State: Minnesota Supplement 3 to Attachment 4.19-A Effective Date: July 1, 2025 Medical Education Supplemental Payment

TN: 25-16 Redical Education Suppremental Payment

Approved:

Supersedes: 13-22 (12-25)

## Supplemental Payments for Medical Education

In addition to Medical Assistance payments included in this Attachment, Medical Assistance provides for an additional annual payment by April 30 of each year for the previous state fiscal year for distribution to Medical Assistance-enrolled eligible teaching hospitals. A single pool of money equal to \$7,575,000 is used to make supplemental payments to qualifying providers that include both institutional eligible training sites, and non-institutional eligible training sites described in Attachment 4.19-B Supplement 2. The Medical Assistance payment is increased in an amount equal to:

- (1) \$7,575,000, multiplied by a proportion equal to the hospital's public program revenue divided by the total amount of public program revenue of all qualifying providers. Public program revenue is the sum of a provider's revenue from medical assistance, prepaid medical assistance, and through June 30, 2014, general assistance medical care and prepaid general assistance medical care.
- (2) For hospitals with public program revenue equal to or greater than 0.98 percent of the total public program revenue of all qualifying providers, payments are increased by 20 percent.
- (3) Payments to hospitals with public program revenue less than 0.98 percent of the total public program revenue of all qualifying providers are reduced proportionately to fund the payment increases described in sub-item (2).

## Effective July 1, 2015:

- (4) Subitems (2) and (3) above no longer apply.
- (5) Qualifying providers with no public program revenue, fewer than .1 FTE eligible trainees, or whose payment under subitem (1) would result in less than \$5,000, are not eligible for increased payments.
- (6) No qualifying provider shall receive a payment that is in excess of the  $95^{\rm th}$  percentile for payment per FTE across all qualified providers. Excess payments shall be redistributed according to the formula above.

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Supplemental Payments for Medical Education (cont'd)

Qualifying Provider. "Qualifying provider" means a Medical Assistance enrolled hospital, medical center, clinic, practitioner, or other organization that provides accredited clinical training of: physicians (medical students and residents), doctor of pharmacy practitioners, doctors of chiropractic, dentists, advance practice nurses (clinical nurse specialists, certified registered nurse anesthetists, nurse practitioners, and certified nurse midwives), physician assistants, and effective July 1, 2015, dental therapists, advanced dental therapists, psychologists, clinical social workers, community paramedics, and community health workers; and that has successfully applied for this payment, in accordance with Minnesota Statutes § 62J.692.

Effective July 1, 2025 through June 30, 2030, Medical Assistance provides an additional annual payment each state fiscal year to Minnesota hospitals designated as teaching hospitals or childrens hospitals under Medicare. Eligible hospitals receive payment for each medical education resident.

The annual hospital specific payment is determined according to the number of medical residents reported on the 2022 Medicare cost report. Amounts are calculated as follows:

- (1)  $\frac{$425,000 \text{ for each of the first ten full time equivalent (FTE)}}{\text{resident;}}$
- (2) \$350,000 per FTE trained for resident 11 to 20;
- (3) \$95,000 per FDT trained for resident 21 to 30;
- (4) \$70,000 per FTE trained for resident 31 to 400;
- (5) \$50,000 per FTE trained for each resident above 401.

Eligible children's hospitals receive funding as described above for each medical resident and intern identified through Medicare cost report data. Funding for the above payments is not included in capitation rates paid to managed care plans.

## Minnesota Statutes, Section 256.9657, Subd. 2a. Teaching hospital surcharge.

(a) Each teaching hospital shall pay to the medical assistance account a surcharge equal to 1.41 percent of its fiscal year 2021 net patient revenue for inpatient services. The initial surcharge must not be collected more than 30 days before the commissioner makes the first of the payments required under section 256.969, subdivision 2g. Subsequent surcharge payments must be paid annually in the form and manner specified by the commissioner. The surcharge must comply with all applicable federal requirements and federal laws, including but not limited to Code of Federal Regulations, title 42, section 433.68.

| HCCIS ID | Medicare ID | Hospital Name                               | Estimated Surcharge |
|----------|-------------|---|---------------------|
| 103      | 240001      | North Memorial Health Hospital              | 4,328,208           |
| 148      | 240002      | Essentia Health - St. Mary's Medical Center | 3,724,516           |
| 59       | 240004      | Hennepin Healthcare                         | 5,243,462           |
| 145      | 240010      | Mayo Clinic Hospital - Rochester            | 23,952,975          |
| 132      | 240036      | CentraCare - St. Cloud Hospital             | 6,514,546           |
| 163      | 240038      | United Hospital                             | 5,153,160           |
| 143      | 240047      | St. Luke's Hospital                         | 2,205,799           |
| 86       | 240053      | Park Nicollet Methodist Hospital            | 4,325,663           |
| 2        | 240057      | Abbott Northwestern Hospital                | 9,665,754           |
| 185      | 240080      | M Health Fairview U of M Medical Center     | 13,259,018          |
| 63       | 240093      | Mayo Clinic Health System - Mankato         | 1,334,334           |
| 151      | 240106      | Regions Hospital                            | 6,794,563           |
| 180      | 240210      | M Health Fairview St. John's Hospital       | 2,615,100           |
| 187      | 240213      | Woodwinds Health Campus                     | 1,056,302           |
| Total:   |             |   | 90,173,406          |

| (ey:        |   |                | 121             | tient Suppl |                    |                    |                    |                     |                      |                      |                      |                      |                          |             |              |              |
|-------------|---|----------------|-----------------|-------------|--------------------|--------------------|--------------------|---------------------|----------------------|----------------------|----------------------|----------------------|--------------------------|-------------|--------------|--------------|
|             | alculation differs from payment test            |                |                 |             |                    |                    |                    |                     |                      |                      |                      |                      |                          |             |              |              |
|             |   |                |                 |             |                    |                    |                    |                     |                      |                      |                      |                      |                          |             |              |              |
| lospital is | sciosed   |                |                 |             |                    |                    |                    |                     |                      |                      |                      |                      |                          |             |              |              |
|             |   |                |                 |             |                    |                    |                    |                     |                      |                      |                      |                      |                          |             |              |              |
|             |   |                | FTE Total       | FTE Total   | FTE Total<br>21-30 | FTE Total<br>31-40 | FTE Total<br>41-50 | FTE Total<br>51-100 | FTE Total<br>101-200 | FTE Total<br>201-300 | FTE Total<br>301-400 | FTE Total<br>401-500 | FTE Total<br>501 or more | Annual      | Pull from    | Difference   |
|             |   |                | 1-10            | 11-20       |                    |                    |                    |                     |                      |                      |                      |                      |                          |             |              |              |
| MCID        | Hospital Name                                   | TOTAL FTE      | 425,000         | 350,000     | 95,000             | 70,000             | 70,000             | 70,000              | 70,000               | 70,000               | 70,000               | 50,000               | 50,000                   | Payment     | Payment Test |              |
| 240001      | 1 NORTH MEMORIAL HEALTH HOSPITAL                | 30.18          | 4,250,000       | 3,500,000   | 950,000            | 12,600             | -                  | -                   | -                    | -                    | -                    | -                    | -                        | 8,712,600   | 8,712,600    | -            |
| 240002      | 2 ST. MARYS MEDICAL CENTER                      | 16.03          | 4,250,000       | 2,110,500   | -                  | -                  | -                  | -                   | -                    | -                    | -                    | -                    | -                        | 6,360,500   | 6,360,500    |              |
| 240004      | 4 HENNEPIN COUNTY MEDICAL CENTER                | 286.81         | 4,250,000       | 3,500,000   | 950,000            | 700,000            | 700,000            | 3,500,000           | 7,000,000            | 6,076,700            | -                    | -                    | -                        | 26,676,700  | 26,676,700   | -            |
| 240010      | 0 MAYO CLINIC HOSPITAL ROCHESTER                | 606.17         | 4,250,000       | 3,500,000   | 950,000            | 700,000            | 700,000            | 3,500,000           | 7,000,000            | 7,000,000            | 7,000,000            | 5,000,000            | 5,308,500                | 44,908,500  | 44,908,500   |              |
| 240019      | 9 SMDC MEDICAL CENTER                           | 1.46           | 620,500         | -           | -                  | -                  | -                  | -                   | -                    | -                    | -                    | -                    | -                        | 620,500     | 620,500      | -            |
| 240036      | 6 ST. CLOUD HOSPITAL                            | 18.05          | 4,250,000       | 2,817,500   | -                  | -                  | -                  | -                   | -                    | -                    | -                    | -                    | -                        | 7,067,500   | 7,067,500    | -            |
| 240038      | 8 UNITED HOSPITAL                               | 19.45          | 4,250,000       | 3,307,500   | -                  | -                  | -                  | -                   | -                    | -                    | -                    | -                    | -                        | 7,557,500   | 7,557,500    | -            |
| 240047      | 7 ST. LUKES HOSPITAL OF DULUTH                  | 8.41           | 3,574,250       | -           | -                  | -                  | -                  | -                   | -                    | -                    | -                    | -                    | -                        | 3,574,250   | 3,574,250    | -            |
| 240053      | 3 PARK NICOLLET METHODIST HOSPITAL              | 34.80          | 4,250,000       | 3,500,000   | 950,000            | 336,000            | -                  | -                   | -                    | -                    | -                    | -                    | -                        | 9,036,000   | 9,036,000    |              |
| 240057      | 7 ABBOTT NORTHWESTERN HOSPITAL                  | 45.80          | 4,250,000       | 3,500,000   | 950,000            | 700,000            | 406,000            | -                   | -                    | -                    | -                    | -                    | -                        | 9,806,000   | 10,056,600   | (250,60      |
| 240080      | 0 UNIVERSITY OF MINNESOTA MEDICAL CTR           | 378.34         | 4,250,000       | 3,500,000   | 950,000            | 700,000            | 700,000            | 3,500,000           | 7,000,000            | 7,000,000            | 5,483,800            | -                    | -                        | 33,083,800  | 33,083,800   | -            |
| 240093      | 3 MCHS - SOUTHWEST MINNESOTA REGION             | 9.64           | 4,097,000       | -           | -                  | -                  | -                  | -                   | -                    | -                    | -                    | -                    | -                        | 4,097,000   | 4,097,000    | -            |
| 240106      | 6 REGIONS HOSPITAL                              | 150.70         | 4,250,000       | 3,500,000   | 950,000            | 700,000            | 700,000            | 3,500,000           | 3,549,000            | -                    | -                    | -                    | -                        | 17,149,000  | 17,149,000   | -            |
| 240115      | 5 MERCY HOSPITAL                                | 1.13           | 480,250         | -           | -                  | -                  | -                  | -                   | -                    | -                    | -                    | -                    | -                        | 480,250     | 480,250      | -            |
| 240210      | 0 HEALTHEAST ST JOHNS HOSPITAL                  | 12.93          | 4,250,000       | 1,025,500   | -                  | -                  | -                  | -                   | -                    | -                    | -                    | -                    | -                        | 5,275,500   | 5,275,500    | -            |
| 240213      | 3 HEALTHEAST WOODWINDS HOSPITAL                 | 7.19           | 3,055,750       | -           | -                  | -                  | -                  | -                   | -                    | -                    | -                    | -                    | -                        | 3,055,750   | 3,055,750    | -            |
| 243300      | 0 GILLETTE CHILDRENS SPECIALTY HEALTH           | 11.31          | 4,250,000       | 458,500     | -                  | -                  | -                  | -                   | -                    | -                    | -                    | -                    | -                        | 4,708,500   | 4,708,500    | -            |
| 243302      | 2 CHILDRENS HEALTH CARE                         | 57.7           | 4,250,000       | 3,500,000   | 950,000            | 700,000            | 700,000            | 539,000             | -                    | -                    | -                    | -                    | -                        | 10,639,000  | 10,583,700   | 55,30        |
|             |   |                |                 |             |                    |                    |                    |                     |                      |                      |                      |                      |                          |             |              |              |
|             |   |                |                 |             |                    |                    |                    |                     |                      |                      |                      |                      |                          |             |              |              |
|             |   |                |                 |             |                    |                    |                    |                     |                      |                      |                      |                      | Current Total            | 202,808,850 | 203,004,150  | Previous Tot |
|             |   |                |                 |             |                    |                    |                    |                     |                      |                      |                      |                      |                          |             |              |              |
|             |   |                |                 |             |                    |                    |                    |                     |                      |                      |                      |                      |                          |             |              |              |
|             |   |                |                 |             |                    |                    |                    |                     |                      |                      |                      |                      |                          |             |              |              |
| Unqualifi   | ied hospitals that appeared on the 2022 Workshe | et E data pull | FTE Total       | FTE Total   | FTE Total          | FTE Total          | FTE Total          | FTE Total           | FTE Total            | FTE Total            | FTE Total            | FTE Total            | FTE Total                | Total FTE   |              |              |
|             | from HCRIS. Does not count in GME Total         |                | 1-10            | 11-20       | 21-30              | 31-40              | 41-50              | 51-100              | 101-200              | 201-300              | 301-400              | 401-500              | 501-600                  | Payment     |              |              |
| MCID        | Hospital Name                                   | TOTAL FTE      | 425,000         | 350,000     | 95,000             | 70,000             | 70,000             | 70,000              | 70,000               | 70,000               | 70,000               | 50,000               | 50,000                   | <u> </u>    |              |              |
| 240063      | 3 HEALTHEAST ST JOSEPHS HOSPITAL                | 0.07           | 29,750          | -           | -                  | -                  | -                  | -                   | -                    | -                    | -                    | -                    | -                        | 29,750      |              |              |
|             |   |                |                 |             |                    |                    |                    |                     |                      |                      |                      |                      |                          |             |              |              |
|             | ounts in column O are the annual supplement     |                |                 |             |                    |                    |                    |                     |                      |                      |                      |                      |                          |             |              |              |
|             | a Statutes 256.969 Subd. 2g. Payments are base  |                |                 |             |                    |                    |                    |                     |                      |                      |                      |                      |                          |             |              |              |
| ource for   | the FTEs are the FY 2022 Medicare cost report.  | Payments are c | ontingent on th | e federal   |                    |                    |                    |                     |                      |                      |                      |                      |                          |             |              |              |