

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: NEBRASKA

SUPPLEMENTAL 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 a quarterly 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 (W/S S-2, part I, line 56).

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

B. Direct Graduate Medical Education Definitions

1. Hospital’s Annualized Medicaid Intern Resident Cost is the product of the following factors:
 - a. Annualized intern and resident costs obtained from Worksheet B Part I, Column 21 and 22 the sum of lines 30-43, 50-76, 90-93, 96-98, and 105-112.
 - b. A quotient of:
 - i. The numerator of which is the hospital’s Medicaid days (Worksheet S-3 Part 1, Column 7, Lines 2-4, 14 and 16-18 and 32), and

- ii. The denominator of which is the hospital's total days (Worksheet S-3 Part I, Column 9, Lines 14 and 16-18).
 - c. The quotient of:
 - i. The numerator of which is the hospital's total outpatient charges (Worksheet C, Part 1, Column 7, Line 202), and
 - ii. The denominator of which is the hospital's total charges (Worksheet C, Part 1, Column 8, Line 202).
- C. Determining Supplemental Direct Graduate Medical Education Payments. The amount of direct GME payments for eligible teaching hospitals will be determined as follows:
 1. Designated UNMC Affiliated Teaching Hospitals shall receive a payment that is the product of 1.15 and the sum of the Hospital's Annualized Medicaid Intern Resident Cost as calculated in subsection (B.)(1.) of this Section.
 2. All Other Eligible Teaching Hospitals shall receive a payment that is the product of 0.40 and the sum of the Hospital's Annualized Medicaid Intern Resident Cost as calculated in subsection (B.)(1.) of this Section.
- 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, Line 10, Column 1 plus Worksheet E, Part A, Line 11, Column 1. For eligible children's hospitals excluded from the Medicare prospective payment system 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, line 6.
 2. Beds - The total number of bed days available as reported on the most recent CMS Form 2552, Worksheet E, Part A, Line 4, Column 1. For eligible children's hospitals classified as excluded from the Medicare prospective payment system under 42 CFR 412.23, beds days available is determined by dividing the number of bed days available from CMS Form 2552 Worksheet S-3, Part I, Column 3, Line 14 by the number of days in the cost reporting period.
- 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 = $2.27 \times ((1 + (\text{Residents/Bed})^{0.405} - 1))$
2. Multiply the results computed in (E.) (1.) of this subsection by the hospital's Medicaid outpatient payments.
3. Designated UNMC Affiliated Teaching Hospitals shall receive a payment that is the product of (E.)(2.) and 1.15.
4. All Other Eligible Teaching Hospitals shall receive a payment that is the product of (E.)(2.) and 0.40.