Table of Contents

State/Territory Name: Nevada

State Plan Amendment (SPA) #: 17-010

This file contains the following documents in the order listed:

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

CMS
CENTERS FOR MEDICARE & MEDICAID SERVICES
CENTER FOR MEDICAID & CHIP SERVICES

Financial Management Group

AUG 31 2017

Richard Whitley, Director
Nevada Department of Health and Human Services
4126 Technology Way, Suite 100
Carson City, NV 89706

RE: Nevada State Plan Amendment 17-010

Dear Mr. Whitley:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid state plan submitted under transmittal number (TN) 17-010. This amendment, effective July 1, 2017, revises the state's Medicaid graduate medical education supplemental payment program by allowing payment for Medicaid managed care services and also extending eligibility to certain private teaching hospitals.

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 17-010 is approved effective July 1, 2017. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Mark Wong at (415) 744-3561.

Sincerely,

[redacted]

Kristin Fan
Director

Enclosures

DEPARTMENT OF HEALTH AND HUMAN SERVICES
HEALTH CARE FINANCING ADMINISTRATION

FORM APPROVED
OMB NO. 0938-0193

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL

FOR: HEALTH CARE FINANCING ADMINISTRATION

1. TRANSMITTAL NUMBER: **17-010**

2. STATE: **NEVADA**

3. PROGRAM IDENTIFICATION: **TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)**

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
July 1, 2017

5. TYPE OF PLAN MATERIAL *(Check One)*:

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN ☒ AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT *(Separate Transmittal for each amendment)*

6. FEDERAL STATUTE/REGULATION CITATION:
State Plan Under Title XIX of the Social Security Act: 42 CFR 413.75, 42 CFR 438.60, 42 CFR 447, Subpart C

7. FEDERAL BUDGET IMPACT:
a. FFY 2017 ~~$259,906.94~~ $286,463
b. FFY 2018 ~~$781,529.35~~ $861,382

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:
Attachment 4.19-A, Pages 31, 31a, 31b & 31c

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*:
Attachment 4.19-A, Pages 31 & 31a

10. SUBJECT OF AMENDMENT:

DHCFP is proposing an amendment to the Nevada Medicaid State Plan that would separate the current Graduate Medical Education (GME) Supplemental Payment Program into distinct supplemental payments for both Fee-for-Service (FFS) and Managed Care Organization (MCO) Medicaid services. This amendment will also change and expand eligibility criteria for the GME Supplemental Payment to all public hospitals in Nevada, as well as certain private hospitals that have or may have GME programs in the future.

11. GOVERNOR'S REVIEW *(Check One)*:
☐ GOVERNOR'S OFFICE REPORTED NO COMMENT
☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED
☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL
☒ OTHER, AS SPECIFIED:
The Governor's Office does not wish to review the State Plan Amendment.

12. SIGNATURE OF STATE AGENCY OFFICIAL:
[redacted]

13. TYPED NAME:
Richard Whitley

14. TITLE:
Director, Department of Health and Human Services

15. DATE SUBMITTED:

16. RETURN TO:
Lynne Foster, Chief of Division Compliance
DHCFP/Medicaid
1100 East William Street, Suite 101
Carson City, NV 89701

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED:
AUG 31 2017

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
JUL 01 2017

20. SIGNATURE OF REGIONAL OFFICIAL:
[redacted]

21. TYPED NAME:
Kristin Fan

22. TITLE:
Director, FMCO

23. REMARKS:

Pen and ink changes made to Boxes 6 and 7 by CMS regional office, with state concurrence on 8/24/17.

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 (GME) 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 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 Form 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 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 Form 2552, Hospital Cost Report. The private hospitals that qualify under this section are Northeastern Nevada Regional Hospital located in Elko County and Renown Regional Medical Center in Washoe County.

No payment under this section is dependent on any agreement or arrangement for providers or related entities to donate money or services to a governmental entity.

B. FFS Direct GME 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 GME cost as reported on CMS Form 2552-96, 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 June 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 GME cost as reported on CMS Form 2552-10, Hospital Cost Report; Worksheet B, Part I, Line 21, Column 21, and Line 22, Column 22, divided by the un-weighted FTE residents from Worksheet S-3; Part I; Line 27 of Column 9 of the Hospital Cost Report ending in June 30, 2015.

For hospitals that did not have approved GME program costs in its Hospital Cost Report for the period ending on June 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 2552-10, Hospital Cost Report that includes the approved GME program costs.

(ii) Current Number of FTE Residents - means the number of FTE interns, residents or fellows 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 2552-10, 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 2552-10, 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.

(iv) The cost report data used to determine a hospital's GME payment amount is subject to state review to ensure compliance with federal principles, including those at 42 CFR 412, 42 CFR 413, and Provider Reimbursement Manual Part I and Part II.

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 latest available market basket adjustment factor for each federal fiscal year used for Medicare Inpatient Prospective Payment Systems (IPPS) as published in the Federal Register. The market basket change reflects the Medicare payment increases before application of any Medicare 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 2552-10) 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 25% of the annually determined FFS GME amount. Quarterly payments will be made in each calendar quarter during the state's fiscal year.

Managed Care Organization (MCO) Direct GME 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 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 Form 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 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 Form 2552, Hospital Cost Report. The private hospitals that qualify under this section are Northeastern Nevada Regional Hospital located in Elko County and Renown Regional Medical Center in Washoe County.

No payment under this section is dependent on any agreement or arrangement for providers or related entities to donate money or services to a government entity.

B. MCO Direct GME 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 GME cost as reported on CMS Form 2552-96, 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 June 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 GME cost as reported on CMS Form 2552-10, Hospital Cost Report; Worksheet B, Part I, Line 21, Column 21, and Line 22, Column 22, divided by the un-weighted FTE residents from Worksheet S-3; Part I; Line 27 of Column 9 of the Hospital Cost Report ending in June 30, 2015.

For hospitals that did not have approved GME program costs in its hospital cost report period ending in June 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 2552-10, 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 fellows 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 2552-10, 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 2552-10, Hospital Cost Report; Worksheet S-3; Part I; Lines 2, 3 and 4, Column 7 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.

(iv) The cost report data used to determine a hospital's GME payment amount is subject to state review to ensure compliance with federal principles, including those at 42 CFR 412, 42 CFR 413, and Provider Reimbursement Manual Part I and Part II.

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 latest available market basket adjustment factor for each federal fiscal year used for Medicare IPPS as published in the Federal Register. The market basket change reflects Medicare payment increases before application of any Medicare 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 2552-10) 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;

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 25% of the annually determined MCO GME amount. Quarterly payments will be made in each calendar quarter during the state's fiscal year.