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State/Territory Name: IA

State Plan Amendment (SPA) #: 18-0005

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Financial Management Group

Jerry R. Foxhoven, Director
Iowa Department of Human Services
1305 East Walnut, 5th Floor
Des Moines, IA 50319-0114

JUL 2 2018

RE: Iowa Medicaid State Plan Amendment TN: 18-005

Dear Mr. Foxhoven:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 18-005. This amendment implements a supplemental graduate medical education payment program for state-owned hospitals. This SPA was submitted under the provisions of 42 CFR 438.60, which permit GME payments for Medicaid managed care services as direct payments to providers outside of managed care capitation rates.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. This is to inform you that Medicaid State plan amendment 18-005 is approved effective April 1, 2018. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Tim Weidler at (816) 426-6429.

Sincerely,

Kristin Fan
Director

Enclosures

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE & MEDICAID SERVICES		1. TRANSMITTAL NUMBER <u>1 8 — 0 0 5</u>	2. STATE IOWA
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE April 1, 2018	
5. TYPE OF PLAN MATERIAL (Check One)			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT			
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION		7. FEDERAL BUDGET IMPACT	
		a. FFY 2018 \$ <u>13,145,735.00</u>	
		b. FFY 2019 \$ <u>26,291,470.00</u>	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT Attachment 4.19-A, Page 26j, 26k, 26l		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Attachment 4.19-A, Page 26j, 26k, 26l	
10. SUBJECT OF AMENDMENT This SPA implements a supplemental GME payment for state-owned providers. The state share will be provided through an IGT from qualifying providers.			
11. GOVERNOR'S REVIEW (Check One)			
<input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> OTHER, AS SPECIFIED <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL			
12. SIGNATURE OF STATE AGENCY OFFICIAL		16. RETURN TO	
13. TYPED NAME Jerry R. Foxhoven		JERRY R FOXHOVEN DIRECTOR DEPARTMENT OF HUMAN SERVICES 1305 EAST WALNUT 5TH FLOOR DES MOINES IA 50319-0114	
14. TITLE DIRECTOR			
15. DATE SUBMITTED 4-11-18			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED		18. DATE APPROVED JUL 2 2018	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL APR 1 2018		20. SIGNATURE OF REGIONAL OFFICIAL	
21. TYPED NAME Kristin Fan		22. TITLE Director	
23. REMARKS			

Methods and Standards for Establishing Payment Rates for Inpatient Hospital Care

37. Iowa State-Owned Teaching Hospital Graduate Medical Education Supplemental Payments

This section of the state plan contains the provisions for making supplemental Medicaid payments to recognize the additional direct and indirect costs incurred by Iowa state-owned hospitals with approved graduate medical education (GME) programs.

In addition to payments from the Graduate Medical Education fund under section 29, payment will be made to Iowa hospitals as follows:

A. Qualifying Criteria

Iowa-state owned hospitals that participate in the Medicaid program are eligible for additional reimbursement related to the provision of GME activities. To qualify for these additional payments, the hospital must meet the following criteria:

1. Be eligible to receive GME payments from the Medicare program (Title XVIII of the Social Security Act) under provision of 42 C.F.R. §413.75.
2. Have more than 500 beds
3. Have eight or more distinct residency specialty or subspecialty programs recognized by the American College of Graduate Medical Education (ACGME) that participate in the Medicaid program.

B. Direct Graduate Medical Education Definitions

1. Direct Graduate Medical Education Cost – 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 1, and line 22, column 22.
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, lines 2, 3, and 4, column 7 is divided by the hospital’s total inpatient days, as reported on worksheet S-3, part I, lines 14, 16, and 32, column 8. Medicaid Managed Care inpatient days and total inpatient days include psychiatric and labor/delivery.

C. Methodology for Determining Direct Graduate Medical Education Payments

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

1. The current year direct graduate medical education cost is multiplied by the Medicaid Managed Care Patient Load

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2. Subtract payments from the Graduate Medical Education Fund under section 29(b) from the results in (1.) of this subsection.

D. Indirect Graduate Medical Education Definitions

1. Current year allowable FTEs -- is the number of full-time equivalent (FTE) Allopathic & Osteopathic Program interns and residents as reported on CMS form 2552, worksheet E, part A, line 10, column 1 plus the number of FTE Dental & Podiatric Program interns and residents as reported on CMS form 2552, worksheet E, part A, line 11, column 1.
2. Bed Days Available -- is the total number of bed days available as reported on CMS form 2552, worksheet E, part A, line 4, column 1.

E. Methodology for Determining Indirect Graduate Medical Education Payments

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

1. Calculate the hospital's ratio of interns and residents to beds (IRB). Divide the number of current year allowable FTEs by Bed Days Available.
2. Add 1.00 to the results in (1.) of this subsection.
3. The results in (2.) of this subsection raised to the 0.405 power.
4. Subtract 1.00 from the results in (3.) of this subsection.
5. Multiply the results in (4.) of this subsection by 1.35.
6. Multiply the results in (5.) of this subsection by the hospital's Medicaid Managed Care inpatient payments.
7. Subtract payments from the Graduate Medical Education Fund under section 29(e) from (6.) of this subsection.

F. Interim Payment

The qualifying hospital will be paid monthly interim direct and indirect medical education payments. The purpose of the interim payments is to provide a monthly payment of the approximate annual qualifying hospital's Medicaid direct and indirect graduate medical education costs. A computation to establishing a monthly interim payment will be performed annually at the start of each state fiscal year and in a manner consistent with the instructions below.

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1. The monthly interim direct and indirect graduate medical education payments will be determined using data submitted by the qualifying hospital and most current CMS Form 2552 on file as of July 1 of each state fiscal year.
2. Using data and CMS Form 2552, from (1.) in this subsection, determine the annual cost of direct graduate medical education cost using the formula in subsection (C.)
3. Using data and CMS Form 2552, from (1.) in this subsection, determine the annual cost of indirect graduate medical education cost using the formula in subsection (E.)
4. Divide the results of (2.) and (3.) of this subsection, by twelve.
5. The interim payments will be reconciled to the qualifying hospital's filed CMS Form 2552, from the year, in which the interim payments were made. If, at the end of the interim reconciliation process, it is determined the hospital received an overpayment, the overpayment will be recouped by the Department. If, at the end of the interim reconciliation process, it is determined the hospital received an underpayment, the underpayment will be paid to the qualifying hospital.

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