DEPARTMENT OF HEALTH AND HUMAN SERVICES
CENTERS FOR MEDICARE & MEDICAID SERVICES

CORRECTED

FORM APPROVED
OMB No. 0938-0193

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

1. TRANSMITTAL NUMBER: 0 9 – 0 4

2. STATE: Oklahoma

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: April 1, 2009

5. TYPE OF PLAN MATERIAL *(Check One)*

☐ NEW STATE PLAN ☐ AMENDMENT TO BE CONSIDERED AS A NEW PLAN ☒ AMENDMENT

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

6. FEDERAL STATUTE/REGULATION CITATION
42 CFR Part 412

7. FEDERAL BUDGET IMPACT
a. FFY 2009 $ 0
b. FFY 2010 $ 0

8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT
Attachment 4.19-A, Page 21
Attachment 4.19-A, Page 22

9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT *(If Applicable)*
Same Page, Revised 01-01-08, TN # 07-20
Same Page, Revised 10-01-06, TN # 06-13

10. SUBJECT OF AMENDMENT
Indirect Medical Education (IME) Adjustment

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

12. SIGNATURE OF STATE AGENCY OFFICIAL
Mike Fogarty

13. TYPED NAME
Mike Fogarty

14. TITLE
Chief Executive Officer

15. DATE SUBMITTED
May 14, 2009

16. RETURN TO
Oklahoma Health Care Authority
Attn: Cindy Roberts
4545 N. Lincoln Blvd., Suite 124
Oklahoma City, OK 73105

FOR REGIONAL OFFICE USE ONLY

17. DATE RECEIVED:

18. DATE APPROVED: 6-4-09

PLAN APPROVED – ONE COPY ATTACHED

19. EFFECTIVE DATE OF APPROVED MATERIAL: APR – 1 2009

20. SIGNATURE OF REGIONAL OFFICIAL:

21. TYPE NAME: William Lasowski

22. TITLE: Deputy Director, CMSO

23. REMARKS:

VII. **GRADUATE MEDICAL EDUCATION ACTIVITIES** (continued)

A. Direct Medical Education (continued)

c. The payment per resident per month (PRPM) will be limited to $11,000 and the total payments will be limited to and not exceed the upper payment limits described in 6 below.

6. Upper Payment Limit

If payment in section VII.A.5 causes total payments to exceed Medicare upper limits as required by CFR 447.272, the amount of payments over the limit will be recouped based on the total resident-months for that fiscal year. The upper payment limits will be determined in advance of the fiscal year from a compilation of the total allowable costs for all hospitals reported on the latest available CMS 2552 cost reports compared to the reimbursement (including spend-down, TPL, and co-payments) for the same periods as reported through the State MMIS.

B. Indirect Medical Education (IME) Adjustment

Effective February 11, 1999, acute care hospitals that qualify as major teaching hospitals will receive an indirect medical education (IME) payment adjustment which covers the increased operating or patient care costs that are associated with approved intern and resident programs.

1. Eligibility

In order to qualify as a major teaching hospital and be deemed eligible for an IME adjustment, the hospital or hospitals of common ownership or management must:

a. belong to the Council on Teaching Hospitals or have a medical school affiliation; and

b. be licensed by the State of Oklahoma; and

VII. **GRADUATE MEDICAL EDUCATION ACTIVITIES** (continued)

B. Indirect Medical Education (IME) Adjustment (continued)

1. Eligibility (continued)

c. Have 150 or more full-time equivalent (FTE) residents enrolled in approved teaching programs.

Eligibility for an IME adjustment will be determined by the OHCA using the provider's most recently received cost report or the application described in paragraph VII.B.2 for the quarterly Direct Medical Education Payment.

2. Calculation of Payment Amounts

a. An annual fixed IME payment pool with be established and is not to exceed the base 2002 amount of $22,023,994 trended forward for inflation. The base year amount will be updated annually each July 1 using the first quarter publication of the DRI PPS-type hospital market basket forecast for the midpoint of the upcoming fiscal year. The pool of funds will be distributed annually each state fiscal year and in equal amounts to the qualifying groups. For the Oklahoma City area, the qualifying group consists of the single hospital, the OU Medical Center. Payment will be made to the University Hospital Trust, the owner/operator of the OU Medical Center. In the Tulsa area, the hospitals under common management, the OSU Medical Center and St. John's, are the members of the qualifying group. The payment will be made equally to the two qualifying hospitals in the Tulsa Group.

b. If payment in paragraph VII.B.2 causes total payments to exceed Medicare upper limits as required by 42 CFR 447.272, the payment in paragraph VII.B.2 will be reduced to not exceed the Medicare upper limit.

OS Notification

State/Title/Plan Number: OK-09-04

Type of Action: SPA Approval

Required Date for State Notification: August 12, 2009

Fiscal Impact: FY 2009 $ 0 Federal Share
FY 2010 $ 0 Federal Share

Number of Services Provided by Enhanced Coverage, Benefits or Retained Enrollment: 0
Number of Potential Newly Eligible People: 0
Eligibility Simplification: No

Provider Payment Increase: No

Delivery System Innovation: No
Number of People Losing Medicaid Eligibility: 0
Reduces Benefits: No

Detail: This amendment makes changes to the qualifications for major teaching hospitals to be deemed eligible for an IME adjustment. Currently, hospitals of common ownership are eligible. This amendment changes the state plan language to include hospitals of common management in addition to hospitals of common ownership.

Other Considerations: This OSN has been reviewed in the context of the ARRA and approval of the OSN is not in violation of ARRA provisions.

We do not recommend the Secretary contact the governor.

CMS Contact: Sandra Dasheiff, CPA, NIRT 214-767-6490
Tim Weidler, NIRT 816-426-6429
Janet Freeze, NIRT 410-786-5917