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State/Territory Name: Nebraska

State Plan Amendment (SPA) NE: 22-0002

This file contains the following documents in the order listed:

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

DEPARTMENT OF HEALTH & HUMAN SERVICES

Centers for Medicare & Medicaid Services
Center for Medicaid & CHIP Services
233 North Michigan Ave., Suite 600
Chicago, Illinois 60601



Financial Management Group

November 23, 2022
Kevin Bagley, DHA, Director
Division of Medicaid and Long-Term Care
Nebraska Department of Health & Human Services
301 Centennial Mall South
Lincoln, NE 68509

RE: Nebraska SPA 22-0002

Dear Mr. Bagley:

We have reviewed the proposed Nebraska State Plan Amendment (SPA) to Attachment 4.19-B, TN-22-0002, which was submitted to the Centers for Medicare & Medicaid Services (CMS) on March 30, 2022. This plan amendment establishes a supplemental payment for GME services to qualified outpatient hospitals.

Based upon the information provided by the State, we have approved the amendment with an effective date of January 1, 2022. We are enclosing the approved CMS-179 and a copy of the new state plan pages.

If you have any additional questions or need further assistance, please contact Robert Bromwell at (410)-786-5914 or Robert.bromwell@cms.hhs.gov.

Sincerely,



Todd McMillion
Director
Division of Reimbursement Review

**TRANSMITTAL AND NOTICE OF
APPROVAL OF STATE PLAN MATERIAL
FOR: CENTERS FOR MEDICARE & MEDICAID
SERVICES**

1. TRANSMITTAL NUMBER
2 2 — 0 0 0 2

2. STATE
N E

3. PROGRAM IDENTIFICATION: TITLE OF THE SOCIAL SECURITY ACT
 XIX XXI

TO: CENTER DIRECTOR
CENTERS FOR MEDICAID & CHIP SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
January 1, 2022

5. FEDERAL STATUTE/REGULATION CITATION
42 CFR Part 447 and 42 CFR 438.60

6. FEDERAL BUDGET IMPACT (Amounts in WHOLE dollars)
a. FFY 2022 \$ 2,514,173
b. FFY 2023 \$ 3,356,291

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Att. 4.19-B, Pgs 1-2 (new)

8. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)
Click or tap here to enter text.

9. SUBJECT OF AMENDMENT
Supplemental GME Payments to Qualifying Outpatient Hospitals

10. 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:
Governor has waived review

11. AGENCY OFFICIAL

12. TYPED NAME
Kevin Bagley

13. TITLE
Director, Division of Medicaid & Long-Term Care

14. DATE SUBMITTED
March 30, 2022

15. RETURN TO
Dawn Kastens
Division of Medicaid & Long-Term Care
Nebraska Department of Health and Human Services
301 Centennial Mall South
Lincoln, NE 68509

FOR CMS USE ONLY

16. DATE RECEIVED
March 30, 2022

17. DATE APPROVED
November 23, 2022

PLAN APPROVED - ONE COPY ATTACHED

18. EFFECTIVE DATE OF APPROVED MATERIAL
January 1, 2022

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL
Todd McMillion

21. TITLE OF APPROVING OFFICIAL
Director, Division of Reimbursement Review

22. REMARKS

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.