

BEFORE THE DEPARTMENT OF PUBLIC HEALTH AND HUMAN SERVICES OF THE STATE OF MONTANA

In the matter of the amendment of) NOTICE OF PUBLIC HEARING ON
ARM 37.86.2950 pertaining to) PROPOSED AMENDMENT
graduate medical education)
methodology changes)

TO: All Concerned Persons

1. On August 27, 2020, at 11:00 a.m., the Department of Public Health and Human Services will hold a public hearing via remote conferencing to consider the proposed amendment of the above-stated rule. Because there currently exists a state of emergency in Montana due to the public health crisis caused by the coronavirus, there will be no in-person hearing. Interested parties may access the remote conferencing platform in the following ways:

(a) Join Zoom Meeting at: <https://mt-gov.zoom.us/j/91571782752>, meeting ID: 915 7178 2752; or

(b) Dial by telephone +1 646 558 8656, meeting ID: 915 7178 2752. Find your local number: <https://mt-gov.zoom.us/u/acDifXHxVI>.

2. The Department of Public Health and Human Services will make reasonable accommodations for persons with disabilities who wish to participate in this rulemaking process or need an alternative accessible format of this notice. If you require an accommodation, contact the Department of Public Health and Human Services no later than 5:00 p.m. on August 21, 2020, to advise us of the nature of the accommodation that you need. Please contact Heidi Clark, Department of Public Health and Human Services, Office of Legal Affairs, P.O. Box 4210, Helena, Montana, 59604-4210; telephone (406) 444-4094; fax (406) 444-9744; or e-mail dphhslegal@mt.gov.

3. The rule as proposed to be amended provides as follows, new matter underlined, deleted matter interlined:

37.86.2950 GRADUATE MEDICAL EDUCATION PAYMENT PROGRAM

(1) and (2) remain the same.

(3) The department will make an annual payment to each eligible hospital on or before August 31 of each year.

(a) The payment will be calculated based upon the eligible hospital's inpatient Medicaid utilization per year, as calculated in (4).

(b) remains the same.

~~(4) The GME payment regarding primary care and psychiatry residency programs must be computed, in order, as follows:~~

~~(a) divide the total Graduate Medical Education Full Time Equivalent (GMEFTE) count for each eligible facility based upon the most recently as-filed cost report, Medicaid paid claims data, and approved self-attestation form by the Total~~

Graduate Medical Education Full Time Equivalent (TGMEFTE) for all eligible facilities to determine the Hospital Percentage of Graduate Medical Education (HPGME);

$$\frac{\text{GMEFTE}}{\text{TGMEFTE}} = \text{HPGME}$$

(b) divide the Hospital Specific Medicaid Inpatient Days (HSMID) by the total Hospital Specific Inpatient Days (HSID) for eligible hospitals to compute the Facility Specific Medicaid Hospital Day Rate (FSMHDR);

$$\frac{\text{HSMID}}{\text{HSID}} = \text{FSMHDR}$$

(c) add together the Facility Specific Medicaid Hospital Day Rate (FSMHDR) for all eligible hospitals to determine a Total Medicaid Hospital Day Rate (TMHDR);

$$\text{FSMHDR} + \text{FSMHDR} + \text{FSMHDR} + \text{FSMHDR} = \text{TMHDR}$$

(d) divide each hospital's Facility Specific Medicaid Hospital Day Rate (FSMHDR) by the Total Medicaid Hospital Day Rate (TMHDR) to determine the Facility Specific Medicaid Utilization Rate (FSMUR);

$$\frac{\text{FSMHDR}}{\text{TMHDR}} = \text{FSMUR}$$

(e) divide the Hospital Specific Medicaid Inpatient Days (HSMID) by the Total Medicaid Inpatient Days (TMID) of all eligible hospitals to compute the Facility Share of Medicaid Utilization (FSMU);

$$\frac{\text{HSMID}}{\text{TMID}} = \text{FSMU}$$

(f) add the percentage of the Facility Specific Medicaid Utilization Rate (FSMUR) plus the Facility Share of Medicaid Utilization (FSMU) plus the Hospital Percentage of Graduate Medical Education (HPGME) divided by three to acquire the Average Medicaid Utilization (AMU) specific to each eligible hospital; and

$$\frac{\text{FSMUR} + \text{FSMU} + \text{HPGME}}{3} = \text{AMU}$$

(g) allocate funds to each eligible hospital based on the facility specific percentage of Average Medicaid Utilization (AMU) as described in (4)(f).

(4) To calculate an eligible hospital's GME payment, the department will:

(a) divide the total amount of GME funding, including federal match, by the total number of primary care and psychiatry resident full-time equivalents (FTE) participating in the program to establish the per-resident amount (PRA);

(b) divide the number of FTE residents at each eligible hospital by the total number of primary care and psychiatry resident FTEs at all eligible hospitals participating in the program to establish each hospital's resident FTE percentage;

(c) divide the eligible hospital's Medicaid inpatient days by its total inpatient days to determine each eligible hospital's Medicaid utilization percentage;

(d) multiply each eligible hospital's Medicaid utilization percentage by its resident FTE percentage and then add the results from all of the eligible hospitals to establish the weighted average Medicaid utilization percentage for all hospitals;

(e) divide an eligible hospital's Medicaid utilization percentage from (c) by the weighted Medicaid utilization percentage for all eligible hospitals to establish each eligible hospital's Medicaid utilization index;

(f) multiply the eligible hospital's Medicaid utilization index by the PRA in (a) to establish each eligible hospital's adjusted PRA; and

(g) multiply the eligible hospital's adjusted PRA by the number of resident FTEs at the hospital to determine the GME payment amount.

(5) remains the same.

AUTH: 2-4-201, 53-2-201, 53-6-113, MCA

IMP: 2-4-201, 53-2-201, 53-6-101, 53-6-111, 53-6-113, MCA

4. STATEMENT OF REASONABLE NECESSITY

The Department of Public Health and Human Services (department) administers the Montana Medicaid and non-Medicaid program to provide health care to Montana's qualified low income, elderly, and disabled residents. Medicaid is a public assistance program paid for with state and federal funds appropriated to pay health care providers for the covered medical services they deliver to Medicaid members.

The purpose of the proposed rule amendments is to revise the Graduate Medical Education (GME) supplemental payment allocation to eligible hospitals.

The current model for distributing Medicaid funding for GME was initially developed when there was one program shared among two hospitals. Both hospitals had similar GME resident rotation counts, similar program costs, similar inpatient days, and a similar Medicaid payer mix. The original method of distribution uses a blend of all these factors to arrive at the payment distribution. Now, Montana has added three more participating hospitals. Because of the growth, there is new variability among the hospitals now participating in the GME program. That variability has resulted in an extreme variation in the amount per resident that each hospital receives. To alleviate some of the variation, the department proposes to revise the distribution allocation of the GME supplemental payment. This will align the distribution of GME Medicaid funding to the costs incurred and the number of residents trained at each eligible hospital.

Fiscal Impact

This proposed amendment is an allocation methodology change and does not impact the state general fund. This proposed amendment will impact the five teaching hospitals in Montana.

The department intends to apply these rule amendments retroactively to August 1, 2020.

5. Concerned persons may submit their data, views, or arguments either orally or in writing at the hearing. Written data, views, or arguments may also be submitted to: Heidi Clark, Department of Public Health and Human Services, Office of Legal Affairs, P.O. Box 4210, Helena, Montana, 59604-4210; fax (406) 444-9744; or e-mail dphhslegal@mt.gov, and must be received no later than 5:00 p.m., September 4, 2020.

6. The Office of Legal Affairs, Department of Public Health and Human Services, has been designated to preside over and conduct this hearing.

7. The department maintains a list of interested persons who wish to receive notices of rulemaking actions proposed by this agency. Persons who wish to have their name added to the list shall make a written request that includes the name, e-mail, and mailing address of the person to receive notices and specifies for which program the person wishes to receive notices. Notices will be sent by e-mail unless a mailing preference is noted in the request. Such written request may be mailed or delivered to the contact person in 5 above or may be made by completing a request form at any rules hearing held by the department.

8. The bill sponsor contact requirements of 2-4-302, MCA, do not apply.

9. With regard to the requirements of 2-4-111, MCA, the department has determined that the amendment of the above-referenced rule will not significantly and directly impact small businesses.

10. Section 53-6-196, MCA, requires that the department, when adopting by rule proposed changes in the delivery of services funded with Medicaid monies, make a determination of whether the principal reasons and rationale for the rule can be assessed by performance-based measures and, if the requirement is applicable, the method of such measurement. The statute provides that the requirement is not applicable if the rule is for the implementation of rate increases or of federal law.

The department has determined that the proposed program changes presented in this notice are not appropriate for performance-based measurement and therefore are not subject to the performance-based measures requirement of 53-6-196, MCA.

/s/ Brenda K. Elias
Brenda K. Elias
Rule Reviewer

/s/ Sheila Hogan
Sheila Hogan, Director
Public Health and Human Services

Certified to the Secretary of State July 28, 2020.