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State/Territory Name: Wisconsin

State Plan Amendment (SPA) #: WI 16-0007

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form
- 3) Approved SPA Pages

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



Financial Management Group

JUL 12 2017

Mr. Michael Heifetz
State Medicaid Director
Department of Health Services
1 West Wilson St.
P.O. Box 309
Madison, WI 53701-0309

RE: Wisconsin State Plan Amendment (SPA) 16-0007

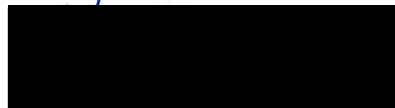
Dear Mr. Heifetz:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 16-0007. Effective for services on or after July 1, 2016, this amendment revises inpatient rates and methodologies. Specifically, this amendment is revising access payments for inpatient 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 regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 16-0007 is approved effective July 1, 2016. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Tom Caughey at (517) 487-8598.

Sincerely,



Kristin Fan
Director

Enclosure

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
16-0007

2. STATE
Wisconsin

FOR: HEALTH CARE FINANCING ADMINISTRATION

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
07/01/2016

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:
47 CFR 447.250

7. FEDERAL BUDGET IMPACT:
a. FFY 2016 \$0K
b. FFY 2017 \$0K

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Pages 46 and 47.

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION
OR ATTACHMENT (*If Applicable*):

Same.

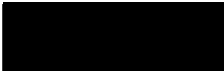
10. SUBJECT OF AMENDMENT:

Inpatient hospital rates and methodologies - access payments.

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:



12. SIGNATURE OF STATE AGENCY OFFICIAL:



13. TYPED NAME:
Thomas J. Engels

14. TITLE:
Deputy Secretary

15. DATE SUBMITTED:
09/28/2016 09/26/2016

16. RETURN TO:
Thomas J. Engels
Deputy Secretary
Department of Health Services
1 W. Wilson St.
P.O. Box 309
Madison, WI 53701-0309

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED: JUL 12 2017

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
JUL 01 2016

20. SIGNATURE OF REGIONAL OFFICIAL:



21. TYPED NAME:

22. TITLE:
Director, FMC

23. REMARKS:

9600 Inpatient Access Payments

To promote WMP member access to acute care, children's, rehabilitation, and critical access hospitals throughout Wisconsin, the WMP provides a hospital access payment amount per eligible inpatient FFS discharge. Access payments are intended to reimburse hospital providers based on WMP volume. Therefore, the payment amounts per discharge are not differentiated by hospital based on acuity or individual hospital cost. However, critical access hospitals receive a different access payment per discharge than do acute care, children's, and rehabilitation hospitals.

The amount of the hospital access payment per discharge is based on an available funding pool appropriated in the state budget and aggregate hospital upper payment limits (UPLs). This amount of funding is divided by the estimated number of paid inpatient FFS discharges for the SFY to develop the per discharge access payment rate.

For SFY 2017, the FFS access payment funding pool amount for inpatient acute care, children's, and rehabilitation hospitals is \$111,869,367, resulting in a projected access payment amount of \$3,899 per discharge; the FFS access payment funding pool amount for inpatient critical access hospitals is \$2,150,543, resulting in a projected access payment amount of \$832 per discharge. These access payment per discharge amounts are identified on the hospital reimbursement rate web page of the Wisconsin ForwardHealth Portal. This payment per discharge is in addition to the base DRG and per diem payments described in other sections of this document. Access payments per discharge are only provided until the FFS access payment funding pool amount has been expended for the SFY.

Access payments are subject to the same federal UPL standards as base rate payments. Access payment amounts are not interim payments and are not subject to settlement. Psychiatric hospitals are not eligible for access payments because of the unique rate setting methods used to establish rates for those hospitals.

9700 Graduate Medical Education Supplemental Payments for Hospitals

This section establishes supplemental payments for graduate medical education residents at qualified hospitals training physicians for practice in Wisconsin. To be eligible for payments under this section, hospitals must be otherwise eligible to receive WMP payments and meet the qualifying criteria outlined below.

9710 Introduction

Hospitals located in the State of Wisconsin may receive supplemental payments of up to \$541,386 in SFY 2017 to support new graduate medical education residents. §1900, 146.64 of Wisconsin Act 20 authorizes the Department to distribute such payments to hospitals to fund the addition of resident positions to existing accredited graduate medical education programs in family medicine, general internal medicine, general surgery, pediatrics and psychiatry.

9720 Qualifying Criteria

The hospital must meet the following criteria:

- a) The hospital serves rural and underserved communities in Wisconsin.
- b) The hospital serves as an approved training site for an accredited graduate medical education program in one or more of the following specialties: family medicine, general internal medicine, general surgery, pediatrics or psychiatry.
- c) The hospital meets applicable, minimum requirements to be WMP-certified.
Priority for funding will be given to hospitals that meet the following criteria:
- d) The hospital is located in the State of Wisconsin.
- e) The hospital and its' associated graduate medical education program has a retention rate of at least 30 percent of graduate residents remaining to practice in Wisconsin's rural and underserved communities.
- f) The hospital serves underserved areas with a population of less than 50,000; more rural areas, e.g., those with populations of less than 10,000 receive higher priority.
- g) The hospital includes a focus on physician training in working with team-based care, in prevention and public health, in cost effectiveness and health care economics, and in working in new service delivery models, e.g., Accountable Care Organizations or patient-centered medical homes.

9730 Amounts of Supplemental Payments

The amount of payment per hospital shall not exceed \$180,462 per resident in SFY 2017, and the hospital shall not receive more than \$541,386 in SFY 2017. It is the intention of the Department that payments be made annually for the duration of the residencies expanded under the supplemental payment program.

Funds are restricted to direct costs of the resident, i.e., salary, fringe benefits, travel expenses incurred in travel to and from required participating sites, and malpractice insurance. Funds cannot be used for capital improvements, equipment and supplies (medical and non-medical), sub-contracts, consultant fees, research, or planning activities. These funds shall not be used to supplant or replace existing funds supporting the proposed targeted specialty program from other sources, including local, state or federal funds.

The Department sets forth a methodology as defined in §9740 for distributing the graduate medical education resident supplemental payments.

9740 Allocation Methodology

- a) The Department shall solicit competitive applications for supplemental payments for residents through a Request for Applications from qualified hospitals.
- b) The existing, accredited residency program at the hospital must be in family medicine, general internal medicine, general surgery, pediatrics or psychiatry.
- c) Each separately participating qualifying hospital cannot receive more than \$180,462 per resident or \$541,386 per state fiscal year.