

## XIV. DIRECT GRADUATE MEDICAL EDUCATION PAYMENTS

This section of the state plan contains the provisions for making additional Medicaid payments to recognize the additional direct costs incurred by hospitals with approved graduate medical education programs.

## Fee For Service (FFS) Direct Graduate Medical Education Payments

## A. Qualifying Hospitals:

Non-state government owned hospitals that participate in the Medicaid program are eligible for additional reimbursement related to the provision of Direct Graduate Medical Education (GME) activities. To qualify for these additional Medicaid payments, the hospital must report costs associated with residents, interns or fellows who participate in an approved medical residency program on their CMS 2552, Hospital Cost Report.

If there is not a non-state government owned hospital located in a county, certain private hospitals may qualify for additional reimbursement related to the provision of Direct Graduate Medical Education (GME) activities. To qualify for these additional Medicaid payments, the hospital must report costs associated with residents, interns or fellows who participate in an approved medical residency program on their CMS 2552, Hospital Cost Report. The private hospital that qualifies under this section is Northeastern Nevada Regional Hospital located in Elko County

## B. FFS Direct Graduate Medical Education Definitions:

- (i) Base Year Per Resident Amount - for hospitals receiving Medicaid GME supplemental payments prior to July 1, 2017, the base-year per resident amount is the Medicaid allowable inpatient direct graduate medical education cost as reported on CMS form 2552, Hospital Cost Report; worksheet B, Part I, line 22, column 22 and line 23, column 23, divided by the un-weighted FTE residents from worksheet S-3; Part I; line 12 and line 14, column 7 of the hospital cost report ending in 6/30/2008.

For hospitals that begin receiving Medicaid GME supplemental payments on or after July 1, 2017 the base-year per resident amount is the Medicaid allowable inpatient direct graduate medical education cost as reported on CMS form 2552, Hospital Cost Report; worksheet B, Part I, line 21, column 21, and line 22, column 22, divided by the un-weighted FTE residents from worksheets S-3; Part I; line 27 of column 9 of the Hospital Cost Report ending in 6/30/2015.

For hospitals that add qualified GME programs after the hospital cost report period ending in 6/30/2015, the base year per resident amount will be calculated in the same manner as above for hospitals that begin participating in the GME supplemental payment on or after July 1, 2017 based on the first CMS form 2552, hospital cost report that

# STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Nevada

Attachment 4.19-A  
Page 31a

includes the approved GME program costs.

- (ii) Current Number of FTE Residents - means the number of full-time-equivalent interns, residents, or fellow who participate in an approved medical residency program, including programs in osteopathy, dentistry, and podiatry, as required in order to become certified by the appropriate specialty board reported on CMS form 2552, Hospital Cost Report; worksheet S-3: Part I; line 27, column 9.
- (iii) FFS Medicaid Patient Load – is the ratio of FFS Medicaid inpatient days to total hospital inpatient days. The FFS Medicaid patient load ratio is determined by the following: Medicaid inpatient days as reported on CMS form 2552, Hospital Cost Report; worksheet S-3, Part I; Lines 14, 16, 17 and 18; column 7; divided by the hospital's total inpatient days, as reported on worksheet S-3; Part I; lines 14, 16, 17 and 18; column 8.

## C. Methodology for Determining FFS Direct GME Payments:

The hospitals that qualify for FFS Medicaid GME payments will have their hospital specific payment amount determined as follows:

- (i) The base-year per resident amount is multiplied by the actual regulation market basket change used for Medicare Inpatient Prospective Payment Systems (IPPS) as published in the Federal Register. The market basket change reflects Medicare payment increases before application of any Medicare budget neutrality adjustments;
- (ii) The results in (i) are multiplied by the current number of FTE residents; The current number of FTE residents and the FFS Medicaid patient load will be updated annually using data from the most recent Medicare Hospital Cost Report (CMS form 2552) submitted to Medicare by each qualifying hospital;
- (iii) The results in (ii) are multiplied by the FFS Medicaid patient load which results in the total direct FFS GME payment for the hospitals.
- (iv) The annual FFS direct GME supplemental payment for each hospital will be included in the FFS UPL calculation for the annual time period.

## D. Payments of FFS Direct GME:

- (i) The state will determine the annual direct FFS GME amount payable to qualifying hospitals prospectively for period that will begin each July 1. On a quarterly basis, each qualifying hospital will receive a FFS GME payment equal to twenty-five percent (25%) of the annually determined FFS GME amount. Quarterly payments will be made in each calendar quarter during the state's fiscal year.

# STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Nevada

Attachment 4.19-A  
Page 31b

## Managed Care Organization (MCO) Direct Graduate Medical Education Payments

### A. Qualifying Hospitals:

Non-state government owned hospitals that participate in the Medicaid program are eligible for additional reimbursement related to the provision of Direct Graduate Medical Education (GME) activities. To qualify for these additional Medicaid payments, the hospital must report costs associated with residents, interns or fellows who participate in an approved medical residency program on their CMS 2552, Hospital Cost Report.

If there is not a non-state government owned hospital located in a county, certain private hospitals may qualify for additional reimbursement related to the provision of Direct Graduate Medical Education (GME) activities. To qualify for these additional Medicaid payments, the hospital must report costs associated with residents, interns or fellows who participate in an approved medical residency program on their CMS 2552, Hospital Cost Report. The private hospital that qualifies under this section is Northeastern Nevada Regional Hospital located in Elko County

### B. MCO Direct Graduate Medical Education Definitions:

- (i) Base Year Per Resident Amount - for hospitals receiving Medicaid GME supplemental payments prior to July 1, 2017, the base-year per resident amount is the Medicaid allowable inpatient direct graduate medical education cost as reported on CMS form 2552, Hospital Cost Report; worksheet B, Part I, line 22, column 22 and line 23, column 23, divided by the un-weighted FTE residents from worksheet S-3; Part I; line 12 and line 14, column 7 of the hospital cost report ending in 6/30/2008.

For hospitals that begin receiving Medicaid GME supplemental payments on or after July 1, 2017 the base-year per resident amount is the Medicaid allowable inpatient direct graduate medical education cost as reported on CMS form 2552, Hospital Cost Report; worksheet B, Part I, line 21, column 21, and line 22, column 22, divided by the un-weighted FTE residents from worksheets S-3; Part I; line 27 of column 9 of the hospital cost report ending in 6/30/2015.

For hospitals that add qualified GME programs after the hospital cost report period ending in 6/30/2015, the base year per resident amount will be calculated in the same manner as above for hospitals that begin participating in the GME supplemental payment on or after July 1, 2017 based on the first CMS form 2552, Hospital Cost Report that includes the approved GME program costs.

- (ii) Current Number of FTE Residents - means the number of full-time-equivalent interns, residents, or fellow who participate in an approved medical residency program, including programs in osteopathy, dentistry, and podiatry, as required in order to become certified

# STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

State Nevada

Attachment 4.19-A

Page 31c

by the appropriate specialty board reported on CMS form 2552, Hospital Cost Report; worksheet S-3; Part I; line 27, column 9.

(iii) MCO Medicaid Patient Load – is the ratio of MCO Medicaid inpatient days to total hospital inpatient days. The MCO Medicaid patient load ratio is determined by the following; Medicaid inpatient days as reported on CMS form 2552, Hospital Cost Report; worksheet S-3; Part I; lines 2, 3 and 4 are divided by the hospital's total inpatient days, as reported on worksheet S-3; Part I; lines 14, 16, 17 and 18; column 8.

## C. Methodology for Determining MCO Direct GME Payments:

The hospitals that qualify for GME payments will have their hospital specific MCO payment amount determined as follows:

- (i) The base-year per resident amount is multiplied by the actual regulation market basket change used for Medicare Inpatient Prospective Payment Systems (IPPS) as published in the Federal Register. The market basket change reflects Medicare payment increases before application of any Medicare budget neutrality adjustments;
- (ii) The results in (i) are multiplied by the current number of FTE residents; The current number of FTE residents and the MCO Medicaid patient load will be updated annually using data from the most recent Medicare Hospital Cost Report (CMS form 2552) submitted to Medicare by each qualifying hospital;
- (iii) The results in (ii) are multiplied by the MCO Medicaid patient load which results in the total direct MCO GME payment for the hospitals.
- (iv) The annual MCO direct GME supplemental payment for each hospital will be included in an MCO UPL equivalent calculation for the annual time period.

## D. Payments of MCO Direct GME:

- (i) The state will determine the annual direct MCO GME amount payable to qualifying hospitals prospectively for period that will begin each July 1. On a quarterly basis, each qualifying hospital will receive an MCO GME payment equal to twenty-five percent (25%) of the annually determined MCO GME amount. Quarterly payments will be made in each calendar quarter during the state's fiscal year.