

**SENATE
STATE OF MINNESOTA
NINETY-THIRD SESSION**

S.F. No. 4946

(SENATE AUTHORS: WIKLUND)

DATE
03/13/2024

D-PG

Introduction and first reading
Referred to Commerce and Consumer Protection

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to health insurance; establishing supplemental payments to eligible hospitals
1.3 for graduate medical education costs; amending Minnesota Statutes 2022, section
1.4 256.969, by adding a subdivision.

1.5 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.6 Section 1. Minnesota Statutes 2022, section 256.969, is amended by adding a subdivision
1.7 to read:

1.8 Subd. 2g. Supplemental payments; direct and indirect graduate medical
1.9 education. (a) Notwithstanding subdivision 2b, paragraph (k), for discharges occurring on
1.10 or after January 1, 2025, the commissioner shall determine and pay annual supplemental
1.11 payments to all eligible hospitals for direct and indirect graduate medical education cost
1.12 reimbursement.

1.13 (b) Eligible hospitals for the supplemental payments under this subdivision are those
1.14 hospitals participating in Minnesota's medical assistance program that are:

1.15 (1) eligible to receive graduate medical education payments from the Medicare program
1.16 under Code of Federal Regulations, title 42, section 413.75; or

1.17 (2) a children's hospital.

1.18 (c) When determining the amount of supplemental payments under this subdivision, the
1.19 commissioner shall collect the following from eligible hospitals to calculate the total cost
1.20 of graduate medical education incurred by each eligible hospital:

1.21 (1) the total allowable direct graduate medical education cost, as calculated by adding
1.22 form CMS-2552-10, worksheet B, part 1, columns 21 and 22, line 202; and

2.1 (2) the Medicaid share of total allowable direct graduate medical education cost
2.2 percentage, representing the allocation of total graduate medical education costs to Medicaid
2.3 based on the share of all Medicaid inpatient days, as reported on form CMS-2552-10,
2.4 worksheets S-2 and S-3, divided by the hospital's total inpatient days, as reported on
2.5 worksheet S-3.

2.6 (d) The commissioner shall determine each hospital's total allowable indirect graduate
2.7 medical education amount using the following:

2.8 (1) for eligible hospitals that are not children's hospitals, the indirect graduate medical
2.9 education amount attributable to Medicaid, calculated based on form CMS-2552-10,
2.10 worksheet E, part A, including:

2.11 (i) the Medicare indirect medical education formula, using Medicaid variables;

2.12 (ii) Medicaid payments for inpatient services under fee-for-service and managed care,
2.13 as reported by hospitals in the Medicaid disproportionate share hospital survey, or if not
2.14 available, a proxy filing to the commissioner;

2.15 (iii) total inpatient beds available, as reported on form CMS-2552-10, worksheet E, part
2.16 A, line 4; and

2.17 (iv) full-time employees, as determined by adding form CMS-2552-10, worksheet E,
2.18 part A, lines 10 and 11; and

2.19 (2) for eligible hospitals that are children's hospitals:

2.20 (i) the Medicare indirect medical education formula, using Medicaid variables;

2.21 (ii) Medicaid payments for inpatient services under fee-for-service and managed care,
2.22 as reported by hospitals in the Medicaid disproportionate share hospital survey, or if not
2.23 available, a proxy filing to the commissioner;

2.24 (iii) total inpatient beds available, as reported on form CMS-2552-10, worksheet S-3,
2.25 part 1; and

2.26 (iv) full-time equivalent interns and residents, as determined by adding form
2.27 CMS-2552-10, worksheet E-4, lines 6, 10.01, and 15.01.

2.28 (e) The commissioner shall determine each eligible hospital's maximum allowable
2.29 Medicaid direct graduate medical education supplemental payment amount by calculating
2.30 the sum of:

2.31 (1) the total allowable direct graduate medical education costs multiplied by the Medicaid
2.32 share of total allowable direct graduate medical education cost percentage; and

3.1 (2) the total allowable direct graduate medical education costs multiplied by the Medicaid
3.2 utilization percentage that is updated annually using data from the most recently available
3.3 Medicare hospital cost report from form CMS-2552, submitted to Medicare by each eligible
3.4 hospital.

3.5 (f) The commissioner shall determine each eligible hospital's indirect graduate medical
3.6 education supplemental payment amount by multiplying the total allowable indirect medical
3.7 education amount calculated in paragraph (d) by:

3.8 (1) for prospective payment system, for hospitals that are not children's hospitals
3.9 and have fewer than 50 full-time equivalent trainees;

3.10 (2) for prospective payment system, for hospitals that are not children's hospitals
3.11 and have equal to or greater than 50 full-time equivalent trainees; and

3.12 (3) for children's hospitals.

3.13 (g) The commissioner shall determine the amount of supplemental payment for an
3.14 eligible hospital for its graduate medical education program by calculating the sum of the
3.15 amount calculated for the hospital under paragraph (e) and the amount calculated for the
3.16 hospital under paragraph (f).

3.17 (h) The supplemental payments under this subdivision are contingent upon federal
3.18 approval and must conform with the requirements for permissible supplemental payments
3.19 for direct and indirect graduate medical education under all applicable federal laws.

3.20 (i) For purposes of this subdivision, "children's hospital" means a hospital whose
3.21 inpatients are predominantly individuals under 18 years of age, as described under United
3.22 States Code, title 42, section 1395ww, subsection (d), paragraph 1, subparagraph (B).

3.23 **EFFECTIVE DATE.** This section is effective January 1, 2025, or upon federal approval,
3.24 whichever is later. The commissioner of human services shall notify the revisor of statutes
3.25 when federal approval is obtained.