

Submitter : Ms. Shirley Bishop  
Organization : Clarian Health  
Category : Hospital

Date: 06/22/2007

Issue Areas/Comments

GENERAL

GENERAL

see attachment

CMS-2279-P-161-Attach-1.DOC

CMS-2279-P-161-Attach-2.DOC



Leslie Norwalk, Esq.  
Acting Administrator  
Centers for Medicare & Medicaid Services  
Hubert H. Humphrey Building  
Room 445-G  
200 Independence Ave, SW  
Washington, DC 20201

Attention: **CMS-2279--P**

Dear Administrator Norwalk:

I am writing on behalf of Clarian Health Partners, Inc. to urge the Centers for Medicare & Medicaid Services (CMS) to rescind the May 23, 2007 proposed rule that seeks to eliminate federal financial participation (FFP) matching funds associated with Medicaid graduate medical education (GME) payments (See 72 Fed. Reg. 28930). Finalizing this rule would erode the financial condition of teaching hospitals and jeopardize their abilities to continue to fulfill important teaching, patient care and other missions.

Although characterized by CMS as a "clarification," the reality is that the proposed rule represents a major reversal of long-standing Medicaid policy. For decades, most state Medicaid programs have supported the higher costs of teaching hospitals. CMS and its predecessor, the Health Care Financing Administration, have approved and matched these payments. According to a study commissioned by the Association of American Medical Colleges (AAMC), in 2005, 47 states and the District of Columbia provided direct GME and/or indirect medical education payments under their Medicaid programs. Clarian Health Partners, Inc. receives in excess of \$3 million of Medicaid reimbursement for education, education specific payments have been a part of Indiana Medicaid reimbursement system since 1994. Teaching hospitals rely on these and other Medicaid payments to support our critical functions.

Medicaid GME payments help teaching hospitals sustain one of our core responsibilities: providing the clinical education of future physicians. Within a supervised patient care team of health care professionals, medical residents provide needed care to Medicaid and other patients as part of their training programs. Educating future physicians and other health care professionals has never been more important given the numerous studies predicting a physician shortage in the near future. Clarian Health Partner serves as a training site for approximately 600 full time equivalent intern and residents (over 1200 individuals). These individuals are being trained in over of 25 programs, encompassing 70 specialties and sub-specialties. These include such programs as Family Practice, Internal Medicine, Pediatrics, Obstetrics and Gynecology, Emergency Medicine, Pathology, Radiology, Radiation Oncology, Anesthesiology and Surgery. These programs help Clarian Health provide access to healthcare to all the citizens of Indiana, including Medicaid beneficiaries, which number in excess of 15,000 inpatient stays and 100,000 outpatient visits annually. Additionally, these programs contribute to continuing access to health care through out the state and the nation by training the physicians of tomorrow. Eliminating FFP for state Medicaid agency payments for GME could cripple our graduate medical education programs at a time when more physicians are needed throughout the country.

Ms. Leslie Norwalk, Esq.  
Page 2

Because half of all Medicaid discharges are from the nation's nearly 1100 teaching hospitals and more than half of the nation's hospital charity care occurs in these institutions, a GME funding cut could also affect other services offered to Medicaid and other patients by reducing teaching hospitals' total financial resources. As previously noted, Clarian Health has over 15,000 inpatient Medicaid stays and 100,000 outpatient Medicaid visits annually. In addition, Clarian Health provides \$80,000,000 of charity care annually.

Teaching hospitals provide an environment in which clinical research can flourish and where highly specialized tertiary patient care such as burn care, trauma and cardiac care, and transplant services take place. Because of their education and research missions, teaching hospitals offer the most advanced, state-of-the-art services and equipment; and with residents and supervising physicians available around-the-clock, teaching hospitals care for the nation's sickest patients. Most recently, teaching hospitals are looked to as front-line responders in the event of a biological, chemical, or nuclear attack and are implementing plans to fulfill that role.

#### Clarian Health Partners

Clarian Health is a 1200+ bed urban teaching hospital, which plays a critical role in providing acute and tertiary care to the Indianapolis metropolitan area as well as the State of Indiana. In excess of 60% of our patient population comes from the payer sources of Medicare, Medicaid, Hospital Care for the Indigent or are Self Pay patients. Clarian operates the largest Medical Education program for physicians in the State, in fact is the primary training site for Indiana University School of Medicine. Clarian operates Riley Hospital for Children, Indiana's oldest and only full service children's hospital. Services provided to the citizens of Indiana include: Trauma Care, Burn Care, Neonatal Intensive Care, Cancer Care and Transplant Services for all solid organs as well as Bone Marrow.

Many of our specialty programs are the only programs in the state and provide critical access to the citizens of Indiana particularly in the area of cancer and many children's specialties, such as nephrology, endocrinology and cardiology.

Given their important roles and the current and future financial uncertainty for America's teaching hospitals, it is important that state Medicaid programs receive federal matching assistance for GME. **We urge the Agency to rescind the proposed rule.**

Sincerely,

Shirley W. Bishop  
Director, Revenue & Reimbursement

Submitter : Ms. Roberta Rakove  
Organization : Sinai Health System  
Category : Hospital

Date: 06/22/2007

Issue Areas/Comments

GENERAL

GENERAL

See Attachment

#162

FILE:///ELECTRONIC%20COMMENTS/ELECTRONIC%20COMMENTS/E-Comments/Active%20Files/Missing%20file1.txt

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE AND MEDICAID SERVICES  
OFFICE OF STRATEGIC OPERATIONS & REGULATORY AFFAIRS

Please note: We did not receive the attachment that was cited in this comment. We are not able to receive attachments that have been prepared in excel or zip files. Also, the commenter must click the yellow "Attach File" button to forward the attachment.

Please direct your questions or comments to 1 800 743-3951.

**Submitter :** Mr. Patrick Wardell  
**Organization :** Hurley Medical Center  
**Category :** Hospital

**Date:** 06/22/2007

**Issue Areas/Comments**

**Background**

Background

Hurley Medical Center submits these comments in opposition to - (CMS-2279-P) Medicaid Program; Graduate Medical Education, May 23, 2007.

**GENERAL**

GENERAL

See Attachment, which sets forth Hurley's objections to the above cited CMS Final Rule. Thank you.

**Provisions of the Proposed Rule**

Provisions of the Proposed Rule

Hurley opposes the entire rule as written, as detailed in the attachment below. (CMS-2279-P) Medicaid Program; Graduate Medical Education, May 23, 2007

CMS-2279-P-163-Attach-1.DOC

CMS-2279-P-163-Attach-2.DOC

June 15, 2007

Leslie Norwalk, Esq.  
Acting Administrator  
Centers for Medicare & Medicaid Services  
Hubert H. Humphrey Building - Room 445-G  
200 Independence Ave, S.W.  
Washington, DC 20201

Attention: ***(CMS-2279-P) Medicaid Program; Graduate Medical Education, May 23, 2007***

Dear Administrator Norwalk:

I am writing on behalf of Hurley Medical Center to urge the Centers for Medicare & Medicaid Services (CMS) to rescind the May 23, 2007 proposed rule that seeks to eliminate federal financial participation (FFP) matching funds associated with Medicaid graduate medical education (GME) payments (See 72 Fed. Reg. 28930). Finalizing this rule would erode the financial condition of teaching hospitals and jeopardize their ability to continue to fulfill important teaching, patient care and other missions.

Hurley opposes this new administrative proposal to eliminate Medicaid payments for Graduate Medical Education (GME) because graduate medical education is significantly important and an integral component of our institution. Hurley utilizes the GME program as a mechanism for introducing innovative clinical techniques, enhancing patient care, improving clinical skills and responding to the health care needs of our community. Hurley is recognized, and wishes to continue to be recognized, as a distinguished and progressive teaching hospital offering the highest quality graduate medical education residency training programs to meet future health care needs of the region, with affiliations with University of Michigan, Michigan State University and Henry Ford Hospital. Graduate medical education programs will enable residents to develop scientific, analytical, technical, socioeconomic and personal skills essential for practice in the 21<sup>st</sup> century.

Although characterized by CMS as a "clarification," the reality is that the proposed rule represents a major reversal of long-standing Medicaid policy. For decades, most state Medicaid programs have supported the higher costs of teaching hospitals. CMS and its predecessor, the Health Care Financing Administration, have approved and matched these payments. According to a study commissioned by the Association of American Medical Colleges (AAMC), in 2005,

47 states and the District of Columbia provided direct GME and/or indirect medical education payments under their Medicaid programs.

At Michigan's matching rate, as a result of these proposed cuts, Michigan alone will lose \$100 million annually. Hurley, as a teaching hospital, relies on these and other Medicaid payments to support our critical functions. Medicaid GME payments help teaching hospitals sustain one of our core responsibilities: providing the clinical education of future physicians. Within a supervised patient care team of health care professionals, medical residents provide needed care to Medicaid and other patients as part of their training programs. Educating future physicians and other health care professionals has never been more important given the numerous studies predicting a physician shortage in the near future. Eliminating FFP for state Medicaid agency payments for GME could cripple our graduate medical education programs at a time when more physicians are needed throughout the country and throughout the state of Michigan.

Because half of all Medicaid discharges are from the nation's nearly 1100 teaching hospitals and more than half of the nation's hospital charity care provided occurs in these institutions, a GME funding cut could also affect other services offered to Medicaid and other patients by reducing teaching hospitals' total financial resources. About 20% of Genesee County residents rely on Medicaid. As the primary Medicaid health care provider in the region, Hurley provides more than \$25 million a year in uncompensated care to the community.

Teaching hospitals provide an environment in which clinical research can flourish and where highly specialized tertiary patient care such as burn care, trauma and cardiac care, and transplant services take place. Because of their education and research missions, teaching hospitals offer the most advanced, state-of-the-art services and equipment; and with residents and supervising physicians available around-the-clock, teaching hospitals care for the nation's sickest patients. Most recently, teaching hospitals are looked to as front-line responders in the event of a biological, chemical, or nuclear attack and are implementing plans to fulfill that role. In this regard, Hurley has the only Level I Trauma Unit in the region and services more than 80,000 patients in its emergency department yearly. Hurley also is the only institution in this region that has a specialized Burn Unit and Kidney Transplant Center.

Given their important roles and the current and future financial uncertainty for America's teaching hospitals, it is important that state Medicaid programs receive federal matching assistance for GME. **We therefore strongly urge the Agency to rescind the proposed rule.** Thank you for your anticipated careful consideration of this crucial matter.

Sincerely,

Patrick R. Wardell  
President & Chief Executive Officer

Copy: Submitted electronically to: <http://www.cms.hhs.gov/eRulemaking>

**Submitter :** Mr. John Guhl  
**Organization :** State of NJ Dept. of Human Services  
**Category :** State Government

**Date:** 06/22/2007

**Issue Areas/Comments**

**GENERAL**

GENERAL

See Attachment

CMS-2279-P-164-Attach-1.PDF

#164



State of New Jersey

DEPARTMENT OF HUMAN SERVICES  
DIVISION OF MEDICAL ASSISTANCE AND HEALTH SERVICES

P.O. Box 712  
Trenton, NJ 08625-0712  
Telephone 1-800-356-1561

JON S. CORZINE  
Governor

JENNIFER VELEZ  
Acting Commissioner

JOHN R. GUHL  
Director

June 22, 2007

Centers for Medicare & Medicaid Services  
Department of Health and Human Services  
Attention: CMS-2279-P  
P.O. Box 8016  
Baltimore, MD 21244-8016

Re: New Jersey Comment on CMS Proposed Rule for Medicaid reimbursement of Graduate Medical Education (GME) -- **CMS-2279-P**

Please accept this letter as the comment of the New Jersey Division of Medical Assistance and Health Services (DMAHS) on the proposed rule for Medicaid reimbursement of Graduate Medical Education (GME), published by the United States Department of Health and Human Services (DHHS) Centers for Medicare and Medicaid Services (CMS) on May 23, 2007, at 72 Fed. Reg. 28,930. DMAHS objects to the proposed rule for the reasons set forth below.

Title XIX of the Social Security Act (the Act) authorizes Federal grants to States for Medicaid programs, operated by the State under an approved State plan, that provide medical assistance to needy individuals including low-income families, the elderly, and persons with disabilities. Under section 1903(a)(1) of the Act, federal grant funding, or federal financial participation (FFP), is available to States for a percentage of amounts "expended ... for medical assistance under the State plan." The care and services that must be included within the scope of medical assistance under a Medicaid State plan include inpatient and outpatient hospital services. See sections 1905(a)(1) and 1905(a)(2). Some of that care is rendered, at a cost incurred generally by the hospital, by medical residents who are working in an approved graduate medical education (GME) program. GME is therefore a component of the cost of care incurred by teaching hospitals. GME includes direct costs of a GME program, such as the residents' salaries, and indirect costs (IME) described by CMS as the "added costs of 'learning by doing' treatment methods." On the other hand, if a hospital does not have a residency program, care is provided by other medical professionals, which could be a higher or lower cost. Ultimately, residency programs are items of direct and indirect costs rather than separately identifiable items or units of service.

Section 1902(a) (30) of the Act gives States flexibility to develop their own payment methodologies for services provided under the Medicaid State Plan that are consistent with economy, efficiency and quality of care. For over three decades, CMS has approved New Jersey State plan amendments in which the inpatient and outpatient services are rendered through rates that include GME costs. In the State of New Jersey, GME has always been characterized as a cost; it has never been characterized as a stand-alone activity or a service. Historically, the federal DHHS and Health Care Financing Administration (HCFA), predecessor to CMS, have expressly agreed that GME and IME are costs rather than services or activities.

Prior to 1993, New Jersey hospitals were reimbursed pursuant to an "all-payer hospital rate setting system" that had been approved as a federal demonstration program in the 1970's. GME program costs (direct and indirect) were approved elements of the direct patient care component of the hospitals' costs. The statewide New Jersey Diagnosis Related Group (DRG) rates included GME and IME costs. The New Jersey DRGs were paid by all payers including the Medicare program. When New Jersey hospital rates were legislatively deregulated by L. 1992, c. 160, DMAHS continued, with express federal approval, to include GME and IME in its Medicaid inpatient hospital reimbursement. In summary, CMS has recently misapprehended the nature of GME as a separate type of care or service, rather than its true classification as a direct patient care cost component.

Finally, the purpose of a flexible reimbursement methodology is to assure access to hospital services for Medicaid clients. Residency programs may provide access to hospital care in communities where access would be limited otherwise due to physician shortages and/or location in a medically underserved area. Ultimately, the States are in a better position to determine whether and how to consider GME and IME costs in a reimbursement methodology. In addition, the upper payment limit (UPL) and Omnibus Budget Reconciliation Act (OBRA) calculations allow CMS to set limits on federal funds. In summary, there is no rational purpose to be achieved by preventing States from using their congressionally mandated flexibility to include all, or a portion, or none, of a particular hospital's GME and IME costs as part of a reimbursement methodology, particularly where doing so would be consistent with accessible care to vulnerable populations, economy, efficiency and quality of care.

Respectfully submitted,



John R. Guhl  
Director

**Submitter :** Mr. Rudolph Angulo  
**Organization :** Banner Health  
**Category :** Health Care Provider/Association

**Date:** 06/22/2007

**Issue Areas/Comments**

GENERAL

GENERAL

see attachment

CMS-2279-P-165-Attach-1.PDF



1441 North 12th Street, Phoenix, AZ 85006  
602-495-4000  
BannerHealth.com

Banner Health

**BANNER GOOD SAMARITAN MEDICAL CENTER COMMENT LETTER ON MEDICAID  
GME PROPOSED RULE**

Leslie Norwalk, Esq.  
Acting Administrator  
Centers for Medicare & Medicaid Services  
Hubert H. Humphrey Building  
Room 445-G  
200 Independence Ave, SW  
Washington, DC 20201

Attention: CMS-2279--P

Dear Administrator Norwalk:

I am writing on behalf of Banner Good Samaritan Medical Center, Medicare Provider Number 03-0002, to urge the Centers for Medicare & Medicaid Services (CMS) to rescind the May 23, 2007 proposed rule that seeks to eliminate federal financial participation (FFP) matching funds associated with Medicaid graduate medical education (GME) payments (See 72 Fed. Reg. 28930). Finalizing this rule would erode the financial condition of teaching hospitals and jeopardize their abilities to continue to fulfill important teaching, patient care and other missions.

Although characterized by CMS as a "clarification," the reality is that the proposed rule represents a major reversal of long-standing Medicaid policy. For decades, most state Medicaid programs have supported the higher costs of teaching hospitals. CMS and its predecessor, the Health Care Financing Administration, have approved and matched these payments. According to a study commissioned by the Association of American Medical Colleges (AAMC), in 2005, 47 states and the District of Columbia provided direct GME and/or indirect medical education payments under their Medicaid programs. Banner Good Samaritan Medical Center has received \$2.0 – \$2.5 million dollars each year from the State GME program over the past several years the funding has been in place. Teaching hospitals rely on these and other Medicaid payments to support our critical functions.

Medicaid GME payments help teaching hospitals sustain one of our core responsibilities: providing the clinical education of future physicians. Within a supervised patient care team of health care professionals, medical residents provide needed care to Medicaid and other patients as part of their training programs. Educating future physicians and other health care professionals has never been more important given the numerous studies predicting a physician shortage in the near future.

Banner Good Samaritan Medical Center's academically oriented clinical setting with over 250 residents and fellows, medical students, other healthcare trainees and an excellent hospital-based faculty, fosters a very stimulating and rewarding educational atmosphere.

Banner Good Samaritan has core residencies in:

- Internal Medicine
- Family Medicine
- Surgery
- Obstetrics and Gynecology
- Orthopaedic Surgery
- Psychiatry

We also offer a Combined Internal Medicine-Pediatrics Residency

Our subspecialty fellowships include:

- Cardiology
- Interventional Cardiology
- Endocrinology
- Gastroenterology
- Geriatrics
- Maternal-Fetal Medicine
- Pulmonary Disease and Critical Care Medicine
- Toxicology

All of our residency and fellowship training programs are

- fully-accredited by the A.C.G.M.E.
- lead to eligibility for certification by the respective specialty boards

Eliminating FFP for state Medicaid agency payments for GME could cripple our graduate medical education programs at a time when more physicians are needed throughout the country.

Because half of all Medicaid discharges are from the nation's nearly 1100 teaching hospitals and more than half of the nation's hospital charity care occurs in these institutions, a GME funding cut could also affect other services offered to Medicaid and other patients by reducing teaching hospitals' total financial resources. Banner Good Samaritan's Medicaid population accounts for 30% of the total patient day volume and is expected to increase in the future. In addition, Charity Care represents 3% of gross revenue which has more than doubled in the past year.

Teaching hospitals provide an environment in which clinical research can flourish and where highly specialized tertiary patient care such as burn care, trauma and cardiac care, and transplant services take place. Because of their education and research missions, teaching hospitals offer the most advanced, state-of-the-art services and equipment; and with residents and supervising physicians available around-the-clock, teaching hospitals care for the nation's sickest patients. Most recently, teaching hospitals are looked to as front-line responders in the event of a biological, chemical, or nuclear attack and are implementing plans to fulfill that role.

Banner Good Samaritan Medical Center has served as a leader in healthcare in the Southwest since 1911. It is the flagship, quaternary care hospital of not-for-profit Banner Health which has 21 facilities throughout Arizona and other western and midwestern states. Banner Good Samaritan is located in the heart of Phoenix on a 60-acre campus including a modernistic 12-story inpatient complex and state-of-the-art diagnostic, emergency, ambulatory and support services. We are a major teaching affiliate of the University of Arizona's College of Medicine and an integral component of its expanding Phoenix Campus.

Banner Good Samaritan Medical Center in downtown Phoenix has offered care to the community since 1911, and is a flagship hospital within Banner Health.

Nearly 1,700 physicians representing more than 50 specialties work with Banner Good Samaritan staff to care for more than 36,000 inpatients a year.

Banner Good Samaritan houses more than 650 licensed patient care beds. Banner Good Samaritan is a teaching hospital that trains more than 220 physicians annually and a premier medical center in Arizona and the Southwest. It provides a comprehensive foundation of major programs and an equally impressive offering of highly specialized programs not available in most hospitals. Excellent patient care is the hallmark of major programs such as the Harry J. Cavanagh Cardiology Center, Level I Trauma, cancer care, general and minimally-invasive surgery, transplantation, and high-risk obstetrics.

Highly specialized services, such as Blood Conservation Medicine, Comprehensive NeuroServices and the Positron Emission Tomography Center have emerged as leading programs in the region.

Banner Good Samaritan physicians and staff rely on the cutting edge technologies in the care of their patients. The new Simulation Education and Training (SimET) Center will train physicians, residents, nurses and first responders with the latest virtual reality simulations and robotic mannequins so medical staff can perfect their techniques before working with actual patients. Additionally, Banner Good Samaritan has become an important research center in selected areas of research with the formation of Banner Health's first Center of Excellence, the Banner Alzheimer's Institute and spinal cord injuries.

Banner Good Samaritan is designated as a Primary Stroke Center, was recently named to *U.S. News & World Report's* "America's Best Hospitals" list for Endocrinology, Heart Care and Heart Surgery, and Obstetrics and Gynecology. In 2005, Banner Good Samaritan was recognized as a Magnet facility by the American Nurses Credentialing Center, the highest honor a hospital can earn for its nursing care and practices, and honored as one of Solucient's "100 Top Hospitals" for Cardiovascular Care.

Given their important roles and the current and future financial uncertainty for America's teaching hospitals, it is important that state Medicaid programs receive federal matching assistance for GME. **We urge the Agency to rescind the proposed rule.**

Sincerely,

Rudolph Angulo  
Banner Health

Submitter : Ms. Cecelia Wu

Date: 06/22/2007

Organization : Partners HealthCare

Category : Health Care Provider/Association

Issue Areas/Comments

GENERAL

GENERAL

See Attachment

CMS-2279-P-166-Attach-1.PDF



By Electronic Mail

June 22th, 2007

Leslie Norwalk, Esq.  
 Acting Administrator  
 Centers for Medicare and Medicaid Services  
 Department of Health and Human Services  
 Hubert H. Humphrey Building  
 200 Independence Avenue, SW., Room 445-G  
 Washington, DC 20201

**Attention: CMS-2279-P, Medicaid Graduate Medical Education, May 23, 2007**

Dear Ms. Norwalk:

Partners HealthCare System, Inc. (Partners) is pleased to comment on the Medicaid Graduate Medical Education rule as published in the May 23, 2007 Federal Register, on behalf of its member hospitals:

**Institution Provider Number**

|                                |        |
|--------------------------------|--------|
| Brigham & Women's Hospital     | 220110 |
| Faulkner Hospital              | 220119 |
| Massachusetts General Hospital | 220071 |
| Martha's Vineyard Hospital     | 221300 |
| Nantucket Cottage Hospital     | 221301 |
| Newton-Wellesley Hospital      | 220101 |
| North Shore Medical Center     | 220035 |

In the proposed Medicaid Graduate Medical Education (GME) rule CMS proposes to eliminate federal financial participation (FFP) matching funds associated with Medicaid GME payments. We ask CMS to rescind this rule. The proposed policy would negatively impact teaching hospitals and their critical role of training future physicians.

**Leslie Norwalk, Esq., Acting Administrator, CMS**  
**Comments to Medicaid Graduate Medical Education**  
**June 22, 2007**

The proposed policy is characterized as a "clarification" by CMS, but the reality is that it is a major reversal of a long-standing Medicaid policy. For decades, the MA Medicaid program has been a bedrock of support for the important mission of training our state's, and our nation's future physicians. Together with the Medicare program, this **explicit** support of teaching mission has established a significant public policy for all payers. Reversing Medicaid's support of medical education sends a very troubling message to payers and society. Furthermore, we respectfully disagree that the support of graduate medical training is beyond the scope of Medicaid program. Medicaid, as does all payers, has a responsibility to ensure best patient care for all of its members – today and **tomorrow**. Support of teaching is one of the key ways that Medicaid, and all payers, can ensure high quality care continues into the future.

Teaching hospitals care for the sickest patients and serve other critical functions. We are the training ground for future physicians, we also sponsor clinical research and provide specialized tertiary patient care such as trauma, burn care and transplant services. Teaching hospitals require a higher margin because of their higher capital investment intensity to serve the above function; therefore, government funding, such as the Medicaid GME, serves an important financial resource, especially at a time of deteriorating government payer margin. (Medicare teaching hospital margins have declined 4 years in a row according to MedPAC March 2007 Report to Congress)

Partners strongly disagrees with CMS's proposed "clarification" to reverse FFP support for Medicaid GME, and we strongly urge CMS to rescind the rule.

Partners HealthCare appreciates the opportunity to comment on the proposed rule. Should there be any questions regarding this letter, please contact Anthony Santangelo: by email, at [asantangelo@partners.org](mailto:asantangelo@partners.org) or by phone, at 617-726-5449.

Sincerely,

Anthony Santangelo  
Corporate Manager of Government Revenue  
Partners HealthCare System

**Partners HealthCare System**  
**Boston, MA**  
**Page 2 of 2**

**Submitter :** Mr. Douglas Bagley  
**Organization :** Riverside County Regional Medical Center  
**Category :** Critical Access Hospital

**Date:** 06/22/2007

**Issue Areas/Comments**

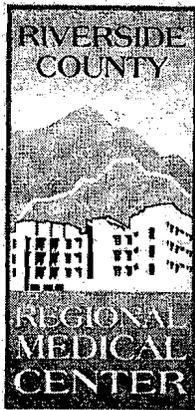
**GENERAL**

GENERAL

See attachment.

CMS-2279-P-167-Attach-1.PDF

CMS-2279-P-167-Attach-2.PDF



OFFICE OF THE DIRECTOR

June 20, 2007

Leslie Norwalk, Esq.  
 Acting Administrator  
 Centers for Medicare & Medicaid Services  
 Hubert H. Humphrey Building  
 Room 445-G  
 200 Independence Ave, SW  
 Washington, DC 20201

RE: CMS-2279--P

Dear Administrator Norwalk:

I am writing on behalf of Riverside County Regional Medical Center (RCRMC) to urge the Centers for Medicare & Medicaid Services (CMS) to rescind the May 23, 2007 proposed rule that seeks to eliminate federal financial participation (FFP) matching funds associated with Medicaid graduate medical education (GME) payments (See 72 Fed. Reg. 28930). Finalization of this rule would be contrary to the core intent of the Medicaid statute to provide direct patient care to Medicaid recipients, who constitute the majority of the patients at RCRMC and of all of California's public hospitals. The federal contribution to the costs of Medicaid GME allows public hospitals not only to play a vital role in the provision of critical medical services, but also to provide a learning venue for the nation's future physicians. We estimate that this harmful rule would cost RCMRC \$1.8 million and California's public hospitals approximately \$86.5 million per year, which would have an extremely detrimental impact on our hospitals' ability to provide access to quality medical care for our Medicaid patients.

Although the proposed rule characterizes the elimination of GME Medicaid costs as a "clarification," it actually represents a major reversal of the long-standing Medicaid policy to pay for the costs of direct patient services. Interns and residents at RCRMC assume an absolutely necessary role in the provision of direct patient services and, as such, CMS' attempt to change precedent upon which public hospitals have relied for more than 40 years is clearly erroneous. This precedent is grounded in the statute's stated purpose of reimbursing reasonable costs incurred in the efficient delivery of needed health services. Utilization of residents and interns reinforces the workforce that is needed to render quality and cost-effective direct health care services to RCRMC's patients. If Medicaid declines to pay the costs of GME, safety net hospitals like ours will be forced to hire additional physicians, the cost of which would be

prohibitive to fulfilling our missions to care for our most vulnerable patients. We, and the other public hospitals in the state, not only constitute the cornerstone of the health care safety net, but also provide necessary services on which our communities rely, including, including trauma, burn and emergency psychiatric care.

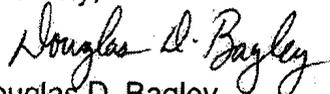
In addition, the decline in teaching new physicians will certainly lead to physician shortages which will also impede access to medical care for our patients. For decades, most state Medicaid programs, including California's, have supported the higher costs of teaching hospitals. CMS and its predecessor, the Health Care Financing Administration, have approved and matched these payments. California's public hospitals rely on these payments as a reasonable and necessary cost of providing services to Medicaid beneficiaries. Without the essential services of residents and interns, RCRMC and the state's other public hospitals will suffer greatly. Our hospitals count on GME and other Medicaid payments to support our critical dual role of delivering quality care and of educating our future physicians.

California's public teaching hospitals perform nearly half of all Medi-Cal discharges in the state and approximately half of all hospital care to the uninsured. As such, the proposed GME funding cut could also affect other services offered to Medicaid and other vulnerable patients by reducing teaching hospitals' total financial resources. In RCRMC's case, for example, we provide \$80 million in care to Medicaid patients, and \$60 million in uninsured care.

Public teaching hospitals are environments in which specialty patient care, including burn, trauma, cardiac and transplant services are available and where clinical research can flourish. Because of their education and research missions, teaching hospitals offer the most advanced, state-of-the-art services and equipment. Residents and supervising physicians provide around-the-clock, direct, complex care for the nation's sickest patients. In addition, communities look to teaching hospitals as front-line responders in the event of a biological, chemical, or nuclear attack.

Given the important role of RCRMC and California's other public teaching hospitals in providing direct health care services to Medicaid recipients, and the current and future uncertainty surrounding their financial security, it is critical that California's Medicaid program continue to receive federal matching assistance for GME. **We therefore urge CMS to rescind the proposed rule.**

Sincerely,



Douglas D. Bagley  
Chief Executive Officer

cc: Melissa Stafford Jones  
President and CEO, CAPH

26520 Cactus Avenue, Moreno Valley, California 92555  
Phone: 951-486-4458 • FAX: 951-486-4475 • TDD: 951-486-4397

**Submitter :** Dr. John Roberts  
**Organization :** University of Louisville School of Medicine  
**Category :** Academic

**Date:** 06/22/2007

**Issue Areas/Comments**

GENERAL

GENERAL

See Attachment

CMS-2279-P-168-Attach-1.TXT

CMS-2279-P-168-Attach-2.DOC

February 28, 2008

Leslie Norwalk, Esq.  
Acting Administrator  
Centers for Medicare & Medicaid Services  
Hubert H. Humphrey Building  
Room 445-G  
200 Independence Ave, SW  
Washington, DC 20201

Attention: - CMS-2279--P

Dear Administrator Norwalk:

I am writing on behalf of the Graduate Medical Education (GME) Program of the School of Medicine of the University of Louisville to urge the Centers for Medicare & Medicaid Services (CMS) to rescind the May 23, 2007 proposed rule that seeks to eliminate federal financial participation (FFP) matching funds associated with Medicaid GME payments (See 72 Fed. Reg. 28930). Finalizing this rule would be disastrous for our medical school and our teaching hospitals. The loss of federal matching funds for the state Medicaid support of Graduate Medical Education would jeopardize our ability to train resident physicians for our state and in turn would have incalculable repercussions on our teaching hospitals' ability to meet the health care needs of our most needy citizens.

This proposed rule, characterized by CMS as a "clarification," is in reality a major reversal of long-standing Medicaid policy. Since the inception of the Medicaid Program in the 1960s, states have paid what they believe to be their fair share of GME costs. Second to Medicare, Medicaid is the largest explicit payer of GME. Since the 1960s states have had the option to support such additional services as GME and to receive matching Federal funds for them. For these four decades, most state Medicaid programs have supported the higher costs of teaching hospitals. For these four decades, CMS and its predecessor, the Health Care Financing Administration, have approved and matched these payments. Teaching hospitals rely on these and other Medicaid payments to support their critical functions: education of the nation's physician workforce and care of the indigent and Medicaid patients.

Medicaid GME payments help teaching hospitals sustain one of their core responsibilities: providing the clinical education of future physicians. Within a supervised patient care team of health care professionals, these medical residents provide needed care to Medicaid and other patients as part of their training. Without resident physicians many patients would go without care or receive delayed care. For instance, most pediatricians in the Louisville, Kentucky area no longer accept Medicaid pediatric patients. The burden of caring for these innocent children falls to the Kosair Children's

Hospital, the physician faculty of the Pediatric Department of the University of Louisville and to the resident physicians of the School of Medicine's Pediatric training program.

Further, educating future physicians and other health care professionals has never been more important given the numerous studies predicting a physician shortage in the near future. Eliminating FFP for state Medicaid agency payments for GME could cripple graduate medical education programs, causing a downsizing of the residency programs at our institution, at a time when more physicians are needed in our state and throughout the country.

The nation's teaching hospitals are already having financial difficulties. Because half of all Medicaid discharges are from the nation's nearly 1100 teaching hospitals and more than half of the nation's hospital charity care occurs in these institutions, a GME funding cut could also affect other services offered to Medicaid and other patients by further reducing teaching hospitals' total financial resources. Our University of Louisville Hospital, supporting over 230 resident physicians, would suffer greatly under this proposal.

Teaching hospitals provide an environment where highly specialized tertiary patient care such as burn care, trauma and cardiac care, high risk neonatal and perinatal care, and transplant services take place. Many "private" and even "non-profit" hospitals eschew these patients because they are not profitable. Because of their education and research missions, teaching hospitals offer the most advanced, state-of-the-art services and equipment; and with residents and supervising physicians available around-the-clock, teaching hospitals care for the nation's sickest patients. Most recently, teaching hospitals are looked to as front-line responders in the event of a biological, chemical, or nuclear attack and are implementing plans to fulfill that role.

To withdraw federal matching funding for Kentucky's Medicaid GME dollars, after over four decades of consistent and dependable support, and with no alternative funding source proposed, would be socially irresponsible.

Given their important roles and the current and future financial uncertainty for America's teaching hospitals, it is important that state Medicaid programs receive federal matching assistance for GME. I urge the Agency to rescind the proposed rule.

Sincerely,

John L. Roberts, MD  
Associate Dean  
Graduate Medical Education  
School of Medicine  
University of Louisville

Submitter :

Date: 06/22/2007

Organization :

Category : Health Care Professional or Association

Issue Areas/Comments

GENERAL

GENERAL

Sec Attachment

CMS-2279-P-169-Attach-1.DOC

#169

June 22, 2007

Leslie Norwalk, Esq.  
Acting Administrator  
Centers for Medicare & Medicaid Services  
Hubert H. Humphrey Building  
Room 445-G  
200 Independence Ave, SW  
Washington, DC 20201

Attention: **CMS-2279—P (Medicaid Program; Graduate Medical Education)**

Dear Administrator Norwalk:

On behalf of the undersigned organizations, we are writing to urge the Centers for Medicare & Medicaid Services (CMS) to rescind the May 23, 2007, proposed rule that seeks to eliminate federal financial participation (FFP) matching funds associated with Medicaid graduate medical education (GME) payments (72 Fed. Reg. 28930). Finalizing this rule would erode the financial condition of teaching hospitals and jeopardize their abilities to continue to fulfill important teaching, patient care, and other missions.

Although characterized by CMS as a "clarification," the reality is that the proposed rule represents a major reversal of long-standing Medicaid policy. For decades, most state Medicaid programs have supported the higher costs of teaching hospitals. CMS and its predecessor, the Health Care Financing Administration, have approved and matched these payments. According to a study commissioned by the Association of American Medical Colleges (AAMC), in 2005, 47 states and the District of Columbia provided direct GME and/or indirect medical education payments under their Medicaid programs. Teaching hospitals rely on these and other Medicaid payments to support their critical functions.

Medicaid GME payments help teaching hospitals sustain one of their core responsibilities: providing the clinical education of future physicians. Within a supervised patient care team of health care professionals, medical residents provide needed care to Medicaid and other patients as part of their training programs. Educating future physicians and other health care professionals has never been more important given the numerous studies predicting a physician shortage in the near future. Eliminating FFP for state Medicaid agency payments for GME could cripple graduate medical education programs at a time when more physicians are needed throughout the country.

The nation's nearly 1100 teaching hospitals provide more than half of the nation's hospital charity care and are responsible for treating half of all discharged Medicaid

patients. Clearly, elimination of the federal GME match could have a ripple effect on other services offered to all patients by reducing teaching hospitals' total financial resources.

Teaching hospitals provide an environment in which clinical research can flourish and where highly specialized tertiary patient care such as burn care, trauma and cardiac care, and transplant services take place. Because of their education and research missions, teaching hospitals offer the most advanced, state-of-the-art services and equipment; and with residents and supervising physicians available around-the-clock, teaching hospitals care for the nation's sickest patients.

Given their important roles and the current and future financial uncertainty for America's teaching hospitals, it is important that state Medicaid programs receive federal matching assistance for GME. **We urge the Agency to rescind this proposed rule.**

Sincerely,

American Academy of Dermatology Association  
American Academy of Facial Plastic and Reconstructive Surgery  
American Academy of Family Physicians  
American Academy of Hospice and Palliative Medicine  
American Academy of Neurology  
American Academy of Ophthalmology  
American Academy of Osteopathy  
American Academy of Otolaryngology – Head and Neck Surgery  
American Academy of Pediatrics  
American Academy of Physical Medicine and Rehabilitation  
American Association of Clinical Endocrinologists  
American Association of Colleges of Osteopathic Medicine  
American Association of Neurological Surgeons  
American Association of Orthopaedic Surgeons  
American College of Cardiology  
American College of Emergency Physicians  
American College of Obstetricians and Gynecologists  
American College of Osteopathic Emergency Physicians  
American College of Osteopathic Family Physicians  
American College of Osteopathic Obstetricians and Gynecologists  
American College of Osteopathic Pediatricians  
American College of Osteopathic Internists  
American College of Osteopathic Surgeons  
American College of Physicians  
American College of Preventive Medicine  
American College of Radiology  
American College of Rheumatology

American College of Surgeons  
American Gastroenterological Association  
American Geriatrics Society  
American Medical Association  
American Medical Directors Association  
American Osteopathic Academy of Addiction Medicine  
American Osteopathic Academy of Orthopedics  
American Osteopathic Association  
American Osteopathic College of Dermatology  
American Osteopathic College of Pathologists  
American Osteopathic College of Proctology  
American Osteopathic College of Radiology  
American Osteopathic College of Rheumatology, Inc.  
American Psychiatric Association  
American Society for Clinical Pathology  
American Society for Reproductive Medicine  
American Society for Therapeutic Radiology and Oncology  
American Society of Addiction Medicine  
American Society of Anesthesiologists  
American Society of Clinical Oncology  
American Society of General Surgeons  
American Society of Hematology  
American Society of Pediatric Nephrology  
American Thoracic Society  
Association of Departments of Family Medicine  
Association of Family Medicine Residency Directors  
Association of Osteopathic Directors and Medical Educators  
Child Neurology Society  
Congress of Neurological Surgeons  
Infectious Diseases Society of America  
Medical Group Management Association  
North American Primary Care Research Group  
Orthopaedic Trauma Association  
Pediatric Orthopaedic Society of North America  
Renal Physicians Association  
Society for Cardiovascular Angiography and Interventions  
Society for Vascular Surgery  
Society of Interventional Radiology  
Society of Teachers of Family Medicine  
The Endocrine Society  
The Joint Council of Allergy, Asthma and Immunology

**Submitter :** Mr. Anthony Armada  
**Organization :** Henry Ford Hospital and Health Network  
**Category :** Health Care Professional or Association

**Date:** 06/22/2007

**Issue Areas/Comments**

**GENERAL**

GENERAL

See Attachment

CMS-2279-P-170-Attach-1.PDF

CMS-2279-P-170-Attach-2.PDF



HENRY FORD HOSPITAL & HEALTH NETWORK

**Anthony A. Armada**  
President and  
Chief Executive Officer

June 22, 2007

2799 West Grand Boulevard  
Detroit, MI 48202-2689  
(313) 916-8058 Office  
(313) 916-8096 Fax  
Email: tarmada1@hfhs.org

Leslie Norwalk, Esq.  
Acting Administrator  
Centers for Medicare & Medicaid Services  
Hubert H. Humphrey Building  
Room 445-G  
200 Independence Ave, SW  
Washington, DC 20201

Attention: **CMS-2279—P**  
**Medicaid GME Proposed Rule**

Dear Administrator Norwalk:

I am writing on behalf of Henry Ford Hospital in Detroit, Michigan, to urge the Centers for Medicare & Medicaid Services (CMS) to rescind the May 23, 2007 proposed rule which seeks to eliminate federal financial participation (FFP) matching funds associated with Medicaid graduate medical education (GME) payments (See 72 Fed. Reg. 28930). Finalizing this rule would erode the financial condition of teaching hospitals and jeopardize our ability to continue to fulfill important teaching, patient care and other missions.

The proposed rule represents a major reversal of long-standing Medicaid policy. For decades, most states, including Michigan, have supported the higher costs of teaching hospitals as part of the Medicaid program. CMS and its predecessor, the Health Care Financing Administration, have approved and matched these payments. According to a study commissioned by the Association of American Medical Colleges (AAMC), in 2005, 47 states and the District of Columbia provided direct GME and/or indirect medical education payments under their Medicaid programs.

Henry Ford Health System (HFHS) conducts one of Michigan's largest medical training programs, which attracts 624 physicians-in-training in 20 specialty and subspecialty programs, located mostly at Henry Ford Hospital. We also provide undergraduate medical education for more than 700 medical students, allied health, nursing, physician assistant and pharmacy students. In 2006, Medicaid medical education payments were about \$14 million to HFHS, with the majority of that devoted to medical education costs at Henry Ford Hospital. As a major academic health center, we must rely on these and

other Medicaid payments to support our physician training programs and continue critical patient care functions.

Medicaid GME payments help teaching hospitals sustain one of our core responsibilities: providing the clinical education of future physicians. Within a supervised patient care team of health care professionals, medical residents provide needed care to patients, including Medicaid and uninsured patients, as part of their training programs. Educating future physicians and other health care professionals has never been more important given the numerous studies predicting a physician shortage in the near future. Eliminating FFP for state Medicaid agency payments for GME would cripple our graduate medical education programs at a time when more physicians are needed in Michigan and throughout the country.

Our medical education program also includes a number of osteopathic training programs at other HFHS hospitals for approximately 200 physicians-in-training. The Henry Ford Wyandotte, Bi-County and St. Joseph Macomb Hospitals are key training sites for osteopathic physicians, including graduates of Michigan State University in Lansing. These physicians are a critical source of family practice and primary care for communities throughout Michigan. The proposed rule would significantly reduce our ability to grow these programs and meet significant shortages for primary care in SE Michigan.

Because half of all Medicaid discharges are from the nation's nearly 1100 teaching hospitals and more than half of the nation's hospital charity care occurs in these institutions, a GME funding cut will also affect other services offered to Medicaid and other patients by reducing teaching hospitals' total financial resources. The Henry Ford Health System is a significant resource for patient care for Medicaid, Medicare and the uninsured, and overall serves more than 1 million Southeast Michigan residents. More than 28% of visits are by persons age 65 and over. Approximately 11% of total patient service revenues are from Medicaid, which currently reimburses at about 50% of Medicare for hospital and physician services combined. Our state is experiencing significant state budget gaps, due to declines in tax revenues. We recently faced a 6% cut in all Medicaid funding, which amounts to \$9 million per year for HFHS, and face similar jeopardy going into the 2008 fiscal year. Medicaid constitutes about 25% of the Michigan budget and will be required to participate in solutions to the estimated deficit of \$1.8 billion in 2008.

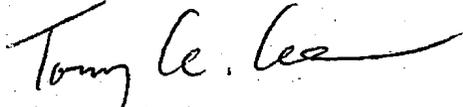
Michigan has been significantly affected by the economic difficulties affecting the American automobile manufacturing companies, and we anticipate continued job loss and more and more families losing their health insurance. We do not know how much our uncompensated care costs will be affected as stopgap health insurance policies expire, due to job losses, but we

have seen significant growth in uncompensated care over the past five years, due primarily to low Medicaid reimbursement and low or no payment from uninsured payments. HFHS uncompensated care in 2006 was \$160 million, with much of that coming from patients served by Henry Ford Hospital in Detroit. The Southeast Michigan communities we serve continue to struggle economically, and more than half the population of Detroit is either covered by Medicaid or uninsured at this time. These factors contribute to our concern about the impact of Medicaid GME cuts on the region and on Henry Ford Health System.

Teaching hospitals continue to provide an environment in which clinical research can flourish and where highly specialized tertiary patient care such as burn care, trauma and cardiac care, and transplant services take place. These services are available in Detroit through Henry Ford Hospital in large part because of our teaching mission. We are able to offer state-of-the-art services and equipment, and with residents and supervising physicians available around-the-clock, we care for the region's sickest patients. With our Level I Trauma Center, Henry Ford Hospital is looked to as a front-line responder in the event of a biological, chemical, or nuclear attack and we continue to work with other agencies and hospitals to implement plans to fulfill that role.

Given the critical roles we play in care for patients and the current and future financial uncertainty for Michigan and all teaching hospitals, it is important that state Medicaid programs receive continued federal matching assistance for GME. **We urge the Agency to rescind the proposed rule.**

Sincerely,



Anthony A. Armada  
President & CEO  
Henry Ford Hospital & Health Network

**Submitter :** Mr. Rudolph Angulo  
**Organization :** Banner Health  
**Category :** Health Care Provider/Association

**Date:** 06/22/2007

**Issue Areas/Comments**

**GENERAL**

GENERAL

see attachment

CMS-2279-P-171-Attach-1.PDF



Banner Health®

1441 North 12th Street, Phoenix, AZ 85006  
602-495-4000  
BannerHealth.com

**BANNER GOOD SAMARITAN MEDICAL CENTER COMMENT LETTER ON MEDICAID  
GME PROPOSED RULE**

Leslie Norwalk, Esq.  
Acting Administrator  
Centers for Medicare & Medicaid Services  
Hubert H. Humphrey Building  
Room 445-G  
200 Independence Ave, SW  
Washington, DC 20201

Attention: **CMS-2279--P**

Dear Administrator Norwalk:

I am writing on behalf of Banner Good Samaritan Medical Center, Medicare Provider Number 03-0002, to urge the Centers for Medicare & Medicaid Services (CMS) to rescind the May 23, 2007 proposed rule that seeks to eliminate federal financial participation (FFP) matching funds associated with Medicaid graduate medical education (GME) payments (See 72 Fed. Reg. 28930). Finalizing this rule would erode the financial condition of teaching hospitals and jeopardize their abilities to continue to fulfill important teaching, patient care and other missions.

Although characterized by CMS as a "clarification," the reality is that the proposed rule represents a major reversal of long-standing Medicaid policy. For decades, most state Medicaid programs have supported the higher costs of teaching hospitals. CMS and its predecessor, the Health Care Financing Administration, have approved and matched these payments. According to a study commissioned by the Association of American Medical Colleges (AAMC), in 2005, 47 states and the District of Columbia provided direct GME and/or indirect medical education payments under their Medicaid programs. Banner Good Samaritan Medical Center has received \$2.0 – \$2.5 million dollars each year from the State GME program over the past several years the funding has been in place. Teaching hospitals rely on these and other Medicaid payments to support our critical functions.

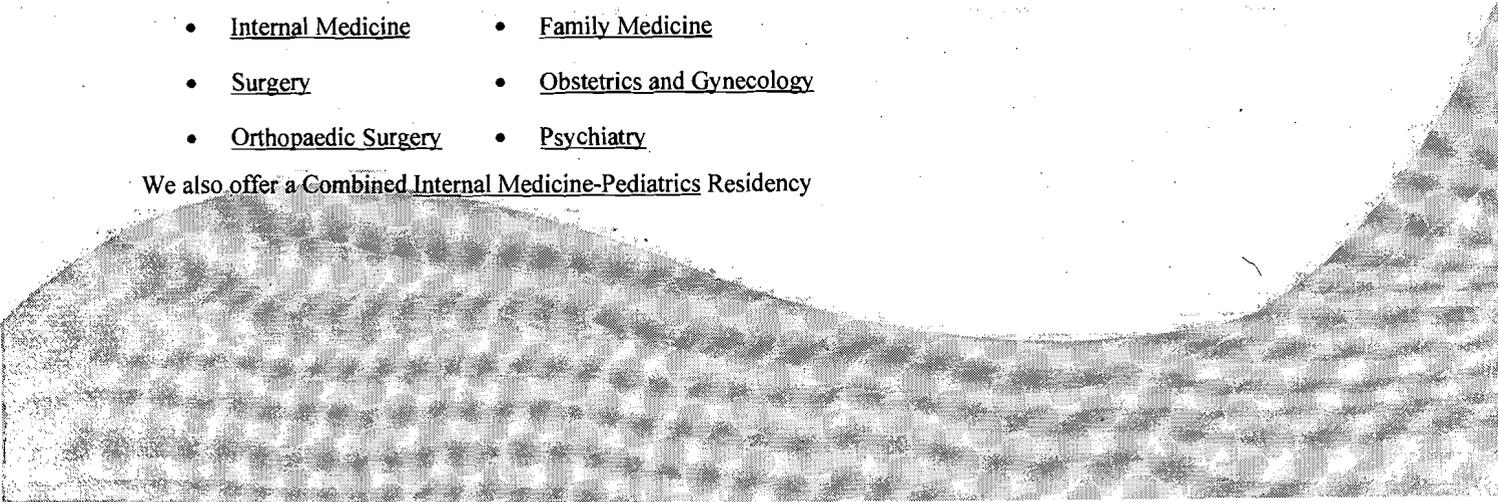
Medicaid GME payments help teaching hospitals sustain one of our core responsibilities: providing the clinical education of future physicians. Within a supervised patient care team of health care professionals, medical residents provide needed care to Medicaid and other patients as part of their training programs. Educating future physicians and other health care professionals has never been more important given the numerous studies predicting a physician shortage in the near future.

Banner Good Samaritan Medical Center's academically oriented clinical setting with over 250 residents and fellows, medical students, other healthcare trainees and an excellent hospital-based faculty, fosters a very stimulating and rewarding educational atmosphere.

Banner Good Samaritan has core residencies in:

- Internal Medicine
- Family Medicine
- Surgery
- Obstetrics and Gynecology
- Orthopaedic Surgery
- Psychiatry

We also offer a Combined Internal Medicine-Pediatrics Residency



Our subspecialty fellowships include:

- Cardiology
- Interventional Cardiology
- Endocrinology
- Gastroenterology
- Geriatrics
- Maternal-Fetal Medicine
- Pulmonary Disease and Critical Care Medicine
- Toxicology

All of our residency and fellowship training programs are

- fully-accredited by the A.C.G.M.E.
- lead to eligibility for certification by the respective specialty boards

Eliminating FFP for state Medicaid agency payments for GME could cripple our graduate medical education programs at a time when more physicians are needed throughout the country.

Because half of all Medicaid discharges are from the nation's nearly 1100 teaching hospitals and more than half of the nation's hospital charity care occurs in these institutions, a GME funding cut could also affect other services offered to Medicaid and other patients by reducing teaching hospitals' total financial resources. Banner Good Samaritan's Medicaid population accounts for 30% of the total patient day volume and is expected to increase in the future. In addition, Charity Care represents 3% of gross revenue which has more than doubled in the past year.

Teaching hospitals provide an environment in which clinical research can flourish and where highly specialized tertiary patient care such as burn care, trauma and cardiac care, and transplant services take place. Because of their education and research missions, teaching hospitals offer the most advanced, state-of-the-art services and equipment; and with residents and supervising physicians available around-the-clock, teaching hospitals care for the nation's sickest patients. Most recently, teaching hospitals are looked to as front-line responders in the event of a biological, chemical, or nuclear attack and are implementing plans to fulfill that role.

Banner Good Samaritan Medical Center has served as a leader in healthcare in the Southwest since 1911. It is the flagship, quaternary care hospital of not-for-profit Banner Health which has 21 facilities throughout Arizona and other western and midwestern states. Banner Good Samaritan is located in the heart of Phoenix on a 60-acre campus including a modernistic 12-story inpatient complex and state-of-the-art diagnostic, emergency, ambulatory and support services. We are a major teaching affiliate of the University of Arizona's College of Medicine and an integral component of its expanding Phoenix Campus.

Banner Good Samaritan Medical Center in downtown Phoenix has offered care to the community since 1911, and is a flagship hospital within Banner Health.

Nearly 1,700 physicians representing more than 50 specialties work with Banner Good Samaritan staff to care for more than 36,000 inpatients a year.

Banner Good Samaritan houses more than 650 licensed patient care beds. Banner Good Samaritan is a teaching hospital that trains more than 220 physicians annually and a premier medical center in Arizona and the Southwest. It provides a comprehensive foundation of major programs and an equally impressive offering of highly specialized programs not available in most hospitals. Excellent patient care is the hallmark of major programs such as the Harry J. Cavanagh Cardiology Center, Level I Trauma, cancer care, general and minimally-invasive surgery, transplantation, and high-risk obstetrics.

Highly specialized services, such as Blood Conservation Medicine, Comprehensive NeuroServices and the Positron Emission Tomography Center have emerged as leading programs in the region.

Banner Good Samaritan physicians and staff rely on the cutting edge technologies in the care of their patients. The new Simulation Education and Training (SimET) Center will train physicians, residents, nurses and first responders with the latest virtual reality simulations and robotic mannequins so medical staff can perfect their techniques before working with actual patients. Additionally, Banner Good Samaritan has become an important research center in selected areas of research with the formation of Banner Health's first Center of Excellence, the Banner Alzheimer's Institute and spinal cord injuries.

Banner Good Samaritan is designated as a Primary Stroke Center, was recently named to *U.S. News & World Report's* "America's Best Hospitals" list for Endocrinology, Heart Care and Heart Surgery, and Obstetrics and Gynecology. In 2005, Banner Good Samaritan was recognized as a Magnet facility by the American Nurses Credentialing Center, the highest honor a hospital can earn for its nursing care and practices, and honored as one of Solucient's "100 Top Hospitals" for Cardiovascular Care.

Given their important roles and the current and future financial uncertainty for America's teaching hospitals, it is important that state Medicaid programs receive federal matching assistance for GME. **We urge the Agency to rescind the proposed rule.**

Sincerely,

Rudolph Angulo  
Banner Health

**Submitter :** Dr. Mitchell Katz  
**Organization :** San Francisco Department of Public Health  
**Category :** Local Government

**Date:** 06/22/2007

**Issue Areas/Comments**

**GENERAL**

GENERAL

See Attachment

#172

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DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE AND MEDICAID SERVICES  
OFFICE OF STRATEGIC OPERATIONS & REGULATORY AFFAIRS

Please note: We did not receive the attachment that was cited in this comment. We are not able to receive attachments that have been prepared in excel or zip files. Also, the commenter must click the yellow "Attach File" button to forward the attachment.

Please direct your questions or comments to 1 800 743-3951.

**Submitter :**

**Date:** 06/22/2007

**Organization :** University of Colorado Hospital

**Category :** Hospital

**Issue Areas/Comments**

GENERAL

GENERAL

See Attachment

CMS-2279-P-173-Attach-1.DOC

CMS-2279-P-173-Attach-2.DOC



# UNIVERSITY OF COLORADO HOSPITAL

June 22, 2007

Leslie Norwalk, Esq.  
Acting Administrator  
Centers for Medicare & Medicaid Services  
Hubert H. Humphrey Building  
Room 445-G  
200 Independence Ave, SW  
Washington, DC 20201

Attention: **CMS-2279--P**

Dear Administrator Norwalk:

On behalf of University of Colorado Hospital, I am writing this letter to urge the Centers for Medicare & Medicaid Services (CMS) to rescind the May 23, 2007 proposed rule that seeks to eliminate federal financial participation (FFP) matching funds associated with Medicaid graduate medical education (GME) payments (See 72 Fed. Reg. 28930). Finalizing this rule would erode the financial condition of teaching hospitals such as ours and would jeopardize our ability to continue to fulfill our most important missions including comprehensive patient care, and the education and training of health professionals.

Although characterized by CMS as a "clarification," in reality this proposed rule represents a major reversal of long-standing Medicaid policy. For decades, most state Medicaid programs have supported the higher costs of teaching hospitals. CMS and its predecessor, the Health Care Financing Administration, have approved and matched these payments. According to a study commissioned by the Association of American Medical Colleges (AAMC), in 2005, 47 states and the District of Columbia provided direct GME and/or indirect medical education payments under their Medicaid programs. In order to support these essential medical education-related programs the University of Colorado Hospital receives one million dollars per year – not an insignificant amount for our hospital. We rely on these and other Medicaid payments to support our critical functions as the only major teaching hospital in Colorado.

Medicaid GME payments help teaching hospitals sustain one of our core responsibilities: providing the clinical education of future physicians. Within a supervised patient care team of health care professionals, medical residents provide needed care to Medicaid and other patients as part of their training programs.



## UNIVERSITY OF COLORADO HOSPITAL

Educating future physicians and other health care professionals has never been more important given the numerous studies predicting a physician shortage in the near future. Residencies at University of Colorado Hospital include more than 65 clinical areas, training more than 250 physicians in programs from general family medicine to about every specialty and sub-specialty medical program. This is particularly important in a state as geographically diverse as Colorado as our hospital receives patient referrals from the four corners of our state. Eliminating FFP from state Medicaid agency payments for GME could cripple our graduate medical education programs at a time when more physicians and the medical care they provide are needed throughout the State of Colorado and the country.

Because half of all Medicaid discharges are from the nation's nearly 1100 teaching hospitals and more than half of the nation's hospital charity care occurs in these institutions, a GME funding cut could also affect other services offered to Medicaid and other uninsured or underinsured patients by reducing teaching hospitals' total financial resources. Throughout this last fiscal year, UCH admitted more than 5,400 Medicaid inpatients and saw more than 30,000 Medicaid outpatient visits. Our hospital is also the second largest "safety net" hospital in the state in providing care for the medically underserved in Colorado who do not qualify for Medicaid. In FY 2006, UCH admitted over 2,000 patients qualified under Colorado's indigent care program, for a total of nearly 11,000 total inpatient days. During that same period UCH also saw a total of over 48,000 medically indigent outpatient visits. We have long maintained a strong commitment to care for the state's medically underserved population. Our residency programs supported by GME dollars are important to our ability to continue to serve these populations.

In addition, teaching hospitals provide an environment in which clinical research can flourish and where highly specialized tertiary patient care such as emergency and long-term burn care; trauma and cardiac care; and transplant services can take place. Because of their education and research missions, teaching hospitals offer the most advanced, state-of-the-art services and equipment; and with residents and supervising physicians available around-the-clock, teaching hospitals care for the nation's sickest patients. In addition teaching hospitals are currently looked to as front-line responders in the event of a biological, chemical, or nuclear attack and are implementing plans to fulfill that role.

University of Colorado Hospital has proudly served the State of Colorado as the state's only major teaching hospital since 1921 and has been the leading hospital in Colorado in providing clinical venues and support for advanced resident and intern medical training. In meeting our mission as a teaching hospital in serving the people of Colorado and the nation; excelling in the education of health professionals; delivering comprehensive patient care; and acquiring knowledge through research training, it is imperative that Graduate Medical Education financial support be maintained.



UNIVERSITY OF COLORADO  
HOSPITAL

Given the important roles we provide and the current and future financial uncertainty for America's teaching hospitals, it is important that state Medicaid programs receive federal matching assistance for GME. **Therefore, we strongly urge CMS to rescind this proposed rule.**

Sincerely,

A handwritten signature in black ink, appearing to read "Bruce Schroffel".

Bruce Schroffel  
President & CEO

Submitter : Mr. Donald F. Gage  
Organization : Santa Clara County Board of Supervisors  
Category : Local Government

Date: 06/22/2007

Issue Areas/Comments

GENERAL

GENERAL

See attachment

#174

III. "/ELECTRONIC%20COMMENTS/ELECTRONIC%20COMMENTS/E-Comments/Active%20Files/Missing%20file1.txt

DEPARTMENT OF HEALTH AND HUMAN SERVICES  
CENTERS FOR MEDICARE AND MEDICAID SERVICES  
OFFICE OF STRATEGIC OPERATIONS & REGULATORY AFFAIRS

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Please direct your questions or comments to 1 800 743-3951.

**Submitter :** Dr. Bruce Kone  
**Organization :** University of Florida College of Medicine  
**Category :** Academic

**Date:** 06/22/2007

**Issue Areas/Comments**

**Background**

Background

Medicaid Graduate Medical Education funding is very vital to our institution.

**GENERAL**

GENERAL

See attachment

**Provisions of the Proposed Rule**

Provisions of the Proposed Rule

we are writing to surge the Centers for Medicare and Medicaid Services to rescind the May 23, 2007 proposed rule that seeks to eliminate federal financial participation matching funds associated with Medicaid graduate medical education paymenets.

CMS-2279-P-175-Attach-1.DOC

CMS-2279-P-175-Attach-2.DOC

June 21, 2007

Leslie Norwalk, Esq.  
Acting Administrator  
Centers for Medicare & Medicaid Services  
Hubert H. Humphrey Building  
Room 445-G  
200 Independence Ave, SW  
Washington, DC 20201

Attention: CMS-2279--P

Dear Administrator Norwalk:

The University of Florida College of Medicine (UF/COM), a member of the Council of Florida Medical School Deans, urges the Centers for Medicare & Medicaid Services (CMS) to rescind the May 23, 2007 proposed rule that seeks to eliminate federal financial participation matching funds associated with Medicaid graduate medical education payments.<sup>1</sup> Finalizing this rule would erode the financial condition of Florida's medical schools and teaching hospitals. The rule, if promulgated, will jeopardize our ability to continue to fulfill important teaching, patient care, education, and research missions.

Every year the UF/COM faculty trains approximately 580 resident physicians through its residency programs. In conjunction with the Shands Teaching Hospitals as our partner, we provide this graduate medical education (GME); and in the process of training and educating physicians to be part of Florida's future workforce the faculty and resident physicians provide significant levels of care to Medicaid and charity patients.

Although characterized by CMS as a "clarification," the reality is that the proposed rule represents a major reversal of long-standing Medicaid policy. For decades, most state Medicaid programs have supported the higher costs of teaching hospitals. CMS and its predecessor, the Health Care Financing Administration, have approved and matched these payments. According to a study commissioned by the Association of American Medical Colleges (AAMC), in 2005, 47 states and the District of Columbia provided direct GME and/or indirect medical education payments under their Medicaid programs.

Florida is among the majority of states that support GME - and the state has been very progressive in doing so. Consistent with the prevailing federal regulations, Florida pays faculty physicians enhanced rates<sup>2</sup> and hospitals are paid hospital-specific per diem rates based on audited cost reports, and included in those costs are the costs associated with GME.<sup>3</sup> In addition, the role of teaching hospitals has been acknowledged in Florida's disproportionate share, upper payment limit, and low-income pool programs. GME has been a recognized and reimbursed cost for over twenty years. Florida's medical schools and teaching hospitals rely on these and other Medicaid payments to support critical access.

These programs and specifically the supplemental payments to faculty physicians have been adopted by the state Legislature and approved and allowed by CMS. Eliminating FFP for state Medicaid agency payments for GME could cripple our GME programs at a time when more physicians are needed throughout Florida and the country.

<sup>1</sup> 72 Federal Register 28930 (May 23, 2007)

<sup>2</sup> 42 CFR § 447.304

<sup>3</sup> 42 CFR § 447 Subpart C

Medicaid GME payments help medical schools and teaching hospitals sustain one of our core responsibilities: providing the clinical education of future physicians. Within a supervised patient care team of health care professionals, medical residents provide needed care to Medicaid and other patients as part of their training programs. Educating future physicians and other health care professionals has never been more important given the numerous studies predicting a physician shortage in the near future.

A GME funding cut could also affect services offered to Medicaid and other patients by reducing medical school and teaching hospital financial resources because academic providers serve a great percent of our state's uninsured and underinsured. Florida's teaching and safety net hospitals provide in excess of 50% of the charity care and most of those patients are cared for by faculty physicians and residents.

UF/COM and the Shands Teaching Hospitals provide an environment in which clinical research can flourish and where highly specialized tertiary patient care such as burn care, trauma and cardiac care, and transplant services take place. In partnership with the medical schools, Florida's teaching and safety net hospitals also offer access to tertiary services providing 99% of the state's burn care, 2 out of every 3 organ transplants, and represent all of the state's designated Level I trauma centers. Because of our education and research missions, teaching hospitals offer the most advanced, state-of-the-art services and equipment; and with residents and supervising physicians available around-the-clock, teaching hospitals are able to care for the nation's sickest patients. Most recently, faculty physicians and teaching hospitals are looked to as front-line responders in the event of a biological, chemical, or nuclear attack and are implementing plans to fulfill that role.

Given their important roles and the current and future financial uncertainty for America's medical schools and hospitals with residency programs, it is important that state Medicaid programs receive federal matching assistance for GME.

**We urge the Agency to rescind the proposed rule.**

With warmest regards,

Electronic signature not available  
Reviewed and approved by:

Bruce C. Kone, M.D.  
Dean, College of Medicine



Richard L. Bucciarelli, M.D.  
Associate Vice President for  
Health Affairs for Government Relations

Submitter : Mr. Charles Clayton

Date: 06/22/2007

Organization : Alliance for Academic Internal Medicine

Category : Physician

Issue Areas/Comments

GENERAL

GENERAL

See attachment.

CMS-2279-P-176-Attach-1.PDF



2501 M Street, NW, Suite 550  
Washington, DC 20037-1325  
Telephone: (202) 861-9351  
Fax: (202) 861-9731  
Email: AAIM@im.org  
Website: www.im.org

June 22, 2007

Leslie V. Norwalk  
Acting Administrator  
Centers for Medicare & Medicaid Services  
Department of Health and Human Services  
Hubert H. Humphrey Building  
200 Independence Avenue, SW  
Room 445-G  
Washington, DC 20201

File Code: CMS-2279-P

Dear Administrator Norwalk:

On behalf of the Alliance for Academic Internal Medicine (AAIM), thank you for the opportunity to comment on the Centers for Medicare & Medicaid Services' (CMS's) proposed rule regarding federal matching of state Medicaid expenditures for graduate medical education (GME). AAIM implores CMS to rescind the proposed rule and reconsider alternatives to it after the 1-year moratorium on changes to Medicaid regulations pertinent to GME contained in Public Law 110-28 expires in 2008.

AAIM consists of the Association of Professors of Medicine, the Association of Program Directors in Internal Medicine, the Association of Specialty Professors, the Clerkship Directors in Internal Medicine, and the Administrators of Internal Medicine. Through these organizations, AAIM represents department chairs and chiefs; clerkship, residency, and fellowship program directors; division chiefs; and academic and business administrators as well as other faculty and staff in departments of internal medicine and their divisions. Collectively, these professionals are responsible for training over 30,000 residents and fellows in nearly 400 residency programs and 1,500 fellowship programs accredited by the Accreditation Council for Graduate Medical Education.

The alliance has several objections to the proposed rule, but its effect on the training of future health care providers is most prominent among these. Based on CMS's own estimates, the proposal will reduce federal Medicaid outlays for GME by an estimated \$1.7 billion over 5 years. These funds represent between 12,000 and 17,000 training positions over this period. Although CMS optimistically assumes other payers will absorb these costs, AAIM contends this funding will be lost to the GME system as a whole as has been the case with other reductions in payment from federal GME systems. Eliminating the \$1.7 billion in federal GME funding through Medicaid will further exacerbate geographic and specialty specific shortages of physicians and create new shortages. Because physicians and physician assistants, nurse practitioners, pharmacists, and other providers are often trained in tandem, implementation of the proposed rule would also reduce or eliminate training opportunities for these other providers. A reduction in funding will also eliminate faculty positions at medical schools and teaching hospitals, eroding the infrastructure necessary to train the next generation of health care providers.

Association of Professors of Medicine

Association of Program Directors in Internal Medicine

Association of Specialty Professors

Clerkship Directors in Internal Medicine

Administrators of Internal Medicine

AAIM also objects to the proposal as it represents a continuation of CMS's attack on federal support for GME, which is evidenced in recent final and proposed Medicare rules on non-hospital training as well as the inclusion of sick time, vacation time, and didactic experiences in GME counts. This attack represents a significant threat to the nation's medical education enterprise and forces AAIM to question who CMS believes will provide health care to Medicare and Medicaid beneficiaries—as well as the remaining insured, underinsured, and uninsured inhabitants of the country—once training programs and teaching hospitals find it is no longer in their economic interest to educate physicians and other providers. CMS's lack of a mandate to reduce GME funding and the agency's inability to moderate its proposals based on their negative effects on this system are troubling and should cause CMS to reconsider its approaches to changes in the system.

The alliance also believes the proposal is objectionable because it represents a capricious change to CMS's admitted previous policy to support GME financing through Medicaid matching funds. The proposal also lacks clarity as is evidenced by the following statement that is not addressed in the proposed rule text or further expanded upon in any other section of the document: "the rule would provide that States may, as part of their UPL calculation, include Medicare payments for indirect medical education." Many other similarly unclear statements are included in the rule.

For all of these reasons, AAIM strongly encourages CMS to rescind the proposed rule. Following the legislatively mandated moratorium on CMS action to promulgate and enforce new regulations pertaining to GME and Medicaid, CMS should undertake a discussion with the Medicaid and GME communities to further understand the complexities of this issue and the effects of any changes to federal matching for GME expenditures. At that time, the agency should also commence a research project to further quantify and characterize state support for GME through Medicaid and other important aspects of GME funding necessary to understand the cascading effects of changes to this important component of the GME funding system.

In conclusion, AAIM encourages CMS to rescind the proposed rule regarding Medicaid funding for GME and undertake efforts to engage in a more robust process of studying and assessing the vital role of the Medicaid program in supporting GME and the negative consequences of eliminating over \$1.7 billion in federal support for health professional training.

Again, thank you for the opportunity to comment. Please contact AAIM Vice President for Policy Charles P. Clayton at (202) 861-9351 or [cclayton@im.org](mailto:cclayton@im.org) with questions about this letter or AAIM.

Sincerely,

*Deborah M. DeMarco*

Deborah M. DeMarco, MD  
Co-Chair  
AAIM Board of Directors

*Barbara L. Schuster, MD*

Barbara L. Schuster, MD  
Co-Chair  
AAIM Board of Directors

cc: AAIM Board of Directors  
Charles P. Clayton

Submitter :

Date: 06/22/2007

Organization : University of Colorado Hospital

Category : Hospital

Issue Areas/Comments

GENERAL

GENERAL

"See Attachment"

CMS-2279-P-177-Attach-1.DOC



**UNIVERSITY OF COLORADO  
HOSPITAL**

June 22, 2007

Leslie Norwalk, Esq.  
Acting Administrator  
Centers for Medicare & Medicaid Services  
Hubert H. Humphrey Building  
Room 445-G  
200 Independence Ave, SW  
Washington, DC 20201

Attention: **CMS-2279--P**

Dear Administrator Norwalk:

On behalf of University of Colorado Hospital, I am writing this letter to urge the Centers for Medicare & Medicaid Services (CMS) to rescind the May 23, 2007 proposed rule that seeks to eliminate federal financial participation (FFP) matching funds associated with Medicaid graduate medical education (GME) payments (See 72 Fed. Reg. 28930). Finalizing this rule would erode the financial condition of teaching hospitals such as ours and would jeopardize our ability to continue to fulfill our most important missions including comprehensive patient care, and the education and training of health professionals.

Although characterized by CMS as a "clarification," in reality this proposed rule represents a major reversal of long-standing Medicaid policy. For decades, most state Medicaid programs have supported the higher costs of teaching hospitals. CMS and its predecessor, the Health Care Financing Administration, have approved and matched these payments. According to a study commissioned by the Association of American Medical Colleges (AAMC), in 2005, 47 states and the District of Columbia provided direct GME and/or indirect medical education payments under their Medicaid programs. In order to support these essential medical education-related programs the University of Colorado Hospital receives one million dollars per year – not an insignificant amount for our hospital. We rely on these and other Medicaid payments to support our critical functions as the only major teaching hospital in Colorado.

Medicaid GME payments help teaching hospitals sustain one of our core responsibilities: providing the clinical education of future physicians. Within a supervised patient care team of health care professionals, medical residents provide needed care to Medicaid and other patients as part of their training programs.



## UNIVERSITY OF COLORADO HOSPITAL

Educating future physicians and other health care professionals has never been more important given the numerous studies predicting a physician shortage in the near future. Residencies at University of Colorado Hospital include more than 65 clinical areas, training more than 250 physicians in programs from general family medicine to about every specialty and sub-specialty medical program. This is particularly important in a state as geographically diverse as Colorado as our hospital receives patient referrals from the four corners of our state. Eliminating FFP from state Medicaid agency payments for GME could cripple our graduate medical education programs at a time when more physicians and the medical care they provide are needed throughout the State of Colorado and the country.

Because half of all Medicaid discharges are from the nation's nearly 1100 teaching hospitals and more than half of the nation's hospital charity care occurs in these institutions, a GME funding cut could also affect other services offered to Medicaid and other uninsured or underinsured patients by reducing teaching hospitals' total financial resources. Throughout this last fiscal year, UCH admitted more than 5,400 Medicaid inpatients and saw more than 30,000 Medicaid outpatient visits. Our hospital is also the second largest "safety net" hospital in the state in providing care for the medically underserved in Colorado who do not qualify for Medicaid. In FY 2006, UCH admitted over 2,000 patients qualified under Colorado's indigent care program, for a total of nearly 11,000 total inpatient days. During that same period UCH also saw a total of over 48,000 medically indigent outpatient visits. We have long maintained a strong commitment to care for the state's medically underserved population. Our residency programs supported by GME dollars are important to our ability to continue to serve these populations.

In addition, teaching hospitals provide an environment in which clinical research can flourish and where highly specialized tertiary patient care such as emergency and long-term burn care; trauma and cardiac care; and transplant services can take place. Because of their education and research missions, teaching hospitals offer the most advanced, state-of-the-art services and equipment; and with residents and supervising physicians available around-the-clock, teaching hospitals care for the nation's sickest patients. In addition teaching hospitals are currently looked to as front-line responders in the event of a biological, chemical, or nuclear attack and are implementing plans to fulfill that role.

University of Colorado Hospital has proudly served the State of Colorado as the state's only major teaching hospital since 1921 and has been the leading hospital in Colorado in providing clinical venues and support for advanced resident and intern medical training. In meeting our mission as a teaching hospital in serving the people of Colorado and the nation; excelling in the education of health professionals; delivering comprehensive patient care; and acquiring knowledge through research training, it is imperative that Graduate Medical Education financial support be maintained.



UNIVERSITY OF COLORADO  
HOSPITAL

Given the important roles we provide and the current and future financial uncertainty for America's teaching hospitals, it is important that state Medicaid programs receive federal matching assistance for GME. **Therefore, we strongly urge CMS to rescind this proposed rule.**

Sincerely,

A handwritten signature in black ink, appearing to read 'Bruce Schroffel'.

Bruce Schroffel  
President & CEO

Submitter : Mr. Daniel Sellers

Date: 06/22/2007

Organization : Health and Hospital Corporation of Marion County

Category : Hospital

Issue Areas/Comments

GENERAL

GENERAL

See Attachment

CMS-2279-P-178-Attach-1.DOC

#178



HEALTH AND HOSPITAL CORPORATION  
OF MARION COUNTY

3838 North Rural Street • Indianapolis • Indiana • 46205-2930

TEL: 317-221-2000 FAX: 317-221-2020

Leslie Norwalk, Esq.  
Acting Administrator  
Centers for Medicare & Medicaid Services  
Hubert H. Humphrey Building  
Room 445-G  
200 Independence Ave, SW  
Washington, DC 20201

Attention: **CMS-2279--P**

Dear Administrator Norwalk:

I am writing on behalf of Health and Hospital Corporation of Marion County, Indiana and its Division of Public Hospitals d/b/a Wishard Health Services ("HHC" or "WHS") to urge the Centers for Medicare & Medicaid Services (CMS) to rescind the May 23, 2007 proposed rule that seeks to eliminate federal financial participation (FFP) matching funds associated with Medicaid graduate medical education (GME) payments (See 72 Fed. Reg. 28930). Finalizing this rule would erode the financial condition of teaching hospitals and jeopardize their abilities to continue to fulfill important teaching, patient care and other missions.

Although characterized by CMS as a "clarification," the reality is that the proposed rule represents a major reversal of long-standing Medicaid policy. For decades, most state Medicaid programs have supported the higher costs of teaching hospitals. CMS and its predecessor, the Health Care Financing Administration, have approved and matched these payments. According to a study commissioned by the Association of American Medical Colleges (AAMC), in 2005, 47 states and the District of Columbia provided direct GME and/or indirect medical education payments under their Medicaid programs. WHS received \$5.4 million of GME in 2005. Those dollars were used to support clinical operations provided to Medicaid patients. Teaching hospitals rely on these and other Medicaid payments to support our critical functions.

Medicaid GME payments help teaching hospitals sustain one of our core responsibilities: providing the clinical education of future physicians. Within a supervised patient care team of health care professionals, medical residents provide needed care to Medicaid and other patients as part of their training programs. Educating future physicians and other health care professionals has never been more important given the numerous studies predicting a physician shortage in the near future. Indiana University School of Medicine ("IUSOM") is the only medical school in Indiana. Two-thirds of all physicians who work in Indiana were educated at





HEALTH AND HOSPITAL CORPORATION  
OF MARION COUNTY

3838 North Rural Street • Indianapolis • Indiana • 46205-2930

TEL 317-227-2000 FAX 317-221-2020

IUSOM and every student at IUSOM receives training at WHS. Eliminating FFP for state Medicaid agency payments for GME could cripple our graduate medical education programs at a time when more physicians are needed throughout the country.

Because half of all Medicaid discharges are from the nation's nearly 1100 teaching hospitals and more than half of the nation's hospital charity care provided occurs in these institutions, a GME funding cut could also affect other services offered to Medicaid and other patients by reducing teaching hospitals' total financial resources. HHC provides 64% of care for the poor and indigent of Indianapolis, and any reduction of GME reimbursement will undoubtedly endanger HHC's ability to provide care to Medicaid patients. In 2006, HHC's Wishard payer mix was 22.5% Medicare, 27.5% Medicaid, 8.9% commercial, 35.5% uninsured and 5.8% other.

Teaching hospitals provide an environment in which clinical research can flourish and where highly specialized tertiary patient care such as burn care, trauma and cardiac care, and transplant services take place. Because of their education and research missions, teaching hospitals offer the most advanced, state-of-the-art services and equipment; and with residents and supervising physicians available around-the-clock, teaching hospitals care for the nation's sickest patients. Most recently, teaching hospitals are looked to as front-line responders in the event of a biological, chemical, or nuclear attack and are implementing plans to fulfill that role.

HHC is the largest public hospital in Indiana and is the second largest teaching facility in the state. It is one of only two general acute care hospitals most recently qualifying for Medicaid disproportionate share payments based upon its low-income utilization rate. HHC objects to the Proposed Rules, which would unfairly injure HHC, IUSOM, the members of the community and of the State of Indiana that it serves. This loss of revenue will undoubtedly have a negative impact on the learning opportunities at HHC's which include:

- One of only two Level 1 Trauma Centers in Indiana;
- The Richard M. Fairbanks Burn Center, which is one of only four burn centers in Indiana, one of only fifty (50) burn centers in the United States that is verified by the American College of Surgeons and the American Burn Association, and the only adult burn center that serves central and southern Indiana;
- Inpatient and outpatient mental health services through its Midtown Community Mental Health Center, which serves as Wishard's department of psychiatry and which was the first in the State of Indiana to provide a psychiatric emergency room;
- The hospital-based ambulance service for the City of Indianapolis, surrounding townships and the City of Speedway; and





HEALTH AND HOSPITAL CORPORATION  
OF MARION COUNTY

3838 North Rural Street • Indianapolis • Indiana • 46205-2930

TEL 317.221.2000 FAX 317.221.2020

Given their important roles and the current and future financial uncertainty for America's teaching hospitals, it is important that state Medicaid programs receive federal matching assistance for GME. **We urge the Agency to rescind the proposed rule.**

Sincerely,

Daniel E Sellers  
CFO and Treasurer  
Health and Hospital Corporation of Marion County, Indiana

WISHARD  
HEALTH  
SERVICES



Submitter : Dr. Richard Krugman, MD

Date: 06/22/2007

Organization : University of Colorado

Category : Physician

Issue Areas/Comments

GENERAL

GENERAL

See Attachment

CMS-2279-P-179-Attach-1.DOC



Office of the Vice Chancellor for Health Affairs and  
Dean, School of Medicine  
4200 East Ninth Avenue, C-290  
Denver, Colorado 80262  
Phone: 303-315-7567  
Fax: 303-315-8494

June 22, 2007

Leslie Norwalk, Esq.  
Acting Administrator  
Centers for Medicare & Medicaid Services  
Hubert H. Humphrey Building  
Room 445-G  
200 Independence Ave, SW  
Washington, DC 20201

Attention: **CMS-2279--P**

Dear Administrator Norwalk:

I am writing on behalf of the University of Colorado at Denver & Health Sciences Center to urge the Centers for Medicare & Medicaid Services (CMS) to rescind the May 23, 2007 proposed rule that seeks to eliminate federal financial participation (FFP) matching funds associated with Medicaid graduate medical education (GME) payments (See 72 Fed. Reg. 28930). Finalizing this rule would erode the financial condition of teaching hospitals and jeopardize their abilities to continue to fulfill important teaching, patient care and other missions.

Although characterized by CMS as a "clarification," the reality is that the proposed rule represents a major reversal of long-standing Medicaid policy. For decades, most state Medicaid programs have supported the higher costs of teaching hospitals. CMS and its predecessor, the Health Care Financing Administration, have approved and matched these payments. According to a study commissioned by the Association of American Medical Colleges (AAMC), in 2005, 47 states and the District of Columbia provided direct GME and/or indirect medical education payments under their Medicaid programs. Teaching hospitals rely on these and other Medicaid payments to support their critical functions.

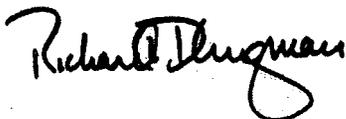
Medicaid GME payments help teaching hospitals sustain one of their core responsibilities: providing the clinical education of future physicians. Within a supervised patient care team of health care professionals, these medical residents provide needed care to Medicaid and other patients as part of their training programs. Educating future physicians and other health care professionals has never been more important given the numerous studies predicting a physician shortage in the near future. Each year, the University of Colorado School of Medicine graduates nearly 150 physicians. As the only medical school in a 500-mile radius, our School is a critical component of the healthcare network serving the Rocky Mountain region. The Denver Metro population has doubled over the past 30 years, and much of our geographic landscape is rural. These two factors compound the need for a strong and fiscally sound School of Medicine. Eliminating FFP for state Medicaid agency payments for GME could cripple graduate medical education programs at a time when more physicians are needed throughout the country, and particularly, in rural and underserved Colorado.

Because half of all Medicaid discharges are from the nation's nearly 1100 teaching hospitals and more than half of the nation's hospital charity care occurs in these institutions, a GME funding cut could also affect other services offered to Medicaid and other patients by reducing teaching hospitals' total financial resources. In Colorado, through our faculty's practice plan, University Physicians, Inc. (UPI), we provide approximately \$13.5 million per year of totally unreimbursed care to patients qualifying for the state medically indigent program. The vast majority of this care is provided at University of Colorado Hospital and, to a lesser extent, The Children's Hospital. In addition to the charity care provided to the patients classified as indigent by the state criteria, we also provide approximately \$17.5 million of unreimbursed care to uninsured "self pay" patients (who may not officially qualify for the state indigent discount program) but are unable to pay nonetheless. UPI also provides extensive services to Medicare and Medicaid patients for whom government insurance payments are significantly below charges. Because so many private physicians are no longer willing to see these patients insured by federal programs, UPI has increasingly become a community safety net for these citizens as well. In 2003/04, we wrote off \$40.1 million of unreimbursed Medicaid charges and \$35.4 million of unreimbursed Medicare charges.

Teaching hospitals provide an environment in which clinical research can flourish and where highly specialized tertiary patient care such as burn care, trauma and cardiac care, and transplant services take place. Because of their education and research missions, teaching hospitals offer the most advanced, state-of-the-art services and equipment; and with residents and supervising physicians available around-the-clock, teaching hospitals care for the nation's sickest patients. Most recently, teaching hospitals are looked to as front-line responders in the event of a biological, chemical, or nuclear attack and are implementing plans to fulfill that role.

Given their important roles and the current and future financial uncertainty for America's teaching hospitals, it is important that state Medicaid programs receive federal matching assistance for GME. **We strongly urge the Agency to rescind the proposed rule.**

With warm regards,



Richard D. Krugman, MD  
Vice Chancellor for Health Affairs and  
Dean, School of Medicine  
University of Colorado at Denver & Health Sciences Center

Submitter : Dr. John Roberts  
Organization : University of Louisville School of Medicine  
Category : Hospital

Date: 06/22/2007

Issue Areas/Comments

GENERAL

GENERAL

"See Attachment"

CMS-2279-P-180-Attach-1.DOC

February 28, 2008

Leslie Norwalk, Esq.  
Acting Administrator  
Centers for Medicare & Medicaid Services  
Hubert H. Humphrey Building  
Room 445-G  
200 Independence Ave, SW  
Washington, DC 20201

Attention: **CMS-2279--P**

Dear Administrator Norwalk:

I am writing on behalf of the Graduate Medical Education (GME) Program of the School of Medicine of the University of Louisville to urge the Centers for Medicare & Medicaid Services (CMS) to rescind the May 23, 2007 proposed rule that seeks to eliminate federal financial participation (FFP) matching funds associated with Medicaid GME payments (See 72 Fed. Reg. 28930). Finalizing this rule would be disastrous for our medical school and our teaching hospitals. The loss of federal matching funds for the state Medicaid support of Graduate Medical Education would jeopardize our ability to train resident physicians for our state and in turn would have incalculable repercussions on our teaching hospitals' ability to meet the health care needs of our most needy citizens.

This proposed rule, characterized by CMS as a "clarification," is in reality a major reversal of long-standing Medicaid policy. Since the inception of the Medicaid Program in the 1960s, states have paid what they believe to be their fair share of GME costs. Second to Medicare, Medicaid is the largest explicit payer of GME. Since the 1960s states have had the option to support such additional services as GME and to receive matching Federal funds for them. For these four decades, most state Medicaid programs have supported the higher costs of teaching hospitals. For these four decades, CMS and its predecessor, the Health Care Financing Administration, have approved and matched these payments. Teaching hospitals rely on these and other Medicaid payments to support their critical functions: education of the nation's physician workforce and care of the indigent and Medicaid patients.

Medicaid GME payments help teaching hospitals sustain one of their core responsibilities: providing the clinical education of future physicians. Within a supervised patient care team of health care professionals, these medical residents provide needed care to Medicaid and other patients as part of their training. Without resident physicians many patients would go without care or receive delayed care. For instance, most pediatricians in the Louisville, Kentucky area no longer accept Medicaid pediatric patients. The burden of caring for these innocent children falls to the Kosair Children's

Hospital, the physician faculty of the Pediatric Department of the University of Louisville and to the resident physicians of the School of Medicine's Pediatric training program.

Further, educating future physicians and other health care professionals has never been more important given the numerous studies predicting a physician shortage in the near future. Eliminating FFP for state Medicaid agency payments for GME could cripple graduate medical education programs, causing a downsizing of the residency programs at our institution, at a time when more physicians are needed in our state and throughout the country.

The nation's teaching hospitals are already having financial difficulties. Because half of all Medicaid discharges are from the nation's nearly 1100 teaching hospitals and more than half of the nation's hospital charity care occurs in these institutions, a GME funding cut could also affect other services offered to Medicaid and other patients by further reducing teaching hospitals' total financial resources. Our University of Louisville Hospital, supporting over 230 resident physicians, would suffer greatly under this proposal.

Teaching hospitals provide an environment where highly specialized tertiary patient care such as burn care, trauma and cardiac care, high risk neonatal and perinatal care, and transplant services take place. Many "private" and even "non-profit" hospitals eschew these patients because they are not profitable. Because of their education and research missions, teaching hospitals offer the most advanced, state-of-the-art services and equipment; and with residents and supervising physicians available around-the-clock, teaching hospitals care for the nation's sickest patients. Most recently, teaching hospitals are looked to as front-line responders in the event of a biological, chemical, or nuclear attack and are implementing plans to fulfill that role.

To withdraw federal matching funding for Kentucky's Medicaid GME dollars, after over four decades of consistent and dependable support, and with no alternative funding source proposed, would be socially irresponsible.

Given their important roles and the current and future financial uncertainty for America's teaching hospitals, it is important that state Medicaid programs receive federal matching assistance for GME. I urge the Agency to rescind the proposed rule.

Sincerely,

John L. Roberts, MD  
Associate Dean  
Graduate Medical Education  
School of Medicine  
University of Louisville