



Michelle Lujan Grisham, Governor
David R. Scrase, M.D., Secretary
Nicole Comeaux, J.D., M.P.H., Director

September 30, 2020

Mr. Bill Brooks, Medicaid Associate Regional Administrator
Division of Medicaid and Children's Health
Centers for Medicare and Medicaid Services
1301 Young Street
Dallas, Texas 75202

Dear Mr. Brooks:

Enclosed please find documents related to New Mexico State Plan Amendment (SPA) 20-0019 Graduate Medical Education (GME) Program.

The New Mexico Human Services Department Medical Assistance Division implemented changes effective July 1, 2020, to the Direct Graduate Medical Education program.

The purpose of the Direct GME changes is to incentivize Primary Care and General Psychiatry to address the state's primary care shortage. Payments for Direct GME in ACGME-accredited programs will be directed to four (4) categories of providers including the State Academic Medical Center, Hospitals, Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs) that support the cost of resident training.

HSD followed a process that included public notification, tribal notification, web posting, and consulting with providers and provider associations. Documentation of these activities is attached.

Please refer to the attachments for the transmittal form and notices.

We appreciate your consideration of this state plan amendment. Should you have any questions on this amendment, please contact Jennifer Vigil at: JenniferR.Vigil@state.nm.us or (505) 827-3106.

Sincerely,

Nicole Comeaux, J.D., M.P.H., Director
Medical Assistance Division

cc: Peter Banks, CMS
Tonya Pamatian, Bureau Chief, PPSB/MAD

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

1. TRANSMITTAL NUMBER

2 0 — 0 1 9

2. STATE

New Mexico

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL
SECURITY ACT (MEDICAID)TO: REGIONAL ADMINISTRATOR
CENTERS FOR MEDICARE & MEDICAID SERVICES
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE

July 1, 2020

5. TYPE OF PLAN MATERIAL (*Check One*)☐ NEW STATE PLAN☐ AMENDMENT TO BE CONSIDERED AS NEW PLAN☒ AMENDMENTCOMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (*Separate transmittal for each amendment*)

6. FEDERAL STATUTE/REGULATION CITATION

42 CFR 413.75

7. FEDERAL BUDGET IMPACT

a. FFY 20 \$ 1,272,589b. FFY 21 \$ 5,686,036

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT

Attachment 4.19-A pgs. 21, 21A, 21B, 21C

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

TN 16-008

10. SUBJECT OF AMENDMENT

Graduate Medical Education (GME) Program

11. GOVERNOR'S REVIEW (*Check One*)☐ GOVERNOR'S OFFICE REPORTED NO COMMENT☒ OTHER, AS SPECIFIED☐ COMMENTS OF GOVERNOR'S OFFICE ENCLOSED☐ NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL

12. SIGNATURE OF STATE AGENCY OFFICIAL



13. TYPED NAME

Nicole Comeaux

14. TITLE

Director, Medical Assistance Division

15. DATE SUBMITTED

September 30, 2020

16. RETURN TO

Nicole Comeaux, J.D., M.P.H., Director
Medical Assistance Division
P.O. Box 2348
Santa Fe, NM 87504-2348**FOR REGIONAL OFFICE USE ONLY**

17. DATE RECEIVED

18. DATE APPROVED

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL

20. SIGNATURE OF REGIONAL OFFICIAL

21. TYPED NAME

22. TITLE

23. REMARKS

8. Indirect Medical Education (IME) Adjustment

Effective July 1, 2020, each acute care hospital that qualifies as a teaching hospital will receive an indirect medical education (IME) payment adjustment which covers the increase operating or patient care costs that are associated with approved intern and resident programs.

- a. In order to qualify as a teaching hospital and be deemed eligible for an IME adjustment, the hospital must:
 - 1) Be licensed by the State of New Mexico; and
 - 2) Be reimbursed on a DRG basis under the plan; and
 - 3) Have 125 or more full time equivalent (FTE) residents enrolled in approved teaching programs or operate one or more nationally-accredited residency programs.
- b. Determination of a hospital's eligibility for an IME adjustment will be done annually by the state, as of the first day of the provider's fiscal year. If a hospital meets the qualifications for an IME adjustment after the start of its fiscal year, it will be deemed eligible for the IME adjustment beginning on the first day of the quarter after the date the qualifications were met.
- c. The IME payment amount is determined by multiplying DRG operating payments, which are DRG payments and outlier payments, by the IME adjustment factor computed by the following formula:

$$1.89*((1+R)^{405}-1)$$

Where R equals the number of approved full-time equivalent (FTE) residents divided by the number of available beds (excluding nursery and neonatal bassinets). FTE residents are counted in accordance with 42 CFR 412.105(f) except that the limits on the total number of FTE residents in 412.105(f)(1)(iv) shall not apply. For purposes of this paragraph, DRG operating payments include the estimated average per discharge amount that would otherwise have been paid for Medicaid managed care enrollees if those persons had not been enrolled in managed care.

- d. Quarterly IME payments will be made to qualifying hospitals at the end of each quarter. Prior to the end of each quarter, the provider will submit to the Department's audit agent the information necessary to make the calculation, i.e. number of beds, number of estimated residents for the quarter, and the Medicaid DRG amount. After review and adjustment, if necessary, the audit agent will notify the Department of the amount due to/from the provider for the applicable quarter. Final settlement of the IME adjustment amount will be made through the cost report; that is, the number of beds, residents, and DRG amounts used in the quarterly calculation will be adjusted to the actual numbers shown on the provider's cost report for those quarters.

9. Payment for Direct Graduate Medical Education (GME)

The purpose of this Direct Graduate Medical Education plan is to incentivize Primary Care and General Psychiatry to address the state's primary care shortage. Payments for Direct Graduate Medical Education in Accreditation Council of Graduate Medical Education (ACGME)-accredited programs will be directed to four (4) categories of providers including the State Academic Medical Center, Hospitals, Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs) that support the cost of resident training.

a. Eligibility:

To be claimed in the calculation for Medicaid GME reimbursement, a resident must be participating in an ACGME approved medical residency, as defined by Medicare in 42 CFR 413.75(b). With regard to categorizing residents, as described in paragraph 2 of this section, the manner of counting and weighting resident FTEs will be the same as is used by Medicare in 42 CFR 413.79 except that the number of FTE residents shall not be subject to the FTE resident cap described in 413.79(b)(2).

- 1) For a hospital to qualify for Medicaid GME payments, a hospital must be licensed by the state of New Mexico, be currently enrolled as a Medicaid provider, must have achieved a Medicaid inpatient utilization rate of 5 percent or greater during its most recently concluded fiscal year, and participate in the costs of a nationally accredited residency program either directly or under contract with an ACGME-accredited program.
- 2) For FQHCs and RHCs to qualify for Medicaid GME payments, the FQHC/RHC must be licensed by the state of New Mexico, be currently enrolled as a Medicaid provider, must have achieved a Medicaid utilization rate of 35 percent or greater of total payor mix during its most recently completed state fiscal year, and participate in the costs of a nationally accredited residency program either directly or under contract with an ACGME-accredited program.

b. Approved resident FTEs are categorized as follows for GME payment:

- 1) Primary Care (meaning Family Medicine, General internal Medicine, General Pediatrics, and General Psychiatry) resident.
- 2) Other approved resident. Any resident specialty not meeting the criteria in Items b.1, above.

c. Payments:

- 1) Payments will be made quarterly to qualifying entities, at a rate determined by the number of full-time-equivalent (FTE) residents in Primary Care, General Psychiatry and Other specialty training as defined below, who worked at the respective facility during the quarter for which GME payments are requested and

subject to the total resident FTE described below.

2) Existing GME Positions

- i. GME payment amount per current resident FTE; the annual Medicaid payment amount per resident FTE in state fiscal year 2021 for 510 FTE residents counted as of the end of state fiscal year 2019 is as follows:
 - Primary Care and General Psychiatry resident \$50,000
 - Other resident \$50,000
- ii. The per resident amounts will be inflated for state fiscal years beginning on or after July 1, 2021 using the annual inflation update factor described in paragraph e.1.

3) Expansion GME payment amount per resident FTE

- i. Expansion positions are new ACGME-approved positions that begin training on or after July 1, 2020;
- ii. The annual Medicaid payment amount per resident FTE beginning with state fiscal year 2021 is as follows:
 - Primary Care and General Psychiatry resident \$100,000
 - Other resident \$50,000
- iii. “Other” resident FTE will be equal to or less than the number of eligible new/expanded Primary Care and Psychiatric Residents in any prior fiscal year.
- iv. The total number of expansion residents of hospitals, FQHCs and RHCs will be limited to the number of Primary Care and Psychiatric resident FTEs approved in the annually updated state GME Expansion Strategic plan and shall not exceed 101.
 - SFY 2021 - 2 FTE
 - SFY 2022 - 21 FTE
 - SFY 2023 - 31 FTE
 - SFY 2024 - 32 FTE
 - SFY 2025 - 15 FTE
 - Each year after shall be limited by 10 FTE per year or as determined by the Secretary of HSD
- v. The annual Medicaid payment amount per resident FTE as set forth in paragraph c.3(ii) above is contingent upon the certification of each participating GME program director that increased GME funding will go directly to the GME program.

d. State Academic Medical Center:

- 1) The State Academic Medical Center shall provide the state share of the general fund needed to support its number of GME FTEs through an intergovernmental transfer (IGT). FTEs for the State Academic Medical Center shall only be limited by the IGT the State Academic Medical Center makes available.

- 2) The State Academic Hospital shall receive the annual Medicaid payment amount in paragraph c.3(ii) per resident FTE in state fiscal year 2021 and each subsequent year. The per resident amount for residents counted as of the end of state fiscal year 2019 is described in paragraph c.2(i).

e. Annual Inflation Update Factor:

- 1) The per resident amounts specified in paragraph c.1 will be inflated for state fiscal years beginning on or after July 1, 2021 using the annual inflation update factor directed by CMS.
- 2) The Department at its discretion and budget availability will update the per resident GME amounts for inflation using the global inflation factor as directed by CMS.

f. Reporting and payment schedule:

- 1) GME payment eligible entities will count the number of residents working according to the specification in this part during each fiscal year (July 1 through June 30) and will report this information to the Department by December 31. Counts will represent the weighted average number of residents who were employed by the eligible entity during the specified 12-month period. Eligible entities may also add to this count any FTEs associated with newly approved residency programs that will be implemented on or before the start of the prospective GME payment year, to the extent that these FTEs are not already reflected in the weighted average counts of the preceding year. To illustrate, resident FTE amounts would be counted from 07/01/18 - 06/30/19 for the payment year 07/01/20 - 06/30/21. The Department may require eligible entities to provide documentation necessary to support the summary counts provided.
- 2) The Department will establish the amount payable to each eligible entity for the prospective payment period that will begin each July 1.
- 3) The annual amount payable to each hospital is divided into four equal payments. These payments will be made by the Department on or about the start of each prospective payment quarter.
- 4) Should a facility not report timely with the accurate resident information as required in paragraph 1, above, it will still be entitled to receive payment for any quarter yet remaining in the prospective payment year, after acceptable information has been submitted.
- 5) FQHC/RHC will provide a copy of the most recently submitted HRSA, Bureau of Primary Health Care, Uniform Data System (UDS) for the most recent state fiscal year (July 1 through June 30) and will report this information to the Department by December 31.

NEWSPAPER PUBLIC NOTICE AND PROOF OF PUBLICATION

Newspaper Notice for GME Program Changes

The New Mexico Human Services Department Medical Assistance Division is providing notice of proposed changes to the Direct Graduate Medical Education (GME).

The purpose of these Direct GME changes is to incentivize Primary Care and General Psychiatry to address the state's primary care shortage. Payments for Direct GME in ACGME-accredited programs will be directed to four (4) categories of providers including the State Academic Medical Center, Hospitals, Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs) that support the cost of resident training. The program changes are effective July 1, 2020.

The anticipated quarterly fiscal impact to HSD for this change is estimated to be \$1,526,875 in state and federal funds combined, with a state general fund impact of \$254,286.

OPPORTUNITY TO VIEW DOCUMENTS AND MAKE COMMENTS

Medicaid providers, Medicaid recipients, and other interested parties may submit written comments directly to: Human Services Department, ATTN: Medical Assistance Division Public Comments, P.O. Box 2348, Santa Fe, New Mexico 87504-2348. Recorded comments may be left at (505) 827-1337. Interested persons may also address comments via electronic mail to: madrules@state.nm.us. All comments must be received no later than **5:00 pm Mountain Time, September 19, 2020**.

If you are a person with a disability and you require this information in an alternative format, please contact MAD at (505) 827-1337. The Department requests at least 10 working days advance notice to provide alternative formats and special accommodations.



The New Mexico Human Services Department Medical Assistance Division is providing notice of proposed changes to the Direct Graduate Medical Education (GME).

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OPPORTUNITY TO VIEW DOCUMENTS AND MAKE COMMENTS
Medical providers, Medicaid

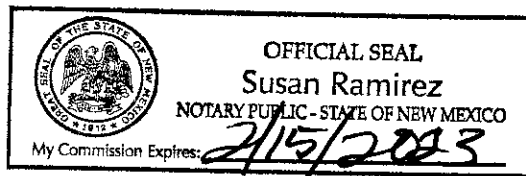
AFFIDAVIT OF PUBLICATION

STATE OF NEW MEXICO

County of Bernalillo SS

Elise Rodriguez, the undersigned, on oath states that she is an authorized Representative of The Albuquerque Journal, and that this newspaper is duly qualified to publish legal notices or advertisements within the meaning of Section 3, Chapter 167, Session Laws of 1937, and that payment therefore has been made of assessed as court cost; that the notice, copy of which hereto attached, was published in said paper in the regular daily edition, for 1 time(s) on the following date(s):

08/21/2020



Sworn and subscribed before me, a Notary Public, in and for the County of Bernalillo and State of New Mexico this

21 day of August of 2020

PRICE \$81.94

Statement to come at the end of month.

ACCOUNT NUMBER 1009565

Las Cruces Sun News.

PART OF THE USA TODAY NETWORK

Affidavit of Publication

Ad # 0004335827

This is not an invoice

HUMAN SVCS DEPT - ME D ASSIST DIV
PO BOX 2348

SANTA FE, NM 87504-2348

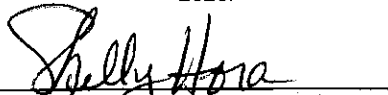
I, a legal clerk of the **Las Cruces Sun News**, a newspaper published daily at the county of Dona Ana, state of New Mexico and of general paid circulation in said county; that the same is a duly qualified newspaper under the laws of the State wherein legal notices and advertisements may be published; that the printed notice attached hereto was published in the regular and entire edition of said newspaper and not in supplement thereof on the date as follows, to wit:

08/21/2020

Despondent further states this newspaper is duly qualified to publish legal notice or advertisements within the meaning of Sec. Chapter 167, Laws of 1937.


Legal Clerk

Subscribed and sworn before me this August 21,
2020:


State of WI, County of Brown
NOTARY PUBLIC

8-25-23

My commission expires

SHELLY HORA
Notary Public
State of Wisconsin

Ad # 0004335827
PO #: GME program
of Affidavits 1

This is not an invoice

The New Mexico Human Services Department Medical Assistance Division is providing notice of proposed changes to the Direct Graduate Medical Education (GME).

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Pub#4335827
Run Date: August 21, 2020

PROVIDER, INTERESTED PARTIES, STAKEHOLDERS ASSOCIATIONS NOTICE



Michelle Lujan Grisham, Governor
David R. Scruse, M.D., Secretary
Nicole Comeaux, J.D., M.P.H., Director

August 21, 2020

The New Mexico Human Services Department (HSD) Medical Assistance Division is providing notice of opportunity to comment on proposed State Plan Amendment (SPA) 20-0019 which makes changes to the Direct Graduate Medical Education (GME) Program.

The purpose of the Direct GME changes is to incentivize Primary Care and General Psychiatry to address the state's primary care shortage. Payments for Direct GME in ACGME-accredited programs will be directed to four (4) categories of providers including the State Academic Medical Center, Hospitals, Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs) that support the cost of resident training. The program changes are effective July 1, 2020.

The anticipated quarterly fiscal impact to HSD for this change is estimated to be \$1,526,875 in state and federal funds combined, with a state general fund impact of \$254,286.

OPPORTUNITY TO VIEW DOCUMENTS AND MAKE COMMENTS

Medicaid providers, Medicaid recipients, and other interested parties may submit written comments directly to: Human Services Department, ATTN: Medical Assistance Division Public Comments, P.O. Box 2348, Santa Fe, New Mexico 87504-2348. Recorded comments may be left at (505) 827-1337. Interested persons may also address comments via electronic mail to: madrules@state.nm.us. All comments must be received no later than **5:00 pm Mountain Time, September 19, 2020**.

If you are a person with a disability and you require this information in an alternative format, please contact MAD at (505) 827-1337. The Department requests at least 10 working days advance notice to provide alternative formats and special accommodations.

WRITTEN TRIBAL NOTIFICATION



Michelle Lujan Grisham, Governor
David R. Scruse, M.D., Secretary
Nicole Comeaux, J.D., M.P.H, Director

August 21, 2020

RE: Tribal Notification to Request Advice and Comments Letter 20-23: Graduate Medical Education (GME) Program

Dear Tribal Leadership, Indian Health Service, Tribal Health Providers, and Other Interested Parties:

Seeking advice and comments from New Mexico's Indian Nations, Tribes, Pueblos and their health care providers is an important component of the government-to-government relationship with the State of New Mexico. This letter is to inform you that the Human Services Department (HSD), through the Medical Assistance Division (MAD), is accepting written comments until **5:00 p.m. Mountain Time (MT) through September 19, 2020**, regarding State Plan Amendment (SPA) 20-0019 Graduate Medical Education (GME) Program.

The purpose of the Direct GME changes is to incentivize Primary Care and General Psychiatry to address the state's primary care shortage. Payments for Direct GME in ACGME-accredited programs will be directed to four (4) categories of providers including the State Academic Medical Center, Hospitals, Federally Qualified Health Centers (FQHCs) and Rural Health Centers (RHCs) that support the cost of resident training. The program changes are effective July 1, 2020.

Tribal Impact

HSD does not anticipate any impact to Indian Nations, Tribes, Pueblos or their health care providers as a result of these changes.

Tribal Advice and Comments

Tribes and Tribal health care providers may view the proposed changes to the Graduate Medical Education (GME) Program on the HSD website at: <http://www.hsd.state.nm.us/providers/written-tribal-consultations.aspx>, Tribal Notification **20-23**.

Important Dates

Written comments must be submitted by 5:00 p.m. Mountain Time (MT) on September 19, 2020. Please send your comments to the MAD Native American Liaison, Theresa Belanger, at (505) 827-3122 or by email to Theresa.Belanger@state.nm.us. All written comments received will be posted on the HSD website at: <http://www.hsd.state.nm.us/providers/written-tribal-consultations.aspx> along with this notification letter. The public posting will include the name and any contact information provided by the

commenter.

Tribal Leadership may request a government-to-government consultation by September 19, 2020.
This request may be made to: Theresa.Belanger@state.nm.us or by calling (505) 827-3122.

Sincerely,

A handwritten signature in blue ink, appearing to read "Nicole Comeaux", is positioned above the typed name.

Nicole Comeaux, J.D., M.P.H.
State Medicaid Director

COMMENTS

Section	Comment	HSD Response
<p>ATTACHMENT 4.19-A. page 21 8.a.1),2) and 3) Indirect Medical Education (IME) Adjustment. In order to qualify as a teaching hospital and be deemed eligible for an IME adjustment, the hospital must: 1) Be licensed by the State of New Mexico; and 2) Be reimbursed on a DRG basis under the plan; and 3) Have 125 or more full time equivalent (FTE) residents enrolled in approved teaching programs.</p>	<p>It is our opinion that item "3) Have 125 or more full time equivalent (FTE) residents enrolled in approved teaching programs." Be deleted. All teaching hospitals in New Mexico with approved residency programs should receive an indirect medical education (IME) payment adjustment which covers the increase operating or patient care costs that are associated with approved intern and resident programs. Teaching hospitals regardless of size of residency programs incur increased costs associated with residents. Moreover, because payments for residents is justified by services provided to Medicaid beneficiaries, there is no logical reason to limit such payments by the size of the program. Obviously, larger programs will receive more payment, however, any approved program should be allowed to collect Indirect Medical Education (IME) Adjustment.</p>	<p>The department revised the language as follows: Operate one or more nationally-accredited residency programs</p>
<p>ATTACHMENT 4.19-A Page 21A 9. Payment for Direct Graduate Medical Education (GME) c. Payments 3) ii. The annual Medicaid payment amount per resident FTE beginning with state fiscal year 2021 is as follows: • Primary Care and General Psychiatry resident \$100,000 • Other resident \$50,000</p>	<p>The annual amount payment per FTE resident (expanded new resident) at an increased rate of \$100,000 for primary care and psychiatry residents should be term limited. Because the duration of the increased payment is not specified, it could be assumed that the higher payment would continue in perpetuity. Although it would be beneficial to have the increased rate, it is our recommendation that the duration of the increased payment be defined.</p>	<p>The department thanks you for your comment, however your comment will be deferred to future considerations.</p>
<p>ATTACHMENT 4.19-A Page 21A 9. Payment for Direct Graduate Medical Education (GME) Sections d). State Academic Medical Center: 1) The State Academic Medical Center shall provide the state share of the general fund needed to support the number of GME FTEs through an intergovernmental transfer (IGT). FTEs shall only be limited by IGT.</p>	<p>Sponsoring Institution (definition of Sponsoring Institution - The entity that assumes the ultimate financial and academic responsibility for a program of graduate medical education). If such arrangements can be made by governmental agencies who desire to participate with a Sponsoring Institution other than the State Academic Medical Center, and all legal requirements are met for IGT, this should be allowed. Expanding the use of IGT beyond the State Academic Medical Center could allow for more residency program development. Sponsoring Institution (definition of Sponsoring Institution - The entity that assumes the ultimate financial and academic responsibility for a program of graduate medical education). If such arrangements can be made by governmental agencies who desire to participate with a Sponsoring Institution other than the State Academic Medical Center, and all legal requirements are met for IGT, this should be allowed.</p>	<p>The department thanks you for your comment, however your comment will be deferred to future considerations.</p>

	Expanding the use of IGT beyond the State Academic Medical Center could allow for more residency program development.	
Section 8 of the proposed regulation change, we believe that all hospitals in New Mexico that have a Medicaid inpatient utilization rate greater than 20 percent should be eligible for the Indirect Medical Education (IME) adjustment	Section 8 of the proposed regulation change, we believe that all hospitals in New Mexico that have a Medicaid inpatient utilization rate greater than 20 percent should be eligible for the Indirect Medical Education (IME) adjustment	The department thanks you for your comment, however your comment will be deferred to future considerations
Section 9. A. 1) would appear low if the goal is to promote the development and sustainability of graduate medical education programs in communities and hospitals in which its residents are underserved. Payments for Direct Graduate Medical Education (GME) will be essential to support the approved resident program at RMCHCS.	For GME payments, we believe the hospital should have a Medicaid utilization rate of greater than 20 percent to assure that the financing available for the program is focused on those hospitals in communities that are more significantly underserved given the limit on the number of slots defined in the regulation.	The department thanks you for your comment, however your comment will be deferred to future considerations
The cap defined in section 9. c. 3) iv. is concerning.	We are worried that the hospital will make the commitment to the resident program, but that there could be additional programs approved in New Mexico and that the cap would limit the funding available to the hospital to sustain the program. We believe that the program should be approved by the MAD and once approved that the funding will be sustained at the approved level as long as the program continues its accreditation by the ACGME.	The department thanks you for your comment, however your comment will be deferred to future considerations
Section 9.a.2 ... must have achieved a Medicaid utilization rate of 35 percent or greater of total payor mix during its most recently completed state fiscal year...	We recommend that all four categories of eligible organization (Academic Medical Center, Hospital, Federally Qualified Health Center (FQHC) and Rural Health Clinics (RHCs)) be added to section 9.a.1) in order to establish an equitable eligibility criterion for all GME providers. This would eliminate the need for section 9.a.2).	The department thanks you for your comment, however your comment will be deferred to future considerations
Section 9.c.3).ii. and 9.c.3).iii. II. The annual Medicaid payment amount per resident FTE beginning with state fiscal year 2021 is as follows: <ul style="list-style-type: none"> Primary Care and General Psychiatry resident \$100,000 Other resident \$50,000 	ii. The annual Medicaid payment amount per resident FTE beginning with state fiscal year 2021 is as follows for the state Academic Medical Center and Hospitals: <ul style="list-style-type: none"> Primary Care and General Psychiatry resident \$100,000 Other resident \$50,000 iii. The annual Medicaid payment amount per resident FTE beginning with state fiscal year 2021 is as follows in FQHCs and RHCs: <ul style="list-style-type: none"> Primary Care and General Psychiatry resident \$160,000 Other resident \$50,000 	The department thanks you for your comment, however your comment will be deferred to future considerations
Support section 9.c.3).iv. The total number of expansion residents of hospitals, FQHCs and RHCs will be limited to the number of Primary Care and Psychiatric resident FTEs approved in the annually updated state GME Expansion Strategic plan and shall not exceed 101. SFY 2021 - 2 FTE SFY 2022 - 21 FTE SFY 2023 - 31 FTE SFY 2024 - 32 FTE SFY 2025 - 15 FTE Each year after shall be limited by 10 FTE per year	The total number of expansion residents of hospitals, FQHCs and RHCs will be limited to the number of Primary Care and Psychiatric resident FTEs approved in the annually updated state GME Expansion Strategic plan and shall not exceed 101. <ul style="list-style-type: none"> SFY 2021 - 2 FTE SFY 2022 - 21 FTE SFY 2023 - 31 FTE SFY 2024 - 32 FTE SFY 2025 - 15 FTE Each year after shall be limited to ten FTE per year or as determined by the Secretary of HSD	The department revised the language as follows: Each year after shall be limited to ten FTE per year or as determined by the Secretary of HSD

	<p>My comments are in relation to the fact that the State of New Mexico is not able to directly fund health institutions that are not licensed to care for Medicaid/Medicare patients. This rule would prevent GME expansion that serve our Native American communities that are being served by the Indian Health Services. In order to improve the health of all of New Mexico, it is vital that we support primary care training in our Native American communities with the goal of retaining primary care physicians and psychiatrists in these high demand areas.</p> <p>To ensure that this bill is successful in achieving its aim, I would encourage the State to create a process that would allow these residency funds to be used for these vulnerable populations. This form or process would allow the sponsoring institutions to request that the financial support go through the sponsoring institution with a required percentage that has to then flow to the IHS in support of this training. This would allow the intention of the bill to succeed in overcoming this unforeseen barrier.</p>	<p>The department thanks you for your comment, however your comment will be deferred to future considerations. The department is committed to working on the issues associated with IHS reimbursement for GME.</p>
	<p>I would like to advocate specifically that language be included in the State Plan Amendment (SPA) 20-0019 that allows for state Medicaid funds be directed to "home hospitals" of GME programs, UNMH in our case, which can then be directed to IHS facilities that includes the time they are in the rural training sites. It would allow us to create the Shiprock/UNM Rural Training Track Program.</p>	<p>The department thanks you for your comment, however your comment will be deferred to future considerations. The department is committed to working on the issues associated with IHS reimbursement for GME.</p>
Section 8 of proposed SPA language August 1, 1992	Effective January 1, 2019	The department cannot change the effective dates of approved State Plan Amendments
Section 8.a.2) Be reimbursed on a DRG basis under the plan; and	Be reimbursed on a DRG basis or under a PPS-exempt psychiatric hospital or distinct part psychiatric unit basis under the plan; and	The department thanks you for your comment, however your comment will be deferred to future considerations.
Section 8.a.3) Have 125 or more full time equivalent (FTE) residents enrolled in approved teaching programs.	<p>Have 125 or more full time equivalent (FTE) residents enrolled in approved teaching programs or operate a nationally-accredited primary care residency program.</p> <p>Alternative Language Suggestion:</p> <p>Operate one or more nationally-accredited residency programs or participate in the costs of a nationally-accredited residency programs either directly or under contract with an ACGME-accredited program.</p>	<p>The department revised the language as follows:</p> <p>Operate one or more nationally-accredited residency programs</p>
Section 8.c. 450	The number of residents identified in section 9.c.2 .i or section 9.c.3 .iv.	The department removed the following language: and at no time shall exceed 450 residents.

Section 9 Accredited Council of Graduate Medical Education	Accreditation Council of Graduate Medical Education	The department revised the language as follows: Accreditation Council of Graduate Medical Education
To be eligible for Medicaid GME reimbursement, a resident must be participating in an approved medical residency	To be claimed in the calculation for Medicaid GME reimbursement, a resident must be participating in an ACGME approved medical residency	The department revised the language as follows: To be claimed in the calculation for Medicaid GME reimbursement, a resident must be participating in an ACGME approved medical residency,
Section 9.a.2 ... must have achieved a Medicaid utilization rate of 35 percent or greater of total payor mix during its most recently completed state fiscal year...	We recommend that all four categories of eligible organization (Academic Medical Center, Hospital, Federally Qualified Health Center (FQHC) and Rural Health Clinics (RHCs)) be added to section 9.a.i) in order to establish an equitable eligibility criterion for all GME providers. This would eliminate the need for section 9.a.2).	The department thanks you for your comment, however your comment will be deferred to future considerations
Section 9.c.3).ii. and 9.c.3).iii. II. The annual Medicaid payment amount per resident FTE beginning with state fiscal year 2021 is as follows: <ul style="list-style-type: none"> • Primary Care and General Psychiatry resident \$100,000 • Other resident \$50,000 	ii. The annual Medicaid payment amount per resident FTE beginning with state fiscal year 2021 is as follows for the state Academic Medical Center and Hospitals: <ul style="list-style-type: none"> • Primary Care and General Psychiatry resident \$100,000 • Other resident \$50,000 iii. The annual Medicaid payment amount per resident FTE beginning with state fiscal year 2021 is as follows in FQHCs and RHCs: <ul style="list-style-type: none"> • Primary Care and General Psychiatry resident \$160,000 • Other resident \$50,000 	The department thanks you for your comment, however your comment will be deferred to future considerations
Support section 9.c.3).iv. The total number of expansion residents of hospitals, FQHCs and RHCs will be limited to the number of Primary Care and Psychiatric resident FTEs approved in the annually updated state GME Expansion Strategic plan and shall not exceed 101. SFY 2021 - 2 FTE SFY 2022 - 21 FTE SFY 2023 - 31 FTE SFY 2024 - 32 FTE SFY 2025 - 15 FTE Each year after shall be limited by 10 FTE per year	The total number of expansion residents of hospitals, FQHCs and RHCs will be limited to the number of Primary Care and Psychiatric resident FTEs approved in the annually updated state GME Expansion Strategic plan and shall not exceed 101. • SFY 2021 - 2 FTE • SFY 2022 - 21 FTE • SFY 2023 - 31 FTE • SFY 2024 - 32 FTE • SFY 2025 - 15 FTE Each year after shall be limited to ten FTE per year or as determined by the Secretary of HSD	The department revised the language as follows: Each year after shall be limited to ten FTE per year or as determined by the Secretary of HSD
ATTACHMENT 4.19-A. page 21 8.a.1),2) and 3) Indirect Medical Education (IME) Adjustment. In order to qualify as a teaching hospital and be deemed eligible for an IME adjustment, the hospital must: 1) Be licensed by the State of New Mexico; and 2) Be reimbursed on a DRG basis under the plan; and 3) Have 125 or more full time equivalent (FTE) residents enrolled in approved teaching programs.	It is our opinion that item "3) Have 125 or more full time equivalent (FTE) residents enrolled in approved teaching programs." Be deleted. All teaching hospitals in New Mexico with approved residency programs should receive an indirect medical education (IME) payment adjustment which covers the increase operating or patient care costs that are associated with approved intern and resident programs. Teaching hospitals regardless of size of residency programs incur increased costs associated with residents. Moreover, because payments for residents is justified by services provided to	The department revised the language as follows: Operate one or more nationally-accredited residency programs

	<p>Medicaid beneficiaries, there is no logical reason to limit such payments by the size of the program.</p> <p>Obviously, larger programs will receive more payment, however, any approved program should be allowed to collect Indirect Medical Education (IME) Adjustment.</p>	
<p>ATTACHMENT 4.19-A Page 21A 9. Payment for Direct Graduate Medical Education (GME)</p> <p>c. Payments 3) ii. The annual Medicaid payment amount per resident FTE beginning with state fiscal year 2021 is as follows: • Primary Care and General Psychiatry resident \$100,000 • Other resident \$50,000</p>	<p>The annual amount payment per FTE resident (expanded new resident) at an increased rate of \$100,000 for primary care and psychiatry residents should be term limited. Because the duration of the increased payment is not specified, it could be assumed that the higher payment would continue in perpetuity. Although it would be beneficial to have the increased rate, it is our recommendation that the duration of the increases payment be defined.</p>	<p>The department thanks you for your comment, however your comment will be deferred to future considerations.</p>
<p>ATTACHMENT 4.19-A Page 21A 9. Payment for Direct Graduate Medical Education (GME)</p> <p>Sections d). State Academic Medical Center:</p> <p>1) The State Academic Medical Center shall provide the state share of the general fund needed to support the number of GME FTEs through an intergovernmental transfer (IGT). FTEs shall only be limited by IGT.</p>	<p>Sponsoring Institution (definition of Sponsoring Institution - The entity that assumes the ultimate financial and academic responsibility for a program of graduate medical education). If such arrangements can be made by governmental agencies who desire to participate with a Sponsoring Institution other than the State Academic Medical Center, and all legal requirements are met for IGT, this should be allowed. Expanding the use of IGT beyond the State Academic Medical Center could allow for more residency program development. Sponsoring Institution (definition of Sponsoring Institution - The entity that assumes the ultimate financial and academic responsibility for a program of graduate medical education). If such arrangements can be made by governmental agencies who desire to participate with a Sponsoring Institution other than the State Academic Medical Center, and all legal requirements are met for IGT, this should be allowed. Expanding the use of IGT beyond the State Academic Medical Center could allow for more residency program development.</p>	<p>The department thanks you for your comment, however your comment will be deferred to future considerations.</p>
<p>Section 8 of proposed SPA language August 1, 1992</p>	<p>Effective January 1, 2019</p>	<p>The department cannot change the effective dates of approved State Plan Amendments</p>
<p>Section 8.a.3)</p> <p>Have 125 or more full time equivalent (FTE) residents enrolled in approved teaching programs.</p>	<p>Have 125 or more full time equivalent (FTE) residents enrolled in approved teaching programs or operate a nationally-accredited primary care residency program.</p> <p>Alternative Language Suggestion:</p> <p>Operate one or more nationally accredited residency programs</p>	<p>The department revised the language as follows:</p> <p>Operate one or more nationally-accredited residency programs</p>

	or participate in the costs of a nationally-accredited residency programs either directly or under contract with an ACGME-accredited program.	
Section 8.c. 450	The number of residents identified in section 9.c.2 .i or section 9.c.3 .iv.	The department removed language: and at no time shall exceed 450 residents.
Section 9 Accredited Council of Graduate Medical Education	Accreditation Council of Graduate Medical Education	The department revised the language as follows: Accreditation Council of Graduate Medical Education
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Section 9.a.2 ... must have achieved a Medicaid utilization rate of 35 percent or greater of total payor mix during its most recently completed state fiscal year...	We recommend that all four categories of eligible organization (Academic Medical Center, Hospital, Federally Qualified Health Center (FQHC) and Rural Health Clinics (RHCs)) be added to section 9.a.I) in order to establish an equitable eligibility criterion for all GME providers. This would eliminate the need for section 9.a.2).	The department thanks you for your comment, however your comment will be deferred to future considerations
Section 9.c.3).ii. and 9.c.3).iii. II. The annual Medicaid payment amount per resident FTE beginning with state fiscal year 2021 is as follows: <ul style="list-style-type: none"> Primary Care and General Psychiatry resident \$100,000 Other resident \$50,000 	ii. The annual Medicaid payment amount per resident FTE beginning with state fiscal year 2021 is as follows for the state Academic Medical Center and Hospitals: <ul style="list-style-type: none"> Primary Care and General Psychiatry resident \$100,000 Other resident \$50,000 iii. The annual Medicaid payment amount per resident FTE beginning with state fiscal year 2021 is as follows in FQHCs and RHCs: <ul style="list-style-type: none"> Primary Care and General Psychiatry resident \$160,000 Other resident \$50,000 	The department thanks you for your comment, however your comment will be deferred to future considerations
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STANDARD FUNDING QUESTIONS

Standard Funding Questions SPA 20-0019 GME Program

The following questions are being asked and should be answered in relation to all payments made to all providers reimbursed pursuant to a methodology described in Attachment 4.19-B of this SPA. For SPAs that provide for changes to payments for clinic or outpatient hospital services or for enhanced or supplemental payments to physician or other practitioners, the questions must be answered for all payments made under the state plan for such service.

1. Section 1903(a)(1) provides that Federal matching funds are only available for expenditures made by States for services under the approved State plan. Do providers receive and retain the total Medicaid expenditures claimed by the State (includes normal per diem, supplemental, enhanced payments, other) or is any portion of the payments returned to the State, local governmental entity, or any other intermediary organization? If providers are required to return any portion of payments, please provide a full description of the repayment process. Include in your response a full description of the methodology for the return of any of the payments, a complete listing of providers that return a portion of their payments, the amount or percentage of payments that are returned and the disposition and use of the funds once they are returned to the State (i.e., general fund, medical services account, etc.)

STATE RESPONSE: Providers are not required to return any portion of payments for these services.

2. Section 1902(a)(2) provides that the lack of adequate funds from local sources will not result in lowering the amount, duration, scope, or quality of care and services available under the plan. Please describe how the state share of each type of Medicaid payment (normal per diem, supplemental, enhanced, other) is funded. Please describe whether the state share is from appropriations from the legislature to the Medicaid agency, through intergovernmental transfer agreements (IGTs), certified public expenditures (CPEs), provider taxes, or any other mechanism used by the state to provide state share. Note that, if the appropriation is not to the Medicaid agency, the source of the state share would necessarily be derived through either through an IGT or CPE. In this case, please identify the agency to which the funds are appropriated. Please provide an estimate of total expenditure and State share amounts for each type of Medicaid payment. If any of the non-federal share is being provided using IGTs or CPEs, please fully describe the matching arrangement including when the state agency receives the transferred amounts from the local governmental entity transferring the funds. If CPEs are used, please describe the methodology used by the state to verify that the total expenditures being certified are eligible for Federal matching funds in accordance with 42 CFR 433.51(b). For any payment funded by CPEs or IGTs, please provide the following:
 - (i) a complete list of the names of entities transferring or certifying funds;

- (ii) the operational nature of the entity (state, county, city, other);
- (iii) the total amounts transferred or certified by each entity;
- (iv) clarify whether the certifying or transferring entity has general taxing authority: and,
- (v) whether the certifying or transferring entity received appropriations (identify level of appropriations).

STATE RESPONSE: These services are paid using appropriations from the state legislature.

3. Section 1902(a)(30) requires that payments for services be consistent with efficiency, economy, and quality of care. Section 1903(a)(1) provides for Federal financial participation to States for expenditures for services under an approved State plan. If supplemental or enhanced payments are made, please provide the total amount for each type of supplemental or enhanced payment made to each provider type.

STATE RESPONSE: This is not a supplemental or enhanced payment.

4. For clinic or outpatient hospital services please provide a detailed description of the methodology used by the state to estimate the upper payment limit (UPL) for each class of providers (State owned or operated, non-state government owned or operated, and privately owned or operated). Please provide a current (i.e., applicable to the current rate year) UPL demonstration.

STATE RESPONSE:

Clinic

Per the clinic services guidance provided by CMS, states that pay each clinic service individually per code at a percentage of the Medicare payment rate in effect for the payment year need only indicate the actual percentage of Medicare that is paid. If the state's rate is at or below 100 percent of the Medicare rate, no additional information is needed to demonstrate UPL compliance.

Outpatient Hospital Services

New Mexico uses a cost-based methodology to estimate the UPL for each class of providers. Medicaid covered charges are obtained from paid claims data that corresponded to their Medicare 2552 cost report ending in a base year. Cost-to-charge ratios (CCR) were obtained from Schedule C of the cost report. Covered charges were then mapped to the appropriate ancillary cost center and CCR to determine outpatient hospital costs. These costs are inflated to the midpoint of SFY of the UPL Demonstration period using the Hospital Market Basket w/o Capital inflation index.

Medicaid payments for the UPL analysis were determined using paid claims data for the period that matched the individual hospital's cost report period.

Hospitals were grouped according to their ownership class, and aggregate expected Medicaid payments were compared to the costs.

5. Does any governmental provider receive payments that in the aggregate (normal per diem, supplemental, enhanced, other) exceed their reasonable costs of providing services? If payments exceed the cost of services, do you recoup the excess and return the Federal share of the excess to CMS on the quarterly expenditure report?

STATE RESPONSE: If governmental providers were to receive payments that exceed their reasonable cost of providing services, the excess payment would be recovered and the federal share of the excess would be reported and returned to CMS.