

DECLARATION OF EMERGENCY

**Department of Health
Bureau of Health Services Financing**

**Inpatient Hospital Services
Graduate Medical Education
Supplemental Payments Pool Elimination
(LAC 50:V.1331)**

The Department of Health, Bureau of Health Services Financing amends LAC 50:V.1331 in the Medical Assistance Program as authorized by R.S. 36:254 and pursuant to Title XIX of the Social Security Act. This Emergency Rule is promulgated in accordance with the provisions of the Administrative Procedure Act, R.S. 49:953 (B) (1) et seq., and shall be in effect for the maximum period allowed under the Act or until adoption of the final Rule, whichever occurs first.

The Department of Health and Hospitals, Bureau of Health Services Financing amended the provisions governing the reimbursement methodology for inpatient hospital services to adopt provisions in order to continue medical education payments to state hospitals, children's specialty hospitals and acute care hospitals classified as teaching hospitals when the hospitals are reimbursed by prepaid risk-bearing MCOs for inpatient hospital services (*Louisiana Register*, Volume 38, Number 11).

As a result of a budgetary shortfall in SFY 2017, the Department of Health, Bureau of Health Services Financing now

proposes to amend the provisions governing inpatient hospital services to eliminate the total supplemental payments pool for graduate medical education payments to qualifying acute care hospitals. This action is being taken to avoid a budget deficit in the Medical Assistance Program. It is estimated that implementation of this Emergency Rule will reduce expenditures in the Medicaid Program by approximately \$5,000,000 for state fiscal year 2016-2017.

Effective March 1, 2017, the Department of Health, Bureau of Health Services Financing amends the provisions governing the reimbursement methodology for inpatient hospital services to eliminate the pool for supplemental payments for graduate medical education.

Title 50
PUBLIC HEALTH-MEDICAL ASSISTANCE
Part V. Hospital Services
Subpart 1. Inpatient Hospital Services

Chapter 13. Teaching Hospitals

Subchapter B. Reimbursement Methodology

§1331. Acute Care Hospitals

~~A. Effective for dates of services on or after October 1, 2007, a quarterly supplemental payment will be issued to non-rural, non-state acute care hospitals that furnish additional graduate medical education (GME) services.~~

~~B. Qualifying Criteria. In order to qualify for the~~

~~supplemental payment, an acute care hospital must meet the following criteria. The hospital must:~~

~~1. be a non-rural, non-state hospital;~~

~~2. have a documented affiliation agreement with a Louisiana medical school accredited by the Liaison Committee on Medical Education (LCME);~~

~~3. have greater than five additional intern and resident full-time equivalencies (FTEs) in SFY 2007 and the first six months of 2008 as compared to the pre-Hurricane Katrina period of SFY 2005;~~

~~a. these additional intern and residency FTEs must directly result from the graduate medical education (GME) programs that were formerly taught at the Medical Center of Louisiana at New Orleans (MCLNO) and the suspension of training at MCLNO due to the impact of Hurricane Katrina; and~~

~~4. reimburse the medical school for the direct GME costs. Direct GME costs are defined as the costs of the residents' salaries and the faculty and administrative costs from the medical school.~~

~~C. Each qualifying hospital shall be paid their pro rata share of the \$5,000,000 supplemental GME payment pool based on their weighted Medicaid days. Paid Medicaid days (including newborn days included with the mother's stay) for dates of service in SFY 2007 shall be weighted using the following~~

~~factor(s) as applicable:~~

~~1. 1.0 if the qualifying hospital has average additional resident FTEs of greater than 5, but less than or equal to 10; or~~

~~2. 1.5 if the qualifying hospital has average additional resident FTEs of equal to or greater than 10, but less than or equal to 20; or~~

~~3. 2.0 if the qualifying hospital has an average additional resident FTEs of equal to or greater than 20; and~~

~~4. 1.5 if the qualifying hospital's cost is at least 20 percent more than the current Medicaid per diem rate.~~

~~D. Payment of one-third of \$5,000,000 will be made at the beginning of each calendar quarter in SFY 2007 beginning with October 2007.~~

~~E. Rehabilitation hospitals, long term acute care hospitals and free-standing psychiatric hospitals are not eligible for this supplemental payment.~~

~~F. Effective for dates of service on or after February 1, 2012, medical education payments for inpatient services which are reimbursed by a prepaid risk-bearing managed care organization (MCO) shall be paid monthly by Medicaid as interim lump sum payments.~~

~~1. Hospitals with qualifying medical education programs shall submit a listing of inpatient claims paid each~~

~~month by each MCO.~~

~~————— a. Qualifying medical education programs are defined as graduate medical education, paramedical education, and nursing schools.~~

~~————— 2. Qualifying hospitals must have a direct medical education add-on component included in their prospective Medicaid per diem rates as of January 31, 2012 which was carved out of the per diem rate reported to the MCOs.~~

~~————— 3. Monthly payments shall be calculated by multiplying the number of qualifying inpatient days submitted by the medical education costs component included in each hospital's fee-for-service prospective per diem rate. Monthly payment amounts shall be verified by the Department semi-annually using reports of MCO covered days generated from encounter data. Payment adjustments or recoupments shall be made as necessary based on the MCO encounter data reported to the Department~~Repealed.

AUTHORITY NOTE: Promulgated in accordance with R.S. 36:254 and Title XIX of the Social Security Act.

HISTORICAL NOTE: Promulgated by the Department of Health and Hospitals, Office of the Secretary, Bureau of Health Services Financing, LR 34:877 (May 2008), amended LR 38:2773 (November 2012), repealed by the Department of Health, Bureau of Health Services Financing, LR 43:

Implementation of the provisions of this Rule may be contingent upon the approval of the U.S. Department of Health and Human Services, Centers for Medicare and Medicaid Services (CMS), if it is determined that submission to CMS for review and approval is required.

Interested persons may submit written comments to Jen Steele, Bureau of Health Services Financing, P.O. Box 91030, Baton Rouge, LA 70821-9030 or by email to MedicaidPolicy@la.gov. Ms. Steele is responsible for responding to inquiries regarding this Emergency Rule. A copy of this Emergency Rule is available for review by interested parties at parish Medicaid offices.

Rebekah E. Gee MD, MPH

Secretary