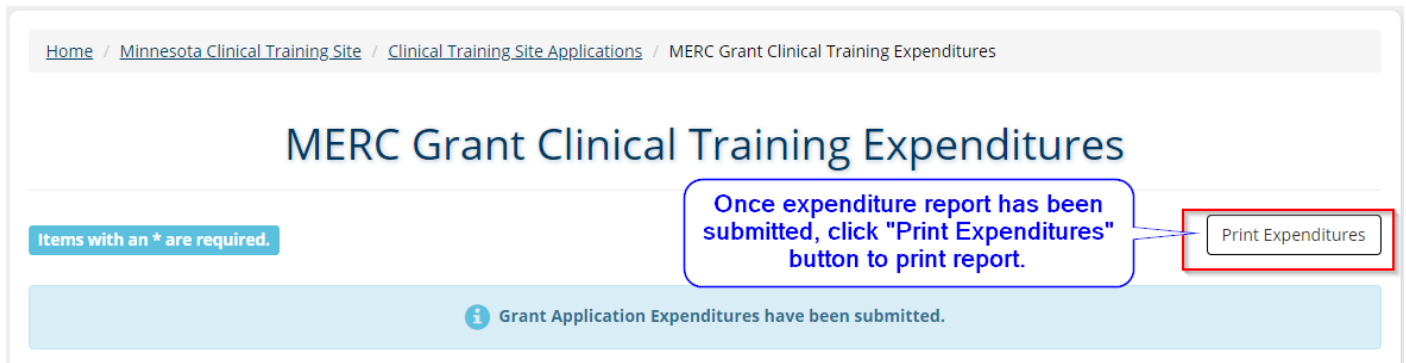
Figure 19

MERC Expenditure Application Instructions

Submit Expenditure

Once the report has been successfully submitted, site can print a copy of the report for their record.

The print function may not be available initially. This function will be added within a week of the expenditure process opening.

Reports

Training sites can print a copy of their submitted expenditure report for record retention purposes.