

Submitter : Dr. Diya Mutasim

Date: 06/21/2007

Organization : University of Cincinnati, Department of Dermatolog

Category : Physician

Issue Areas/Comments

GENERAL

GENERAL

See Attachment

CMS-2279-P-84-Attach-1.PDF



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

College of Medicine
 Department of Dermatology
 University of Cincinnati Medical Center
 PO Box 670592
 Cincinnati OH 45267-0592
 231 Albert B. Sabin Way
 Medical Sciences Building, Room 7409
 Phone (513) 558-6242
 Fax (513) 558-0198

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

Dear Administrator Norwalk:

I am writing on behalf of University Hospital and the University Of Cincinnati College Of Medicine 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. In 2006, University Hospital received \$17 million in support of its care of the Medicaid population. 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. University Hospital and the University of Cincinnati College of Medicine sponsor more than 45 ACGME accredited residency and fellowship training programs and train more than 525 physicians each year. As noted by the Association of American Colleges, we are anticipating a looming physician shortage. We already have noted shortages locally in specialties ranging from Cardiology to Dermatology to Orthopedic Surgery. 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

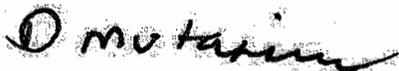
teaching hospitals' total financial resources. In 2006, University Hospital admitted 10,000 Medicaid patients for inpatient services and provided care for an additional 77,000 Medicaid patients in outpatient settings. This is in addition to the 4,000 indigent care patients admitted for inpatient services and the 111,000 treated in outpatient settings. In 2006, as defined by the Catholic Healthcare Initiative, University Hospital provided over \$71 million in community benefit. This figure is by far the largest in our region and one of the top three among providers in the State of Ohio.

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.

University Hospital and the University of Cincinnati College of Medicine work collaboratively in graduate medical education as well as medical student education. A high percentage of physicians practicing in the greater Cincinnati area received residency training at University Hospital. University Hospital is a major resource to the community. It houses the city's major trauma center with AirCare helicopter transport as a key component. University Hospital is the site of the regional adult burn unit. University Hospital and the faculty of the College of Medicine are major referral sites for tertiary and quaternary care in many areas such as Neurology and Neurosurgery. University Hospital maintains the area's only Psychiatric Emergency Services Unit. The Center for Emergency Care is one of the busiest in the region and serves as a major resource for the regional emergency response system. The University Hospital outpatient clinic system provides high quality primary care to the indigent population and the specialty clinics serve as a key referral source for the indigent population. University Hospital maintains a high risk obstetric service and a Newborn Intensive Care Unit. In summary, University Hospital is a significant community resource offering a wide range of primary care and specialty care services to patients of all demographics and payment status. University Hospital has been recognized for quality of care while fulfilling its mission as a safety net hospital.

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,



Diya F. Mutasim, MD
Professor and Chairman

Submitter : Dr. Robert Aaronson
Organization : Tucson Medical Center
Category : Physician

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

see attached

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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 : Dr. Robert Aaronson
Organization : Tucson Medical Center
Category : Physician

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

Please see attached.

CMS-2279-P-86-Attach-1.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 **Tucson Medical Center** and the **Tucson Hospitals Medical Education Program** 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. **Tucson Medical Center received \$1,222,343 in Medicaid GME support last year. Teaching hospitals such as ours 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. **We in Southern Arizona have experienced a growing physician shortage over the last 15 years.** During this period, the population of Pima County has doubled from about 500,000 to just over 1,000,000 people. Despite this, we have added only 550 physicians. Our current ratio of 277 licensed physicians/100,000 population is significantly below the national average. Moreover, many of these licensed physicians see only limited or no patients, as they are research physicians or otherwise confine their practice to the Veterans Administration (VA) hospital or at the Davis-Monthan Air Force Base clinic. Even more worrisome is the fact that our current physician population is older than national norms, with

significant anticipated losses from the physician pool in the coming years as these physicians retire. **For these reasons, maintaining support to GME is vital to the current and future health of Southern Arizona.** Eliminating FFP for state Medicaid agency payments for GME could cripple our graduate medical education programs at a time when more physicians are needed here and 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. **At Tucson Medical Center, there were 13,341 Medicaid admissions during 2006, amounting to 47,010 patient days. This is in the context of an additional \$7,772,801 in charity care provided by Tucson Medical Center in 2006.**

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.

Tucson Medical Center is the largest hospital in Southern Arizona. We are a non-profit institution that serves both as a major community health center and as a secondary and tertiary referral center for patients throughout the region. The pediatric and adult emergency services, prenatal and perinatal care, critical care, cardiovascular services, cancer care and other services provided by this institution are vital to Tucson and to the surrounding medically underserved communities of Southern Arizona.

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,

Robert Aaronson, MD, FACP, FCCP, FAASM
Executive Director, Tucson Hospitals Medical Education Program
Section Chief, Pulmonary & Critical Care Medicine, Tucson Medical Center
robert.aaronson@tmcaz.com
(520) 324-5096

Submitter : Mr. Stanley Brezenoff
Organization : Continuum Health Partners, Inc.
Category : Hospital

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

See Attachment

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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 : Mr. Stanley Brezenoff
Organization : Continuum Health Partners, Inc.
Category : Hospital

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

See Attachment

CMS-2279-P-88-Attach-1.WPD

Department of Health and Human Services
Centers for Medicare & Medicaid Services
Office of Strategic Operations & Regulatory Affairs

The attachment cited in this document is not included because of one of the following:

- The submitter made an error when attaching the document. (We note that the commenter must click the yellow "Attach File" button to forward the attachment.)
- The attachment was received but the document attached was improperly formatted or in provided in a format that we are unable to accept. (We are not are not able to receive attachments that have been prepared in excel or zip files).
- The document provided was a password-protected file and CMS was given read-only access.

Please direct any questions or comments regarding this attachment to
(800) 743-3951.

Submitter : Dr. E. Albert Reece
Organization : University of Maryland School of Medicine
Category : Academic ♦

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

SEE ATTACHMENT

CMS-2279-P-89-Attach-1.PDF

E. ALBERT REECE, MD, PhD, MBA
JOHN Z. AND AKIKO K. BOWERS
DISTINGUISHED PROFESSOR AND DEAN



VICE PRESIDENT FOR MEDICAL AFFAIRS
DEAN, SCHOOL OF MEDICINE

UNIVERSITY OF MARYLAND
SCHOOL OF MEDICINE

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:

I am writing on behalf of University of Maryland School of Medicine to urge the Centers for Medicare and 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. 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.

Because half of all Medicaid discharges are from the nation's nearly 1,100 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.

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 urge the Agency to rescind the proposed rule.**

Sincerely,



E. Albert Reece, MD, PhD, MBA
*Vice President for Medical Affairs, University of Maryland
John Z. and Akiko K. Bowers Distinguished Professor and
Dean, School of Medicine*

EAR:ys

Submitter : Dr. Michael R. Waldrum
Organization : University of Alabama Hospital
Category : Hospital

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

See Attachment

CMS-2279-P-90-Attach-1.PDF



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 University of Alabama Hospital (UAB Hospital) 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.

Although the Alabama Medicaid Agency reimburses most inpatient hospital services on a capitated fee basis, those fees are based on trended historical costs information that includes GME costs. UAB Hospital anticipates that those fees would be reduced if GME costs were not covered by Medicaid. Our hospital estimates that the capitation fees that it receives from the Agency contain approximately \$5.2 million related to medical education costs. Our State Medicaid Agency reimbursed GME costs as far back as the 1980s. 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

Office of Hospital Administration
 300 Medical Education Building
 1813 6th Avenue South
 205.934.4444
 Fax 205.975.5722

The University of
 Alabama at Birmingham
 Mailing Address:
 MEB 300
 619 19th ST S
 Birmingham, AL 35249-7611

Attention: CMS-2279--P

near future. UAB Hospital has 80 specialty and subspecialty teaching programs accredited by the Accreditation Council for Graduate Medical Education. A total of 814 residents are enrolled for fiscal year 2006-2007. UAB Hospital has educational affiliation agreements with 12 major participating institutions. In addition, some programs utilize physicians who serve as community preceptors and provide residents with experience in private practice settings.

There is a shortage of emergency medicine physicians in the state of Alabama, and UAB Hospital provides the state's only Emergency Medicine training program. Also, as a state with a large rural constituency, we have shortages of all types of physicians, including primary care and specialty care. All but two counties in Alabama, Autauga County and Baldwin County are designated by the U.S. Department of Health and Human Services as Medically Underserved Areas/Medically Underserved Populations (MUA/MUP). This situation will continue to worsen without proper attention from local, state and national authorities. 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 1,100 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 our own case, UAB Hospital provides approximately 43,400 days of care to Medicaid patients annually and 32,800 days of care to charity patients.

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.

Today, UAB Hospital is part of the UAB Health System and is Alabama's major tertiary care center with the only adult Level 1 trauma designation in the state. Located on the University of Alabama at Birmingham campus, among major research centers and clinics, the Hospital provides patients with a complete range of primary and specialty care services and hosts an active medical and dental staff of 1056 members who hold faculty appointments at the University of Alabama School of Medicine and/or University of Alabama School of Dentistry.

The current 908-bed facility encompasses more than 3 million square feet and includes 37 high-tech operating suites, all designated to accommodate robot-assisted surgery, 2 procedure rooms, 3 medical surgical units, 4 intensive care units — trauma and burn intensive care, surgical intensive care, neuroscience intensive care, and cardiovascular intensive care.

UAB Hospital also serves as a key referral source for hard-to-access specialty care services, particularly for the uninsured. Of note, 14 UAB programs were recently ranked in *U.S. News &*

Attention: CMS-2279--P

World Report's annual "America's Best Hospitals" issue. Specialty services include trauma care, burn care, neonatal intensive care, cardiac intensive care, orthopedics, and others. The Trauma/Burn Intensive Care Unit is the only center in Alabama that is designated by the American College of Surgeons as a Level-I trauma center, signifying the existence of resources to provide the highest level of trauma care necessary. In addition, the UAB Comprehensive Cancer Center is recognized as one of the nation's top cancer research and treatment facilities.

UAB Hospital is a Regional Resource Hospital designated by the Regional Medical Control System. The Emergency Department offers comprehensive, 24-hour, acute care services and sees more than 50,000 patients each year, making it Alabama's busiest emergency room. In addition, the Emergency Medicine program covers bioterrorism and disaster management; residents participate annually in bioterrorism exercises that drill the performance of existing plans. Needless to say, these functions are critical to the community, and they warrant the utmost support from local, state and national authorities.

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,



Michael R. Waldrum, M.D., M.S.
Chief Executive Officer
UAB Hospital / UAB Highlands

Submitter : Dr. Ron Anderson
Organization : Parkland Health & Hospital System
Category : Health Care Provider/Association

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

See attachment

CMS-2279-P-91-Attach-1.DOC

CMS-2279-P-91-Attach-2.DOC



Parkland Health & Hospital System

June 21, 2007

*Parkland
Memorial
Hospital*

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

*Community
Oriented
Primary Care*

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

Dear Administrator Norwalk:

*Parkland
Community
Health
Plan Inc.*

I am writing on behalf of Parkland Health & Hospital System 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.

*Parkland
Foundation*

Parkland fills a unique place in the Dallas / Fort Worth Metroplex and has since our inception in 1894. We are mandated to furnish medical aid and hospital care to indigent and needy persons residing in Dallas County. However, our services go far beyond the Dallas County lines as we are a regional referral center. We provide \$409 million in uncompensated care annually. This is due to the fact that we were the first Level I trauma center in the state and are only one of two in Dallas County. Additionally, we operate a Level III Neonatal Intensive Care Unit and the second largest civilian burn center in the United States. On an annual basis, we will admit 42,682 patients and deliver 16,489 babies. Through our outpatient clinics and our system of community health centers, we will have 876,555 visits annually. In short, we are the provider of last resort. Dallas County has few other options should Parkland go away.

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 our critical functions:

At best, the rationale for the proposed rule is misguided. Many hospital costs such as capital, housekeeping and nutrition are allowable, allocable costs to Medicaid reimbursement methodologies that are not specific "covered services" of the Medicaid program. In fact, logic would dictate that GME is more of a medical service than the aforementioned items.

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. Parkland serves as the primary teaching hospital for the University of Texas Southwestern Medical Center and employs 940 residents from their training programs. At any given time, approximately 592 of the individuals are completing training activities and Parkland. 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. Approximately 29.9 percent of Parkland's patients are on the Medicaid program. An additional 28.8 percent of our patients qualify for Parkland's charity care program.

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 urge the Agency to rescind the proposed rule.**

Sincerely,

Ron J. Anderson, MD
President & CEO

Submitter : Mr. David Gessel

Date: 06/21/2007

Organization : UHA, Utah Hospitals and Health Systems Association

Category : Health Care Professional or Association

Issue Areas/Comments

Background

Background

UHA, Utah Hospitals and Health Systems Association ("UHA") represents all hospitals and health systems in Utah. I serve as the Legal Counsel and Vice President of Government Relations for UHA. UHA and its members are deeply concerned about this proposed rule regarding federal reimbursement of GME costs. The proposed rule departs from long standing policy allowing federal match of hospitals GME costs. This will have a negative impact on major safety net hospitals in Utah, including our only children's hospital. UHA urges CMS to withdraw this rule and follow congressional intent as passed in P.L. 110-28. Thank you for your consideration.

Submitter :

Date: 06/21/2007

Organization :

Category : Hospital

Issue Areas/Comments

GENERAL

GENERAL

See attachment

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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 : Erin Mass
Organization : The Nebraska Medical Center
Category : Hospital

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

See Attachment

CMS-2279-P-94-Attach-1.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 The Nebraska 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 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. The State of Nebraska has been providing GME reimbursement since well before 1995. 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. The Nebraska Medical Center is one of the leading educators of future doctors in our area. As of the fiscal year ended June 30, 2006 a total of 224 residents participated in a wide variety of programs. We are an internationally known research and transplant facility. In addition we provide widely accessed trauma services and house one of a few bio-containment units in the United States. The broad variety of patients we aid and our cutting edge services provide our students with experience it would be challenging to obtain anywhere else. 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. For the fiscal year ended June 30, 2006 The Nebraska Medical Center treated over 32,000 inpatient Medicaid beneficiaries which comprises about one quarter of all inpatient discharges for that time period. Total charges for services provided to Medicaid beneficiaries exceeded \$143 million and charity care of over \$15 million was provided.

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 urge the Agency to rescind the proposed rule.**

Sincerely,

Erin Mass
Reimbursement Manager

Submitter : Dr. Douglas Dorner
Organization : Central Iowa Health System
Category : Hospital

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

See Attachment

CMS-2279-P-95-Attach-1.PDF



Methodist • Lutheran • Blank

June 21, 2007

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

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

Dear Administrator Norwalk:

As the Designated Institutional Official for Graduate Medical Education at Iowa Methodist Medical Center in Des Moines, Iowa, I am 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. At a time when we are struggling with financing for graduate medical education, finalizing this rule would further challenge the financial condition of this teaching hospital significantly.

It is difficult for me to understand this substantial reversal of a long-standing Medicaid policy. Iowa Medicaid has supported the higher costs of the teaching hospitals in this state, and in the past, these payments have been approved and matched by the Health Care Financing Administration (HCFA) or CMS. Our budget office has suggested that for this institution alone the loss of these funds would amount to over \$700,000 annually. It goes without saying that as a teaching hospital we are heavily reliant upon these Medicaid funds to support our teaching programs.

Iowa is a state where physician manpower is a significant concern. Residents who train in our program in Des Moines are more likely to stay within the state than those trained elsewhere, and our community based residency programs are an important supplier of physicians to our state.

Our health system plays an important role in our community, and our residents support and provide care in many settings beyond our walls such as the Hispanic clinic and the county hospital.

I think that it is imperative that this proposed rule be rescinded, and I urge you to do so. The Iowa Medicaid Program needs to continue to receive federal matching assistance for GME particularly in light of all of the other uncertainty in financing for teaching hospitals.

Thank you for your consideration.

Sincerely,

Douglas B. Dornier, M.D.

Douglas B. Dornier, M.D., FACS
 Senior Vice President, Medical Education & Research
 Designated Institutional Official

Submitter : Dr. Edward Miller
Organization : Johns Hopkins Hospital
Category : Hospital

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

See Attachment.

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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 : Mr. Jeff Sandene
Organization : Sanford Medical Center
Category : Hospital

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

See Attachment

CMS-2279-P-97-Attach-1.PDF

#97



1305 W 18TH ST
PO BOX 5039
SIOUX FALLS SD 57117-5039
Phone: (605) 333-1000
www.sanfordhealth.org

June 19, 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 Sanford USD 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 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. Since the inception of the Medicaid Program, we have received GME dollars. Our last Medicaid cost report for YE April 30, 2006 shows that South Dakota Medicaid paid \$272,775 for GME costs. 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. We currently have resident programs in Family Medicine, Internal Medicine, Transitional, Pathology, and Psychiatry. 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. Annually, we treat over 4000 South Dakota Medicaid cases a year. At the end of April 30, 2006, we treated 4,352 South Dakota Medicaid cases, which is 17.8 % of total admissions for the 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.

As the largest facility in the Sanford Health System, Sanford USD Medical Center, a 487 licensed bed tertiary care facility is committed to comprehensive, specialized healthcare focusing on five Centers of Excellence: Oncology, Cardiology, Neurosciences/ Orthopedics, Trauma, and Women's and Children's. Sanford is home to the only designated Stroke Center in the region, a Neonatal Intensive Care unit, and Intensive Air Trauma 5, a verified Level II trauma center. Annually, we provide over 32,000 Emergency Room visits.

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,



Jeff Sandene
Chief Financial Officer
Sanford USD Medical Center

Submitter : Dr. Elliot Sussman
Organization : Lehigh Valley Hospital and Health Network
Category : Hospital

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

See Attachment

CMS-2279-P-98-Attach-1.TXT

June 20, 2007

Elliot J. Sussman, M.D.
President and Chief Executive Officer
Lehigh Valley Hospital and Health Network
1200 S. Cedar Crest Blvd.
Allentown, PA 18103

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 Lehigh Valley Hospital and Health Network 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. In Fiscal Year 2006, Lehigh Valley Hospital and Health Network received \$322,000 in medical education payments from Medicaid. 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.

Lehigh Valley Hospital and Health Network currently educates more than 180 residents annually in 15 residency programs and three integrated fellowships with Penn State University. We also participate in the training of more than 60 visiting residents from eight other institutions and programs over the course of a calendar year. To our organization, teaching tomorrow's doctors is a critical part of giving people in our community access to the best doctors, which also will help alleviate expected future physician shortages in Pennsylvania.

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. In Fiscal Year 2006 at Lehigh Valley Hospital and Health Network, we treated 2,329 Medicaid inpatient cases and 9,421 Medicaid outpatient cases. We also treated 7,234 charity care cases.

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.

Lehigh Valley Hospital and Health Network is a charitable, not-for-profit, academic hospital focused on our community. We offer many specialties not found elsewhere in our region, including a Level I Trauma Center with pediatric qualifications, an accredited Regional Burn Center, maternal-fetal medicine, two Joint Commission-certified Primary Stroke Centers, a pediatric intensive care unit, a Level III neonatal intensive care unit, a Transplant Center specializing in kidney and pancreas transplant, advanced intensive care featuring tele-intensivists, and a Pediatric Specialty Center with full-time pediatric subspecialists.

In Fiscal Year 2006, we invested \$101.6 million in community service. That includes 127,345 patient visits to the more than 40 primary and specialty clinics at our hospitals and in our community. It also includes \$6.7 million in charitable care to four community, partnerships with regional not-for-profit organizations to provide health care and education, and hundreds of health classes, fairs, screenings and other programs. We also are home to an emergency medicine institute that educates more than 14,000 physicians,

nurses, paramedics and other health care providers throughout our region, along with bioterrorism and disaster preparedness education.

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,

Elliot J. Sussman, M.D.
President and Chief Executive Officer
Lehigh Valley Hospital and Health Network

CMS-2279-P-99

Submitter : Mr. David Hughes
Organization : Pitt County Memorial Hospital
Category : Hospital
Issue Areas/Comments

Date: 06/21/2007

GENERAL

GENERAL

See Attachment

CMS-2279-P-99-Attach-1.PDF

PITT COUNTY MEMORIAL HOSPITAL
University Health Systems of Eastern CarolinaSM

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:

Pitt County Memorial Hospital urges the Centers for Medicare & Medicaid Services (CMS) to withdraw the proposed rule that seeks to eliminate federal financial participation (FFP) for State Medicaid payments for Graduate Medical Education (GME) for the following reasons:

1. CMA Has Both the Authority and the Obligation to Provide FFP for GME Payments.

Notwithstanding assertions to the contrary in the Preamble to the proposed regulations, CMS clearly has authority to provide ffp to States for GME costs incurred by hospitals. As CMS points out, there is no specific authorization in the Medicaid statute for GME payments like that which exists in the Medicare statute. However, there is specific authorization in the Medicaid statute for medical assistance for hospital inpatient services and hospital outpatient services, and this is all that is needed, because GME payments are basically component parts of a broader compensation structure for inpatient and outpatient services. GME payments play the same role as other compensation components like prospective payments, cost based payments, enhanced Medicaid payments, etc. in delivering a modest total compensation package to hospitals for providing services to Medicaid beneficiaries.

The Preamble also contends that GME payments are contrary to the Medicaid statute, because GME payments violate the principles of efficiency, economy and quality of care. This is simply not the case. Compensating health care providers fairly for services provided to Medicaid beneficiaries does not violate these principles.

Under the Medicaid statute States are given broad latitude to develop compensation methodologies that are consistent with economy, efficiency and quality of care. Notwithstanding assertions in the Preamble to the contrary, GME payments do in fact promote such economy, efficiency and quality of care by helping provide necessary training to new physicians today so they can provide quality care in the future. If all payors took the approach proposed in the regulations, there would be no funding for such training expenses and physicians of tomorrow would not have the training necessary to provide the quality of care required under the Medicaid statute. The GME

Leslie Norwalk, Esq.
Centers for Medicare & Medicaid Services
June 21, 2007
Page 2 of 2

component of Medicaid payments is in reality an efficient and economical way to help insure quality health care. CMS lacks the legal authority to deny FFP for state plans that include reimbursement for GME costs.

2. There Are Compelling Policy Reasons for Continuing GME payments.

Training new physicians in a hospital setting helps fill the critical need of having a sufficient number of qualified physicians in the community. Training physicians is becoming even more important in light of the many studies predicting a future physician shortage.

Eliminating FFP for payments for GME could seriously impair these teaching programs. Medicaid GME payments contribute to paying hospitals that participate in medical education programs for otherwise uncompensated costs necessarily associated with providing care to Medicaid patients. The reasonableness and appropriateness of a GME payment component is evidenced by inclusion of GME payment components in the Medicare program.

Even with the current GME payments hospitals receive less than adequate compensation for the services they provide to Medicaid patients. Doing away with GME payments only exacerbates the inadequacy of hospital compensation. Teaching hospitals rely on these payments to support their ability to deliver quality care to the Medicaid population.

GME payments help lay the foundation for quality of care for the future. The Medicaid program has an important stake in insuring into the future an adequate number of well-trained physicians. GME payments help support the education process for these emerging professionals.

Pitt County Memorial Hospital is one of four academic medical centers in North Carolina and serves as the teaching hospital for the Brody School of Medicine at East Carolina University. Clinical Education is an important part of the hospital's mission and helps demonstrate its commitment to the community. In 2006, PCMH trained 290 residents. Along with the Brody School of Medicine, PCMH's educational mission is to increase the primary care physicians in North Carolina, to provide outstanding medical care to the people of Eastern North Carolina and to provide educational opportunities to minority and disadvantaged students. The Medicaid program has an important stake in insuring the availability of an adequate number of well-trained physicians and helping to lay the foundation for quality of care for the future.

In summary, the overall impact of the proposed Regulations will be an immediate material adverse affect on hospitals with teaching programs and a long-term adverse material affect on quality of care. We urge that the proposed regulation be withdrawn.

Sincerely,



David S. Hughes
Vice President of Financial Services

Submitter : Ms. Linda Ollis

Date: 06/21/2007

Organization : Creighton University Medical Center

Category : Hospital

Issue Areas/Comments

GENERAL

GENERAL

See attachment

CMS-2279-P-100-Attach-1.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:

I am writing as the Chief Executive Officer of Creighton University 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 critically 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. 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.

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.

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 urge the Agency to rescind the proposed rule.**

Sincerely,

Linda N. Ollis, FACHE
Chief Executive Officer
Creighton University Medical Center
Omaha, NE

Submitter : Mr. John Erwin
Organization : Conference of Boston Teaching Hospitals
Category : Health Care Professional or Association

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

See attachment.

CMS-2279-P-101-Attach-1.DOC

#101



c/o Boston University Medical Center
715 Albany Street
Boston, MA 02118-2531
phone: 617/414-1888
fax: 617/414-1887
e-mail: jerwin@bu.edu

John Erwin
Executive Director

June 20, 2007

Leslie Norwalk, Esq.
Acting Administrator
Centers for Medicare & Medicaid Services
200 Independence Ave., SW
Washington, DC 20201

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

Dear Administrator Norwalk:

I am writing on behalf of the Conference of Boston Teaching Hospitals (COBTH) 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. Massachusetts currently provides direct GME payments to hospitals, which in 2005 totaled \$41 million. The impact on the 14 COBTH member hospitals in the first year of this policy would be a loss of approximately \$29 million. 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. 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.

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

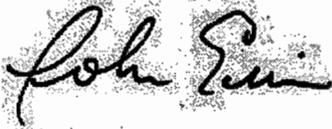
the most advanced, state-of-the-art services and equipment; and with residents and supervising physicians available around-the-clock, teaching hospitals care for the nation's sickest patients. Most recently, teaching hospitals are looked to as front-line responders in the event of a biological, chemical, or nuclear attack and are implementing plans to fulfill that role.

In addition, 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.

Although Greater Boston's teaching hospitals have world-renowned reputations, their roots are grounded in public service to local communities. Each year, these hospitals partner with more than 300 local agencies and provide nearly \$150 million to develop and support innovative programs aimed at serving those in need. Opening their doors to the uninsured, teaching hospitals provide more than two thirds of all the uncompensated care delivered in the Commonwealth, incurring nearly \$200 million in non-reimbursed care. In addition to providing care for the uninsured and underinsured, hospitals fund programs aimed at improving the health of the community and addressing the unmet social and healthcare needs of targeted populations in the communities they serve. These programs address myriad issues including asthma, cancer, diabetes, injury prevention, mental health, obesity, substance abuse, and domestic violence. Greater Boston's teaching hospitals have been leaders in addressing the issue of racial and ethnic disparities in health care by piloting data collection tools, enhancing the diversity of their workforce, developing hospital-based programs and advocating for public policies aimed at eliminating such disparities.

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,

A handwritten signature in cursive script that reads "John Erwin". The ink is dark and the signature is written in a fluid, connected style.

John Erwin
Executive Director
Conference of Boston Teaching Hospitals

Submitter : Mr. Gary Carnes
Organization : All Children's Hospital
Category : Hospital
Issue Areas/Comments

Date: 06/21/2007

GENERAL

GENERAL

See attached letter of comment. Thank you.

CMS-2279-P-102-Attach-1.DOC



801 Sixth Street South
St Petersburg, FL 33701

June 21, 2007

Centers for Medicare & Medicaid Services
U.S. Department of Health and Human Services
Attn: CMS-2279—P
Mail Stop C4—26—05
7500 Security Boulevard
Baltimore, MD 21244-1850

Attn: CMS—2279--P
Medicaid Program: Graduate Medical Education

Dear Sir/Madam:

On behalf of All Children's Hospital, we would like to submit comments to the Centers for Medicare and Medicaid Services (CMS) on its Medicaid proposed rule on Graduate Medical Education (GME) published in the May 23rd *Federal Register*. Without federal Medicaid funding dedicated to GME, the ability of teaching hospitals, including All Children's Hospital, to train providers would be seriously threatened. Therefore, we believe CMS should rescind the proposed rule.

We submit these comments even though we believe the moratorium included in the FY 2007 Iraq War Supplemental Appropriation Bill precludes CMS from "taking any action (through promulgation of rule, issuance of regulatory guidance or other administrative action)," including closing or enforcing the comment period on the Medicaid GME rule. Further, we believe that CMS does not have the authority to review or in any way act on any comments provided until the moratorium ends. However, because CMS intends to implement the comment period and due to the significance of this issue to All Children's Hospital, we submit the following substantive comments to ensure they are considered when the moratorium ends.

Comments on Proposed Rule on Medicaid GME

The proposed rule would disproportionately affect children's hospitals. Because of children's hospitals' critical role in both the delivery of care to children and training the pediatric workforce of tomorrow, the proposed rule would negatively affect health care for all children, not just Medicaid patients seen by children's hospitals.

Training the next generation of pediatric providers is a critical mission of children's hospitals, including All Children's Hospital, one of two free-standing children's hospitals in Florida. Our hospital and children's hospitals across the country play a key role in training the nation's pediatricians and pediatric specialists. In fact, children's hospitals, both freestanding and those that operate within a larger medical center, devote, on average more than 50 percent of their patient care to children assisted by Medicaid, and most provide GME. Together, these children's hospitals represent less than five percent of all hospitals in the country but train most of the nation's pediatric workforce, provide hospital care for more than 40 percent of all hospitalized children and deliver virtually all of the subspecialty hospital care for children with serious conditions such as cancer or heart conditions.

Through our affiliation with the University of South Florida, All Children's Hospital serves as the primary pediatric teaching hospital on Florida's west coast. When it comes to training the doctors who will deal with adults, teaching hospitals have historically received reimbursement through the federal Medicare program that covers senior citizens health care. However, since pediatric hospitals do not serve adult patients, they/we do not receive Medicare GME funding.

When it comes to doctors for kids, the job of teaching often falls to specialized pediatric hospitals. Independent children's hospitals like All Children's account for less than one percent of all hospitals nationwide. Yet these children's hospitals train nearly 30% of all pediatricians, half of all pediatric specialists, and the majority of pediatric researchers.

Eligible pediatric hospitals, such as All Children's do receive some medical education funding through HRSA under Children's Hospital Graduate Medical Education (CHGME) funding. This funding typically represents approximately 45% of our GME cost and, since the funding is provided through HRSA, it is subject to annual appropriation by Congress.

All Children's uses our CHGME funds to train the future pediatric workforce. There are only about 60 children's hospitals like ours nationwide. CHGME helps all children, not just those served by children's hospitals. Most children who have been treated at a children's hospital or by a pediatrician trained since federal CHGME funding began six years ago, have benefited from this essential program.

The CHGME program is a vital children's hospital program. It is an investment in the health of all children.

We recommend rescission of the proposed Medicaid GME rule for several reasons:

- **CMS plans to end Medicaid GME funding without adequate justification, despite permitting the practice for decades.** For decades, states, with the approval of CMS or its predecessor the Health Care Financing Administration, have used Medicaid dollars to support graduate medical education. Despite this long history, the proposed regulation asserts that Medicaid does not have the authority to provide funding for graduate medical education. The regulation does not adequately explain this abrupt change in longstanding policy that has provided critical support for teaching hospitals.
- **The loss of Medicaid GME funding would threaten our hospital's ability to train the next generation of pediatric providers.** All Children's receives approximately \$2.7 million annually in Medicaid GME funding. This funding provides critical support to our training program. Without this dedicated funding, the costs of our training program would not be fully covered. If federal Medicaid GME funding ends, we would have to make serious decisions about the sustainability of our training program.
- **Our hospital is very dependent on Medicaid funding.** Children covered by Medicaid account for almost 60% of all inpatient days. Currently, our hospital is reimbursed approximately 90% of the cost of care by Medicaid even with disproportionate share payments included. Therefore, any decrease in Medicaid reimbursement, including the loss of Medicaid GME dollars, would have a profound impact not only on our training program but also on our services overall.
- **Ending Medicaid GME funding could worsen existing shortages of pediatric subspecialists.** All Children's Hospital trains pediatricians and subspecialists who care for children. Annually over 51 FTE's (fulltime equivalent), including pediatric residents, pediatric fellows, and adult residents receiving their required pediatric training, will obtain

their graduate level medical education at All Childrens' Hospital.

A recent survey of acute care and specialty children's hospitals conducted by the National Association of Children's Hospitals and Related Institutions found critical shortages of pediatric providers, particularly pediatric subspecialists, throughout the country. For All Children's Hospital, a projected 30% FTE growth in pediatric specialists and subspecialists is required over the next five (5) years to meet patient and program growth demands – or approximately 45 new physicians. Therefore, any cut in GME funding provided through Medicaid could exacerbate existing shortages. These shortages affect all children, not just children insured by Medicaid.

- **The proposed rule would shift costs to the states and providers.** Under the proposed rule, our state Medicaid program could continue to pay for GME with state-only funds. This means that the state could shoulder all of the cost, reduce funding or end GME funding completely. Any reduction in GME funding by our state would shift costs of training to All Children's Hospital. Children's hospitals are critical trainers of pediatric providers and any attempts to cut back or end support for GME programs could have dire effects on the country's pediatric health care workforce. It is not fair for the federal government to simply shift the costs for GME to states and providers.
- **The proposed rule contradicts the significant flexibility states are currently allowed under the Medicaid program.** Since the repeal of the Boren amendment in 1997, the federal government has given states significant flexibility to set provider reimbursement rates. This proposed regulation contradicts earlier policies allowing substantial flexibility in Medicaid payment to providers by prohibiting states from supporting graduate medical education through their Medicaid programs.
- **The upper payment limit change could jeopardize critical supplemental payments for safety net hospitals, including children's hospitals.** The Upper Payment Limit (UPL) is a limit on the amount of total Medicaid reimbursement to a group of providers (e.g., county hospitals, private hospitals, and private nursing homes) in a state. By changing how states calculate the Medicaid UPL, the rule could lower the UPL in the state of Florida. The ability of the state of Florida to make supplemental payments to certain providers is contingent on there being room between the state's UPL and the aggregate Medicaid reimbursement for different categories of providers. This change could threaten Florida's ability to make supplemental payments that provide critical support to safety net providers, including All Children's Hospital.

Due to the concerns expressed above, we believe CMS should rescind the proposed rule on Medicaid GME. We appreciate the opportunity to present our comments and would be pleased to discuss them further. For additional information, please contact Gary Carnes at (727) 767-4474.

Thank you for your consideration.

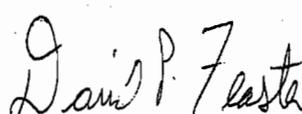
Sincerely,



Gary A. Carnes
President and CEO
All Children's Health System



Marc Jacobson, Chair
All Children's Hospital
Foundation Board of Trustees



David P. Feaster, Chair
All Children's Hospital
Board of Trustees



Claudia Sokolowski, Chair
All Children's Health System
Board of Directors

Submitter : Mr. alan aviles
Organization : new york city health and hospitals corporation
Category : Hospital

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

see attachement

CMS-2279-P-103-Attach-1.PDF

HHC NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
125 Worth Street · New York · New York · 10013
212-788-3321 · Fax: 212-788-0040 · E-mail: AVILESA@NYCHHC.ORG

Alan D. Aviles
President

June 21, 2007

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

Dear Administrator Norwalk:

SUBJECT: CMS-2279-P

On behalf of the New York City Health and Hospitals Corporation (NYCHHC), the public hospital system of New York City, I urge the Centers for Medicare and Medicaid Services (CMS) to withdraw Proposed Rule CMS-2279-P (the Proposed Rule). The Proposed Rule would eliminate federal financial participation (FPP) matching funds for Medicaid Graduate Medical Education (GME) payments. Implementation of this rule would seriously undermine the finances of public hospital systems such as NYCHHC, which plays an important role in training the nation's physicians. Currently 2,294 physician residents are receiving their training at NYC HHC hospitals. Finalization of the rule would result in a \$200 million reduction in federal Medicaid funds for our system in the first year of implementation; and a total of \$1 billion over five years. More than one third of projected GME reductions in New York State would come from NYCHHC facilities as a result of the implementation of the proposed rule.

Nearly half of the full time physicians working at NYCHHC are medical residents. Currently, NYCHHC, like many public systems, relies heavily on resident physicians to help provide quality care to our patients. It is only right that Medicaid should help pay for graduate medical education when these medical residents are providing health care services to Medicaid eligible patients.

Additionally, due to the unique patient mix at our facilities, which is approximately 45% Hispanic, 40% African American and 10% Asian, with immigrants from every corner of the earth, doctors with NYCHHC training are highly coveted. New York City is a gateway to the United States and many diseases from abroad make their first major American splash at our facilities. This provides essential training and experience for medical residents who, ultimately, practice medicine across the country. Eliminating federal support for GME would have a devastating affect on our medical training programs, with major ramifications for the quality of medical care in New York and nationwide.

Leslie Norwalk, Esq.
June 21, 2007
Page 2

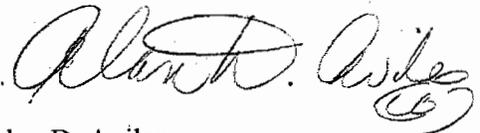
The proposed rule is a major reversal of long standing Medicaid policy. For decades, most state Medicaid programs have supported the higher costs associated with training physicians. There is no rational reason why Medicaid should end its historic contribution to training the nation's doctors. Teaching hospitals receive medical education payments from multiple payers because each payer is expected to contribute its "fair share" of medical education costs. Medicaid should make its fair contribution – even if not explicitly required by statute. Policymakers, over decades, have recognized the responsibility of both Medicaid and Medicare to help support GME.

At a time when the supply of doctors in the United States is also grossly inadequate for an expanding and aging population, it is ill advised for the federal Government to drastically reduce support for physician training programs. In fact, the Council on Graduate Medical Education (COGME), an independent body charged with providing advice and recommendations regarding the supply of physicians and financing policies, issued a report in 2005 recommending an increase in U.S. medical school enrollment of 15%. The fact that our nation is already heavily dependent on doctors from abroad to fill about a fifth of residency slots in U.S. hospitals illustrates the acute shortage that currently exists. More than 25% of current U.S. physician residents have attended foreign medical schools. Lessening support for training physicians could only worsen the situation.

The NYCHHC system encompasses eleven public hospitals, six trauma centers, four long-term care facilities and an extensive primary care network. Health care is provided to more than 1.3 million New Yorkers, of whom 400,000 are uninsured. In 2006, NYCHHC facilities accounted for one fifth of the acute hospital discharges in New York City, more than 21,000 births and almost 1 million emergency department visits. Additionally, NYCHHC is an essential provider of highly specialized tertiary services such as trauma care, neonatal intensive care, burn units and psychiatric emergency care for all New York City residents.

Policy decisions that reduce physician training funding will undoubtedly have a profound negative effect on the health and welfare of millions of New Yorkers and individuals across the country. On behalf of NYCHHC and the 1.3 million patients we serve every year, I urge you to withdraw this ill-conceived rule. Now is the time to increase, not decrease, Medicaid's historic rule in helping train the nation's physicians.

Sincerely,



Alan D. Aviles

Submitter : Mr. Don Faulk
Organization : Medical Center of Central Ga.
Category : Hospital

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

As the 2nd largest hospital in ga, 1 of 4 level 1 trauma centers, we have a huge volume of medicaid and the uninsured. we are also a community based teaching hospital, and the primary teaching hospital for mercer univ sch of medicine. it is absolutely essential, and makes common sense, that the additional costs incurred in the teaching program should be covered by all patients. this rings especially true where the teaching program serves as the medical home to so many medicaid patients, in addition to being the life blood for future practitioners. we lose money as it is on our teaching program and have no other means of support other than our patients sharing that cost. it is patently unfair to have that burden only on the insured patients who already carry the uninsured plus losses on medicaid and medicare.

please use common sense in regulation! the safety net is fraying day by day!!!

thank you,
don faulk
president

Submitter : Ms. Paula Bussard

Date: 06/21/2007

Organization : The Hospital & Healthsystem Association of PA

Category : Health Care Provider/Association

Issue Areas/Comments

GENERAL

GENERAL

See attached

CMS-2279-P-105-Attach-1.PDF



THE HOSPITAL & HEALTHSYSTEM ASSOCIATION OF PENNSYLVANIA

June 21, 2007

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

**Re: (CMS-2279-P) Medicaid Program; Graduate Medical Education (Vol. 72, No. 99),
May 23, 2007**

Dear Ms. Norwalk:

On behalf of Pennsylvania's 225 hospitals and health care systems, The Hospital & Healthsystem Association of Pennsylvania (HAP) welcomes this opportunity to comment on the proposed rule "**Medicaid Program, Graduate Medical Education**", published May 23, 2007.

As you know, the proposed rule is subject to a year-long moratorium secured by P.L. 110-28. To that end, HAP believes that the moratorium should *preclude* the Centers for Medicare & Medicaid Services (CMS) from soliciting comments and recommends that the agency withdraw this proposed rule.

Absent a withdraw of the proposed rule in conjunction with the moratorium, HAP would like to share the following comments in opposition of the proposed policy change to terminate graduate medical education (GME) programs.

The proposed rule substantially departs from long-standing Medicaid policy by no longer permitting matching federal dollars, otherwise known as federal financial participation (FFP), for hospitals' GME costs. Although CMS claims this rule clarifies existing GME policy, it completely reverses over 40 years of agency policy recognizing GME as a covered medical assistance cost. The agency's proposed revisions will result in payment reductions of nearly \$43 million in federal funds to Pennsylvania hospitals. Such a significant loss in funding will seriously compromise hospitals that educate and train health care professionals and that serve as the safety net for providing hospital care to our state's most vulnerable citizens.

4750 Lindle Road
P.O. Box 8600
Harrisburg, PA 17105-8600
717.564.9200 Phone
717.561.5334 Fax
haponline.org

Leslie Norwalk, Esq.
Centers for Medicare & Medicaid Services
June 21, 2007
Page 2

CMS contends that FFP is unavailable for hospitals' GME costs because GME is not specifically listed as a service in the Medicaid statute. In addition, CMS maintains that GME cannot be considered part of "hospital services" because it is not included in the rates paid to hospitals for services under the Medicare inpatient prospective payment system (PPS).

HAP suggests that even if CMS were correct in reasoning that FFP should be available only for the items and services listed in the Medicaid statute, FFP would still be available for GME because training future health care professionals is part of inpatient and outpatient hospital services.

In the proposed rule, CMS notes that the Medicaid statute permits states flexibility to develop their own methods and standards for determining payment requirements for covered hospital services within reasonable estimates of what Medicare would have paid for the services. Since Medicare pays for GME as a hospital service, state Medicaid payments for inpatient and outpatient hospital services that include GME costs have been and should remain eligible for FFP.

HAP believes that CMS' interpretation of the Medicaid statute is inaccurate in stating that 42 C.F.R. 412.2(2)(e) *excludes* GME from the inpatient PPS payment rate. In fact, GME is **not** on the list of "excluded costs;" because it is found in C.F.R. 412.2(f) on the list of "additional payments to hospitals" along with other patient care-related costs such as outlier cases, capital and indirect medical education costs. Hospitals receive an additional Medicare payment for GME precisely because it is a patient-related cost. The fact that the GME payment is separate from the PPS payment is irrelevant to whether GME is a reimbursable hospital cost under Medicare. For example, capital costs are paid outside the inpatient operating PPS, yet no one would argue that they are not reimbursable by Medicare as a hospital cost.

Similarly, Medicare GME payments compensate teaching hospitals for the direct costs of their educational activities by measuring the number of medical residents trained. These medical residents, who work within a supervised patient care team of health care professionals, provide needed care to Medicare and Medicaid patients as part of their training programs. Research looking at interns' and residents' in-hospital time confirms this. In one study, residents, on average, spent 57 percent of their time on clinical or service-oriented activities (Magnusson A.R., *et al.*: "Resident Educational Time Study: A Tale of Three Specialties." *Academic Emergency Medicine*, July 1998; 5(7): pp 718-725). In another study, house staff (interns and residents) spent a majority of their time engaged in direct patient care activities—81 percent of the interns' workdays, and 64.5 percent of the residents' workdays (Guarisco S., *et al.*: "Time Analysis of a General Medicine Service: Results from a Random Work Sampling Study." *Journal of General Internal Medicine*, May 1994; 9(5): pp 272-277).

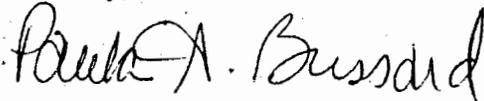
Leslie Norwalk, Esq.
Centers for Medicare & Medicaid Services
June 21, 2007
Page 3

The proposed rule acknowledges that CMS must first approve hospital payment methodologies as a condition of receiving federal funds (FR Vol. 72, No. 99 p 28932). It also acknowledges a 2005 study commissioned by the Association of American Medical Colleges, which reported that Pennsylvania, along with 46 additional states and the District of Columbia, provided direct GME and/or indirect medical education payments under their Medicaid programs. We contend CMS' approval of the state plan amendments providing for GME constitutes an official interpretation that these plan amendments met governing statutory and regulatory requirements. Thus, the agency's proposed rule attempts to negate its prior actions and interpretations.

Finally, CMS' public acknowledgement and approval of GME payments do not rest solely with state plan amendment review, but also extend to its own rulemaking for Medicaid managed care plans. In August 2001, CMS issued a Medicaid managed care proposed rule that declared a state Medicaid program could not make payments directly to a provider for services available by an approved managed care entity (FR vol. 66, No. 161 pp 43628, 43666). When the final rule was published in June 2002, the agency explained that, in response to public comment, it had "...modified that section to permit such payments to the extent the capitation rate has been adjusted to reflect the GME payment made directly to the hospital" (FR Vol. 67, No. 115 pp 41004, 41005, 41103). In fact, current rules (42 C.F.R. 438.60) specifically acknowledge that GME payments can be made directly to the provider as long as the GME payment amount is carved out of the managed care capitation payment, which is the case in Pennsylvania.

HAP strongly encourages CMS to reconsider its position. Further, in conjunction with the moratorium, HAP believes CMS should permanently withdraw this proposed rule. The Medicaid program has a responsibility to pay for its share of the costs associated with medical education programs, which, through their teaching function, assure the training of additional health professionals and provisions of care to some of our nation's most vulnerable populations. If you have any questions, please contact Melissa Speck, HAP's director of policy development at (717) 561-5356.

Sincerely,



PAULA A. BUSSARD
Senior Vice President
Policy and Regulatory Services

Submitter : Mr. Edwin Stephens
Organization : Agency for Health Care Administration
Category : State Government

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

Please see attachment.

CMS-2279-P-106-Attach-1.DOC

Federal CMS Proposed Rule-2279-P

The federal Centers for Medicare and Medicaid Services (CMS) issued Proposed Rule CMS-2279-P, on May 23, 2007. The proposed rule would modify Part 447.201, Code of Federal Regulations (CFR), to include section (c) as follows:

The plan must not include payments for graduate medical education to any provider or institution or include costs of graduate medical education as an allowable cost under any cost-based payment system (including costs or payments claimed as administrative costs).

Florida reimburses Medicaid hospital providers based on a cost based system, which includes Graduate Medical Education (GME) and Indirect Medical Education (IME). There are thirty-four (34) Florida Medicaid participating hospitals that have GME costs. The estimated total computable impact of removing both GME and IME costs from the Medicaid reimbursement rate for these providers is \$75 million, of which \$44 million is federal funds. The State seeks clarification regarding whether both GME and IME costs are to be removed or GME only.

In addition, Florida reimburses providers through a series of Medicaid Disproportionate Share Hospital (DSH) programs. It is unclear whether the Medicaid DSH program will be affected by CMS-2279-P. To the extent that DSH payments go to hospitals with GME costs, there could be a fiscal impact if the DSH program is included with CMS-2279-P. The total DSH payments to hospitals that have GME costs is \$174 million. Of the total computable, \$102 million represents federal funds. The DSH calculations are not based on GME or IME costs, but are distributed to hospitals which currently have GME costs. One of the DSH programs is specific to teaching hospitals. The methodology for distributing the funds in the teaching hospital DSH program is based on the number of interns and residents, not costs. The state seeks clarification as to whether CMS-2279-P impacts DSH program payments.

Estimated Fiscal Impact CMS-2279-P	State Share	Federal Share	Total Computable
Cost Reimbursement (GME & IME)	\$30,922,122	\$44,076,961	\$74,999,083
DSH – Pending Clarification of the proposed rule on DSH			
DSH	\$71,843,119	\$102,364,250	\$174,207,369

Submitter : Ms. Melissa Hoffman
Organization : Iowa Health-Des Moines
Category : Hospital

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

See Attachement

CMS-2279-P-107-Attach-1.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:

Iowa Health-Des Moines welcomes the opportunity to comment on the May 23, 2007 Medicaid GME proposed rule (72 Fed. Reg. 28930). I am 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 (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. During fiscal year 2006, Iowa Health-Des Moines received approximately \$700,000 in Medicaid GME dollars. The Medicaid GME payments have a significant financial effect on our organization and implementation of the proposed rule would be detrimental to our system. Iowa Health-Des Moines and other teaching hospitals rely on the Medicaid GME payments 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. Iowa Health-Des Moines offers five teaching programs that educate approximately 85 future doctors each year. 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. At Iowa Health-Des Moines, the hospitals treat a significant number of Medicaid and charity care patients throughout the year. During fiscal year 2006, the Medicaid patients treated at Iowa Health-Des Moines consisted of approximately 17% of all patients treated at Iowa Health-Des Moines during the fiscal 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.

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,

Melissa Hoffman
Senior Reimbursement Analyst
Iowa Health-Des Moines

Submitter : Mr. John Stephen
Organization : New Hampshire Dept. of Health & Human Services
Category : State Government

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

See Attachment

CMS-2279-P-108-Attach-1.PDF



State of New Hampshire

DEPARTMENT OF HEALTH AND HUMAN SERVICES
129 PLEASANT STREET, CONCORD, NH 03301-3857
603-271-4688 FAX: 603-271-4912 TDD ACCESS: 1-800-735-2964

JOHN A. STEPHEN
COMMISSIONER

June 21, 2007

Centers for Medicare and Medicaid Services
Department of Health and Human Services
Attention: CMS-2279-P
P. O. Box 8016
Baltimore, MD 21244-1016

Re: CMS-2279-P Medicaid Program; Graduate Medical Education

Dear Sir/Madam:

The State of New Hampshire Department of Health and Human Services appreciates the opportunity to submit comments on CMS-2279-P regarding Medicaid Program; Graduate Medication Education (GME) payments. New Hampshire is anticipating paying participating hospitals approximately \$850,000 for Direct Medical Education (DME) and approximately \$3 Million for indirect medical education (IME) on an annual basis beginning July 1, 2007 as stipulated in the current version of the State Budget for the new biennium.

We do not take exception to the notion that general medical education payments are not necessary to support the State's medical education systems, nor do we believe that, without appropriate benchmarks and accountability, the payments directly benefit Medicaid recipients as perhaps originally intended. We offer the following:

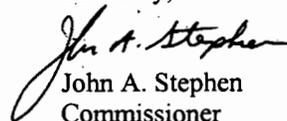
- 1) Of the 26 general hospitals that operate in New Hampshire, this proposal affects only four hospitals, with one hospital being the primary beneficiary of GME payments. These four hospitals are in good financial condition, with all four showing profitability and positive financial health.
- 2) As implemented in New Hampshire, GME is an entitlement program. Currently, hospitals receiving GME payments do not have clear accountabilities and benchmarks to follow for any education, workforce, or other objectives deemed in the State's interests.
- 3) Although it is argued that DME payments have some indirect benefit there is no direct benefit to Medicaid patients since reimbursement is not dependent on direct services to Medicaid recipients.
- 4) IME payments may compensate hospitals in excess of their actual medical education costs.
- 5) Medicare supports NH teaching hospitals through DME and IME payments.

Without clear accountability and well-defined objective benchmarks that ensure direct benefit to the Medicaid program, the Department does not object to the discontinuation of the current Medicaid GME program.

The New Hampshire Department of Health and Human Services appreciates the opportunity to submit these comments on the Proposed Rule regarding Graduate Medical Education. If you have any questions about these comments, please contact James Frédyma, Controller, at 603-271-4333.

Your consideration on this matter is appreciated.

Sincerely,


John A. Stephen
Commissioner

Submitter : Mr. alan aviles

Date: 06/21/2007

Organization : new york city health and hospitals corporation

Category : Hospital

Issue Areas/Comments

GENERAL

GENERAL

see attachment

CMS-2279-P-109-Attach-1.PDF

#109

HHC NEW YORK CITY HEALTH AND HOSPITALS CORPORATION
125 Worth Street · New York · New York · 10013
212-788-3321 · Fax: 212-788-0040 · E-mail: AVILESA@NYCHHC.ORG

Alan D. Aviles
President

June 21, 2007

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

Dear Administrator Norwalk:

SUBJECT: CMS-2279-P

On behalf of the New York City Health and Hospitals Corporation (NYCHHC), the public hospital system of New York City, I urge the Centers for Medicare and Medicaid Services (CMS) to withdraw Proposed Rule CMS-2279-P (the Proposed Rule). The Proposed Rule would eliminate federal financial participation (FFP) matching funds for Medicaid Graduate Medical Education (GME) payments. Implementation of this rule would seriously undermine the finances of public hospital systems such as NYCHHC, which plays an important role in training the nation's physicians. Currently 2,294 physician residents are receiving their training at NYC HHC hospitals. Finalization of the rule would result in a \$200 million reduction in federal Medicaid funds for our system in the first year of implementation; and a total of \$1 billion over five years. More than one third of projected GME reductions in New York State would come from NYCHHC facilities as a result of the implementation of the proposed rule.

Nearly half of the full time physicians working at NYCHHC are medical residents. Currently, NYCHHC, like many public systems, relies heavily on resident physicians to help provide quality care to our patients. It is only right that Medicaid should help pay for graduate medical education when these medical residents are providing health care services to Medicaid eligible patients.

Additionally, due to the unique patient mix at our facilities, which is approximately 45% Hispanic, 40% African American and 10% Asian, with immigrants from every corner of the earth, doctors with NYCHHC training are highly coveted. New York City is a gateway to the United States and many diseases from abroad make their first major American splash at our facilities. This provides essential training and experience for medical residents who, ultimately, practice medicine across the country. Eliminating federal support for GME would have a devastating affect on our medical training programs, with major ramifications for the quality of medical care in New York and nationwide.

Leslie Norwalk, Esq.
June 21, 2007
Page 2

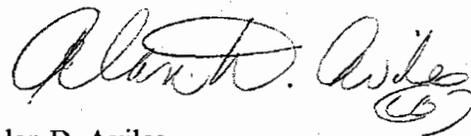
The proposed rule is a major reversal of long standing Medicaid policy. For decades, most state Medicaid programs have supported the higher costs associated with training physicians. There is no rational reason why Medicaid should end its historic contribution to training the nation's doctors. Teaching hospitals receive medical education payments from multiple payers because each payer is expected to contribute its "fair share" of medical education costs. Medicaid should make its fair contribution – even if not explicitly required by statute. Policymakers, over decades, have recognized the responsibility of both Medicaid and Medicare to help support GME.

At a time when the supply of doctors in the United States is also grossly inadequate for an expanding and aging population, it is ill advised for the federal Government to drastically reduce support for physician training programs. In fact, the Council on Graduate Medical Education (COGME), an independent body charged with providing advice and recommendations regarding the supply of physicians and financing policies, issued a report in 2005 recommending an increase in U.S. medical school enrollment of 15%. The fact that our nation is already heavily dependent on doctors from abroad to fill about a fifth of residency slots in U.S. hospitals illustrates the acute shortage that currently exists. More than 25% of current U.S. physician residents have attended foreign medical schools. Lessening support for training physicians could only worsen the situation.

The NYCHHC system encompasses eleven public hospitals, six trauma centers, four long-term care facilities and an extensive primary care network. Health care is provided to more than 1.3 million New Yorkers, of whom 400,000 are uninsured. In 2006, NYCHHC facilities accounted for one fifth of the acute hospital discharges in New York City, more than 21,000 births and almost 1 million emergency department visits. Additionally, NYCHHC is an essential provider of highly specialized tertiary services such as trauma care, neonatal intensive care, burn units and psychiatric emergency care for all New York City residents.

Policy decisions that reduce physician training funding will undoubtedly have a profound negative effect on the health and welfare of millions of New Yorkers and individuals across the country. On behalf of NYCHHC and the 1.3 million patients we serve every year, I urge you to withdraw this ill-conceived rule. Now is the time to increase, not decrease, Medicaid's historic rule in helping train the nation's physicians.

Sincerely,



Alan D. Aviles

Submitter : Mr. Paul Goldstein
Organization : Orlando Regional Healthcare
Category : Hospital

Date: 06/21/2007

Issue Areas/Comments

GENERAL

GENERAL

See Attachment

CMS-2279-P-110-Attach-1.PDF



ORLANDO REGIONAL HEALTHCARE

1414 Kuhl Avenue • Orlando, Florida 32806-2093 • 407 841-5111

When it matters most.

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:

On behalf of Orlando Regional Healthcare, I am 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 (See 72 Fed. Reg. 28930). Finalizing this rule will erode the financial condition of teaching hospitals, such as Orlando Regional, that provide medical education, research and technically-sophisticated patient care that other hospitals consider too complex to perform, like Level 1 trauma care.

Orlando Regional Healthcare is one of Florida's most comprehensive medical systems, offering a wide-range of sophisticated healthcare services to approximately 1.6 million residents of Central Florida. The 1,780-bed healthcare system includes five wholly-owned hospitals and two partnership hospitals in four counties. In 2006, Orlando Regional Healthcare treated 92,000 inpatients, 461,000 outpatients and delivered over 14,500 babies. We operate Central Florida's only Level 1 trauma center, the regional burn and tissue rehabilitation center, M.D. Anderson Cancer Center Orlando, Arnold Palmer Hospital for Children and Winnie Palmer Hospital for Women and Babies. As Central Florida's only designated teaching hospital, we support graduate medical education programs in seven residencies, including emergency medicine, internal medicine, OB-GYN, orthopedics, pathology, pediatrics, surgery and medicine/pediatrics.

The proposed rule to eliminate FFP associated with Medicaid GME payments will significantly impact our state and federal Medicaid payments. CMS has characterized the proposed rule as a "clarification" of existing policy, but the reality is that it represents a major reversal of long-standing Medicaid policy. For decades, most state Medicaid programs have recognized the importance of supporting the higher costs of teaching hospitals in order to sustain a physician workforce for future generations. According to a study commissioned by the Association of American Medical Colleges (AAMC), in 2005, 47 states and the District of

*Arnold Palmer Hospital for Children • Winnie Palmer Hospital for Women & Babies • M. D. Anderson Cancer Center Orlando
Orlando Regional Medical Center • Dr. P. Phillips Hospital • Orlando Regional Lucerne Hospital
Orlando Regional South Seminole Hospital • St. Cloud Regional Medical Center • South Lake Hospital*

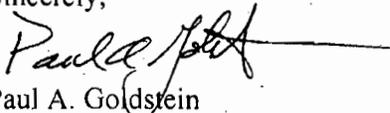
Columbia provided direct GME and/or indirect medical education payments under their Medicaid programs. For more than 20 years, Florida's Medicaid program has supported the resident training program at Orlando Regional through GME funding.

As one of only six statutory teaching hospitals in Florida, Orlando Regional relies on Medicaid GME and other Medicaid payments to offset the increased costs associated with training more than 180 residents each year. 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. In Florida, the number of new doctors has not kept pace with the growing population. This is expected to worsen as a large portion of our physician workforce approaches retirement. A 2004 study by the Florida Council for Education Policy, Research and Improvement found that 26 percent of Florida's practicing doctors were 65 or older and more than half are older than 50. At a time when more physicians are desperately needed throughout the country, eliminating FFP for state Medicaid agency payments for GME will be detrimental to teaching hospitals that are already struggling to address this impending crisis.

In addition to fulfilling our education and research missions, teaching hospitals offer the most advanced, state-of-the-art services and equipment. In the absence of health care for all, we are providing more and more care to those who are unable to pay. Nearly half of all Medicaid discharges are from the nation's 1,100 teaching hospitals and more than half of the nation's hospital charity care provided occurs in these institutions. In 2006, Orlando Regional absorbed \$49.5 million in costs for patients who qualified for charity care and \$33 million in costs for patients whose accounts were written off as bad debt. The proposed GME funding cut will further reduce our total financial resources, which will inevitably impact our ability to continue providing care to a disproportionate share of Central Florida's uninsured, underinsured and Medicaid patient populations.

Given our important role 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. **Again, we urge the Agency to rescind the proposed rule.**

Sincerely,



Paul A. Goldstein
Vice President of Finance, Chief Financial Officer