

State: Minnesota

Effective Date: July 1, 2025

TN: 25-16

Approved:

Supersedes: 13-22 (12-25)

Supplement 3 to Attachment 4.19-A

Medical Education Supplemental Payment

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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 95th 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) \$425,000 for each of the first ten full time equivalent (FTE) 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

Inpatient Supplemental Payments for Graduate Medical Education

Key:

Current calculation differs from payment test

Hospital is closed

[illegible]

Notes: Amounts in column O are the annual supplemental payments for GME required under Minnesota Statutes 256.969 Subd. 2g. Payments are based on the formula in statute, and the data source for the FTEs are the FY 2022 Medicare cost report. Payments are contingent on the federal approval of both a provider tax waiver and a state plan amendment.