

## Virginia Supplemental Payment Programs

| Supplemental Payment                         | FFS   | MCO  | Non-Federal Share Financing |
|--|---|--|-----------------------------|
| <b>Indirect Medical Education (IME)</b>      |   |  |                             |
| Type Two Hospitals                           | IME Percentage times Operating Reimbursement  | IME Percentage times Operating rate times MCO Discharges.                            | GF                          |
| Type One Hospitals and CHKD                  | Enhanced Formula Subject to UPL   | Enhanced Formula   | GF                          |
| <b>CNMC (DC)</b>                             | 303 #13h authorizes same enhanced formula as CHKD   | 303 #13h authorizes same enhanced formula as CHKD                                    | GF                          |
| <b>Graduate Medical Education (GME)</b>      |   |  |                             |
| Type Two Hospitals and CHKD                  | 1997 Per Resident amount increased by allowed inflation times FTEs  | None explicitly (Per resident amount in 1997 was pre-managed care for the most part) | GF                          |
| Type One Hospitals                           | Cost  | Cost   | GF                          |
| New Residents                                | \$100,000 per new resident for 3-4 years of residency (303 #14h authorizes 4 additional residents for the cohort starting in FY19 and 25 residents for the FY20 cohort) | None explicitly  | GF                          |
| <b>Disproportionate Share Hospital (DSH)</b> |   |  |                             |
| Type Two Hospitals                           | Calculate DSH per diem by dividing Type Two DSH allotment by DSH eligible days (Medicaid days above 14% Medicaid utilization)   | Medicaid days in formula include Medicaid MCO days                                   | GF                          |
| Type One Hospitals                           | Uncompensated care costs  | Uncompensated care costs   | GF                          |
| CHKD   | 3 times Type Two per diem subject to DSH Limit  | Medicaid days in formula include Medicaid MCO days                                   | GF                          |

| <b>Hospital Supplemental Payments</b>  |  |   |   |
|--|--|---|---|
| Private Hospital Partners of Type One Hospitals (Culpeper, Prince William and Haymarket) | Implemented FY12   | Budget Amendment 303 #10h (#21s) authorizes “directed payments” comparable to FFS through MCOs            | IGT from UVA  |
| Private Teaching Hospitals (Sentara Norfolk General, Carilion Medical Center)            | Implemented FY18   | None  | IGT from EVMS and Virginia Tech                                 |
| Riverside Shore Memorial   | 303 #13h (based on UPL)  | 303#13h (unspecified)   | Proposed GF   |
| Chesapeake Regional  | 303 #43h (#30s) authorizes unspecified increase in hospital reimbursement rates                | 303 #43h (#30s) (unspecified)   | Proposed GF (is eligible to transfer non-federal share to DMAS) |
| Comprehensive Health System (TBD)  | 303 #11h provides general authority to “optimize federal matching funds”                       | 303 #11h provides general authority to “optimize federal matching funds”                                  | Does not authorize GF   |
| <b>Physician Supplemental Payments</b>   |  |   |   |
| UVA/VCU  | Implemented FY03<br>Difference between 258% of Medicare and regular Medicaid physician payment | Currently “pass through” payments to Virginia Premier. Will transition to “directed payments”             | GF  |
| CHKD   | Implemented FY12<br>Difference between 173% of Medicare and regular Medicaid physician payment | None  | GF  |
| EVMS   | Implemented FY13<br>Difference between 147% of Medicare and regular Medicaid physician payment | Currently “pass through” payments to Medallion and CCC Plus plans. Will transition to “directed payments” | IGT from EVMS   |
| CNMC (DC)  | Implemented FY17<br>\$550,000 annually   | None  | GF  |

| <b>Nursing Home Supplemental Payments</b>  |   |  |  |
|--|---|--|--|
| Non-State Government Owned (Lake Taylor, Lucy Corr, Bedford County, Dogwood Village (Orange County), Birmingham Green) | Implemented FY15<br>Difference between UPL and regular nursing home reimbursement | 306.RRR excludes residents in NSGO nursing homes from CCC Plus until DMAS implements directed payments | IGT from Nursing Homes                                   |
| Type One Nursing Homes (CHOR, Community Memorial)  | 303 #10h (#21s) authorizes supplemental payments based on the UPL gap             | 303 #10h (#21s) authorizes directed payments comparable to FFS through MCOs                            | IGT from VCU   |
| <b>Clinic Supplemental Payments</b>  |   |  |  |
| Non-State Government Owned (CSBs)  | Implemented FY03<br>Difference between UPL and regular clinic reimbursement       | None   | GF (was implemented to replace all general fund payment) |
| State (VDH)  | Implemented FY16<br>Difference between UPL and regular clinic reimbursement       | None   | IGT from VDH   |

Proposed member amendments in red

UPL=Upper Payment Limit

GF=General Fund

IGT=Intergovernmental Transfer

Prepared by DMAS

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