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State/Territory Name: WI

State Plan Amendment (SPA) #: 14-002

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



DEC 10 2014

Ms. Marlia Mattke
Associate Deputy Administrator
Division of Health Care Access and Accountability
Department of Health Services
1 West Wilson St., Room 350
Madison, WI 53701-0309

RE: Wisconsin State Plan Amendment (SPA) 14-002

Dear Ms. Mattke:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 14-002. Effective for services on or after January 1, 2014, this amendment revises reimbursement methodology for graduate medical education (GME). Specifically this establishes supplemental payments for graduate medical education residents at qualified hospitals training physicians for practice in Wisconsin.

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 regulations at 42 CFR 447 Subpart C. We hereby inform you that Medicaid State plan amendment 14-002 is approved with an effective date of January 1, 2014. We are enclosing the HCFA-179 and the amended plan pages.

If you have any questions, please call Tom Caughey at (517) 487-8598.

Sincerely,

A large black rectangular redaction box covers the signature area of the letter.

Timothy Hill
Director

Enclosure

**TRANSMITTAL AND NOTICE OF APPROVAL OF
STATE PLAN MATERIAL**

1. TRANSMITTAL NUMBER:
14-002

2. STATE
Wisconsin

FOR: HEALTH CARE FINANCING ADMINISTRATION

3. PROGRAM IDENTIFICATION: TITLE XIX OF THE
SOCIAL SECURITY ACT (MEDICAID)

TO: REGIONAL ADMINISTRATOR
HEALTH CARE FINANCING ADMINISTRATION
DEPARTMENT OF HEALTH AND HUMAN SERVICES

4. PROPOSED EFFECTIVE DATE
01/01/2014

5. TYPE OF PLAN MATERIAL (Check One):

- NEW STATE PLAN AMENDMENT TO BE CONSIDERED AS NEW PLAN AMENDMENT

COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)

6. FEDERAL STATUTE/REGULATION CITATION:
47 CFR 447.250

7. FEDERAL BUDGET IMPACT:
a. FFY 2014 \$443K
b. FFY 2015 \$885K

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT:

Attachment 4.19-A, Page 53

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 PAGE NUMBER OF THE SUPERSEDED PLAN SECTION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

None

10. SUBJECT OF AMENDMENT:

Graduate medical education.

11. 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:
[Redacted]

12. SIGNATURE OF STATE AGENCY OFFICIAL:
[Redacted]

13. TYPED NAME:
Kevin Moore

14. TITLE:
Deputy Secretary

15. DATE SUBMITTED:
March 28, 2014

16. RETURN TO:
Kevin Moore
Deputy Secretary
Department of Health Services
1 W. Wilson St.
P.O. Box 309
Madison, WI 53701-0309

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED: **DEC 10 2014**

PLAN APPROVED - ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL:
JAN 01 2014

20. SIGNATURE OF REGIONAL OFFICIAL:
[Redacted]

21. TYPED NAME: *Kristin Fan*

22. TITLE: *Deputy Director, FMG*

23. REMARKS:

8530 Graduate Medical Education Supplemental Payments for Hospitals

This section establishes supplemental payments for graduate medical education residents at qualified hospitals training physicians for practice in Wisconsin. To be eligible for payments under this section, hospitals must be otherwise eligible to receive WMP payments and meet the qualifying criteria outlined below.

8531 Introduction.

Hospitals located in the State of Wisconsin may receive supplemental payments of up to \$225,000 annually to support new graduate medical education residents. Section 1900, 146.64 of Wisconsin Act 20 authorizes the Department to distribute such payments to hospitals to fund the addition of resident positions to existing accredited graduate medical education programs in family medicine, general internal medicine, general surgery, pediatrics and psychiatry.

8532 Qualifying Criteria.

The hospital must meet the following criteria:

- a) The hospital serves rural and underserved communities in Wisconsin.
- b) The hospital serves as an approved training site for an accredited graduate medical education program in one or more of the following specialties: family medicine, general internal medicine, general surgery, pediatrics or psychiatry.
- c) The hospital meets applicable, minimum requirements to be WMP-certified.

Priority for funding will be given to hospitals that meet the following criteria:

- d) The hospital is located in the State of Wisconsin.
- e) The hospital and its' associated graduate medical education program has a retention rate of at least 30 percent of graduate residents remaining to practice in Wisconsin's rural and underserved communities.
- f) The hospital serves underserved areas with a population of less than 50,000; more rural areas, e.g., those with populations of less than 10,000 receive higher priority.
- g) The hospital includes a focus on physician training in working with team-based care, in prevention and public health, in cost effectiveness and health care economics, and in working in new service delivery models, e.g., Accountable Care Organizations or patient-centered medical homes.

8533 Amounts of Supplemental Payments.

The amount of payment per hospital shall not exceed \$75,000 per resident per state fiscal year, and the hospital shall not receive more than \$225,000 per state fiscal year. It is the intention of the Department that payments be made annually for the duration of the residencies expanded under the supplemental payment program.

Funds are restricted to direct costs of the resident, i.e., salary, fringe benefits, travel expenses incurred in travel to and from required participating sites, and malpractice insurance. Funds cannot be used for capital improvements, equipment and supplies (medical and non-medical), sub-contracts, consultant fees, research, or planning activities. These funds shall not be used to supplant or replace existing funds supporting the proposed targeted specialty program from other sources, including local, state or federal funds.

The Department sets forth a methodology as defined in §8534 for distributing the graduate medical education resident supplemental payments.

8534 Allocation Methodology.

- a) The Department shall solicit competitive applications for supplemental payments for residents through a Request for Applications from qualified hospitals.
- b) The existing, accredited residency program at the hospital must be in family medicine, general internal medicine, general surgery, pediatrics or psychiatry.
- c) Each separately participating qualifying hospital cannot receive more than \$75,000 per resident or \$225,000 per state fiscal year.