STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT
STATE: NEBRASKA

SUPPLEMENTAL INPATIENT GRADUATE MEDICAL EDUCATION PAYMENTS TO ELIGIBLE TEACHING HOSPITALS IN NEBRASKA

Effective January 1, 2022, supplemental graduate medical education (GME) payments shall be made to eligible teaching hospitals using the methodologies described in this section. These supplemental GME payments are in recognition of the Medicaid managed care share of direct and indirect GME costs. GME supplemental payments help offset growing costs and allow for support and investment in future educational and clinical training activities of health professionals. GME funding will support gaps in access to physicians in rural areas, pediatric physicians, and pediatric medical specialists. The funding will support the additional recruitment, training, and retention of critical providers needed to provide optimal health care to children and adults in all regions of Nebraska. Payments shall be made by the Nebraska Department of Health and Human Services (DHHS) directly to eligible teaching hospitals and shall not be included in the actuarially sound capitation rates paid to Nebraska Medicaid managed care plans in accordance with provisions under 42 CFR 438.60, which permit Medicaid GME payments for managed care services to be made as direct payments to providers outside of managed care capitation rates. The annual computed direct and indirect GME payments will be paid to eligible teaching hospitals on an annual basis. The annual payments are considered final and shall not be reconciled.

A. Eligible Teaching Hospitals
   A hospital in Nebraska reporting yes (“Y”) to be a hospital involved in training residents in approved GME programs as required on their most recent Medicare Cost Report (Worksheet S-2, Part I, Line 56)

   1. Eligible teaching hospitals affiliated with the University of Nebraska Medical Center (UNMC) are Nebraska Medical Center and Children’s Nebraska, and shall be known as “Designated UNMC Affiliated Teaching hospitals.”
   2. All eligible teaching hospitals shall be known as “Other Eligible Teaching Hospitals.”

B. Direct Graduate Medical Education Definitions
   1. Direct Graduate Medical Education Cost is the sum of direct graduate medical education cost as reported on CMS form 2552, Hospital Cost Report; worksheet B, part I:
      a. Column 21, Line 21
      b. Column 22, Line 22
      c. Column 25 Interns and Resident Post Stepdown Adjustments for Non-Reimbursable Costs (Section: Non-reimbursable Cost Centers) reported by Children’s Hospitals and other eligible teaching hospitals that are excluded from the Medicare Prospective Payment Systems under 42 CFR 412.23.

2. Medicaid Managed Care Patient Load is the ratio of Medicaid managed care inpatient days to total hospital inpatient days. This ratio is determined by the following: Medicaid Managed Care inpatient days as reported on CMS form 2552, Worksheet S-3, Part I, Column 7 Lines 2, 3, 4, and 32 or Worksheet S-3, Part 1, Column 7 Line 14 is divided by the hospital's total inpatient days, as reported on Worksheet S-3, Part I, Column 8, Line 14, 16, 17, and 32.

C. Determining Supplemental Direct Graduate Medical Education Payments. The amount of direct GME payments for eligible teaching hospitals will be determined as follows:
   1. The current year direct graduate medical education cost (B.) (1.) is multiplied by the Medicaid care patient load (B.) (2.).
   2. Subtract direct medical education (DME) payments made to the hospital for the applicable fiscal year.
   3. Designated UNMC Affiliated Teaching Hospitals shall receive a payment that is the product of 1.15 and subsection (C.)(2.) of this section.
   4. All Other Eligible Teaching Hospitals shall receive a payment that is the product of 0.40 and (C.)(2.) of this section.
   5. The eligible teaching hospitals only receive payments if the results in (C.) (2.) of this subsection is greater than zero.

D. Indirect Graduate Medical Education Definitions
   1. Residents - The number of full-time equivalent (FTE) interns and residents in approved training programs for an eligible hospital as reported on the most recent CMS Form 2552, Worksheet E, Part A, Column 1, Line 10 plus Worksheet E, Part A, Column 1, Line 11. For eligible hospitals excluded from the Medicare prospective payment systems under 42 CFR 412.23, the number of FTE interns and residents in approved training programs is the FTEs as reported on the most recent CMS Form 2552, Worksheet E-4, Column 1, Line 6.
   2. Beds - The total number of bed days available as reported on the most recent CMS Form 2552, Worksheet E, Part A, Column 1, Line. For eligible hospitals classified as excluded from the Medicare prospective payment systems under 42 CFR 412.23, use CMS Form 2552 Worksheet S-3, Part I, Column 2, Line 14.

E. Methodology for Determining Indirect Graduate Medical Education Payments.
   The amount of indirect GME payments for eligible teaching hospitals is calculated using the hospital’s ratio residents to beds and Medicaid payments as follows:

1. Calculate each hospital's indirect medical education percentage = 2.27 x ((1 + (Residents/Beds))^0.405 – 1)
2. Multiply the results computed in (E.) (1.) of this subsection by the hospital's Medicaid inpatient payments for hospital operating costs.
3. Subtract indirect medical education (IME) payments made to the hospital for the applicable fiscal year.
4. Designated UNMC Affiliated Teaching Hospitals shall receive a payment that is the product of (E.)(3.) and 1.15
5. All Other Eligible Teaching Hospitals shall receive a payment that is the product of (E.)(3.) and 0.40.
6. The eligible teaching hospitals only receive indirect graduate medical education payments if the results in (E.) (3.) is greater than zero.