

## **Table of Contents**

**State/Territory Name: NE**

**State Plan Amendment (SPA) #: 22-0005**

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  
7500 Security Boulevard, Mail Stop S2-26-12  
Baltimore, Maryland 21244-1850



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**Financial Management Group**

November 23, 2022

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

RE: Nebraska SPA 22-0005

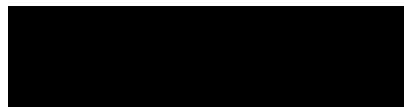
Dear Mr. Bagley:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 22-0005. This amendment updates graduate medical education (GME) payments to qualifying 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 implementing Federal regulations at 42 CFR 447 Subpart C. We have found that the proposed reimbursement methodology complies with applicable requirements and therefore have approved them with an effective date of January 1, 2022. We are enclosing the CMS-179 and the amended approved plan pages.

If you have any questions, please contact Fredrick Sebree at [Fredrick.sebree@cms.hhs.gov](mailto:Fredrick.sebree@cms.hhs.gov).

Sincerely,



Rory Howe  
Director

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

1. TRANSMITTAL NUMBER       2. STATE

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 \$ 32,891,644  
b. FFY 2023 \$ 43,908,637

7. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT  
Att. 4.19-A, Pgs 1-3 (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 Inpatient 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. SIGNATURE OF STATE AGENCY OFFICIAL

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

12. TYPED NAME  
Kevin Bagley

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

14. DATE SUBMITTED  
March 30, 2022

**FOR CMS USE ONLY**

16. DATE RECEIVED  
3/30/2022

17. DATE APPROVED  
November 23, 2022

**PLAN APPROVED - ONE COPY ATTACHED**

18. EFFECTIVE DATE OF APPROVED MATERIAL  
1/1/2022

19. SIGNATURE OF APPROVING OFFICIAL

20. TYPED NAME OF APPROVING OFFICIAL  
Rory Howe

21. TITLE OF APPROVING OFFICIAL  
Director, FMG

22. REMARKS

6/10/2022 - State updated budget impact in block 6 due to budget slightly overstated previously by \$28K

STATE PLAN UNDER TITLE XIX OF THE SOCIAL SECURITY ACT

STATE: NEBRASKA

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**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 eligible teaching hospitals shall be known as “Other Eligible Teaching Hospitals.”

B. Direct Graduate Medical Education Definitions

1. Direct Graduate Medical Education Cost is the sum of direct graduate medical education cost as reported on CMS form 2552, Hospital Cost Report; worksheet B, part I:
  - a. line 21, column 21
  - b. line 22, column 22

For eligible children’s hospitals excluded from the Medicare prospective payment system under 42 CFR 412.23, Direct Graduate Medical Education Cost - is the sum of direct graduate medical education cost as reported on CMS form 2552, Hospital

Cost Report; worksheet B, part I, line 21, column 21 and line 22, column 22, and additional Children's Specialty Physicians' (CSP) costs not currently reported on CMS form 2552, Hospital Cost Report.

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 or worksheet S-3, part 1, line 14, 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. Determining Supplemental Direct Graduate Medical Education Payments. The amount of direct GME payments for eligible teaching hospitals will be determined as follows:
1. The current year direct graduate medical education cost (B.) (1.) is multiplied by the Medicaid care patient load (B.) (2.).
  2. Subtract payments made under Nebraska Administrative Code (NAC) Title 471 10-010.0B3c from the results in (C.) (1.) of this subsection.
  3. Designated UNMC Affiliated Teaching Hospitals shall receive a payment that is the product of 1.15 and subsection (C.)(2.) of this Section.
  4. All Other Eligible Teaching Hospitals shall receive a payment that is the product of 0.40 and (C.)(2.) of this Section.
  5. The eligible teaching hospitals only receive payments if the results in (C.) (2.) of this subsection is greater than zero.
- 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:

TN: NE 22-0005  
Supersedes TN: New

Approval Date: November 23, 2022  
Effective Date: 1/1/2022

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 inpatient payments.
3. Subtract payments from the Indirect Graduate Medical Education Payments under Nebraska Administrative Code (NAC) Title 471 10-010.0B3c from the results computed in (E.) (2.) of this subsection.
4. Designated UNMC Affiliated Teaching Hospitals shall receive a payment that is the product of (E.) (3.) and 1.15
5. All Other Eligible Teaching Hospitals shall receive a payment that is the product of (E.) (3.) and 0.40.
6. The eligible teaching hospitals only receive indirect medical education payments if the results in (E.) (3.) is greater than zero.