Medicaid GME Authority

- Medicaid is a Federal/State partnership in which States create Medicaid programs based on benefits and population authorized in statute under Title XIX of the Social Security Act (SSA).
- GME is not a recognized or authorized Medicaid service eligible for Federal Financial Participation under the SSA.
Medicaid Basis for GME

- However, CMS has historically allowed states to include GME payments as part of their inpatient hospital rate structures.
- Regulations at 42 CFR 447.272 link Medicaid hospital payment limits to Medicare payment rules which do recognize GME.
• Of the states that make payments in connection to GME, approximately 24 states make distinct, supplemental GME payments.

• Approximately 16 states include GME as a component part of hospital base payments.
States may include GME payments as part of their Medicaid managed care rates if such payments are authorized under the FFS Medicaid state plan.

Authority to recognize GME payments in capitation rates is derived from regulations implementing §1903 (m) of the SSA; there is not statutory authority referencing payments for GME.
• However, regulations at 42 CFR 438.6(c)(v) provide an explicit exception to allow a state agency to make payments for GME for Medicaid managed care enrollees.

• Additional rules at 42 CFR 438.60 further contemplate the ability for states to make such managed care GME payments to providers directly to providers.
Data Collection for GME

- Starting in October 2010, CMS added separate GME reporting capabilities within the system that states use to report expenditures.

- States have had varying degrees of success in separately reporting GME in part because it may be aggregated into the base IP rates.
Emerging Issues

• As states expand reliance on managed care delivery systems, providers are increasing pressure to preserve Medicaid GME funding.
• The challenge is to craft solutions that allow states to accurately target GME payments to providers that participate in Medicaid through managed care networks.
GME and Medicaid

- Questions ?