

# PUBLIC NOTICE

August 5, 2025

Pursuant to 42 C.F.R. Section 447.205, public notice is hereby given for the submission of a Medicaid State Plan Amendment (SPA) 25-0007 Indirect Graduate Medical Education (IME). The Division of Medicaid, in the Office of the Governor, will submit this proposed SPA to the Centers for Medicare and Medicaid Services (CMS) effective August 6, 2025, contingent upon approval from CMS, our Transmittal #25-0007.

1. State Plan Amendment (SPA) 25-0007 Indirect Graduate Medical Education (IME) is being submitted to allow the Division of Medicaid (DOM) to reimburse for indirect medical education payments.
2. The expected annual impact is \$52,346,373. The federal annual aggregate expenditure is \$6,709,060 for Federal Fiscal Year (FFY25) and \$40,254,361 for FFY26. The expected increase in state annual aggregate expenditure is \$2,015,336 for FFY 25 and \$12,092,012 for FFY26.
3. The Division of Medicaid is submitting this proposed SPA to comply with federal Medicaid regulations. 42 C.F.R. § 447.201 requires the Division of Medicaid to submit a SPA describing the policy and methods used in setting payment rates for each type of service included in the Mississippi State Plan. This SPA also complies with 42 CFR §412.105.
4. A copy of the proposed SPA will be available in each county health department office and in the Department of Human Services office in Issaquena County for review. A hard copy can be downloaded and printed from [www.medicaid.ms.gov](http://www.medicaid.ms.gov), or requested at 601-359-3984 or by emailing at [DOMPolicy@medicaid.ms.gov](mailto:DOMPolicy@medicaid.ms.gov).
5. Written comments will be received by the Division of Medicaid, Office of the Governor, Office of Policy, Walter Sillers Building, Suite 1000, 550 High Street, Jackson, Mississippi 39201, or [DOMPolicy@medicaid.ms.gov](mailto:DOMPolicy@medicaid.ms.gov) for thirty (30) days from the date of publication of this notice. Comments will be available for public review at the above address and on the Division of Medicaid's website at [www.medicaid.ms.gov](http://www.medicaid.ms.gov).
6. A public hearing on this SPA will not be held.

State of Mississippi  
**Title XIX Inpatient Hospital Reimbursement Plan**

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Q. Medical Education Payments

The Mississippi Division of Medicaid (DOM) reimburses Mississippi hospitals which meet the following criteria: (1) accreditation from the Accreditation Council for Graduate Medical Education (ACGME) or the American Osteopathic Association (AOA), (2) has a Medicare approved teaching program for direct graduate medical education (GME) costs, and (3) is eligible for Medicare reimbursement. The hospital must be accredited at the beginning of the state fiscal year in order to qualify for the quarterly payments during the payment year. To be eligible for payment, services must be performed on the campus of the teaching hospital or at a participating hospital site. Only the teaching hospital or the participating hospital site is eligible for reimbursement. ~~DOM does not reimburse for indirect GME costs.~~

Direct ~~M~~medical education payments are calculated annually on July 1, as a per resident amount based on the total Medicaid hospital inpatient stays as calculated by DOM. During the year of implementation, effective October 1, 2019, the direct medical education payments will be made to eligible hospitals in three (3) equal installments in December, March and June. Thereafter, the direct medical education payments will be made to eligible hospitals on a quarterly basis in September, December, March and June. The number of residents per hospital is defined as the sum of the number of Medicare approved resident full-time equivalents (FTEs) reported on the applicable lines on the most recent Medicare cost report filed with DOM for the calendar year immediately prior to the beginning of the state fiscal year for established programs. Any hospital which establishes a new accredited teaching program or is in a five (5) year resident cap building period for the teaching program must submit documentation of accreditation, Medicare approval, the most recent Medicare interim rate letter, and start date of the GME program prior to the July 1 calculation of the payments. The number of residents used to calculate direct medical education payments during cap building years will be the number of FTEs as reported on the Medicare interim rate letter. If the number of FTEs reported on the Medicare interim rate letter does not cover the entire cost reporting period, the reported FTEs will be annualized and used to calculate medical education payments. The program must be in operation as of July 1 of the payment year.

The per resident rate will be \$65,000 per FTE.

State of Mississippi  
**Title XIX Inpatient Hospital Reimbursement Plan**

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Beginning April 1, 2025, indirect medical education (IME) payments shall be made to Mississippi State Government Owned and Non-State Government Owned hospitals that met the criteria to receive GME payments during the same fiscal year. The state shall use the Medicaid base rate payments plus the inpatient state directed payment arrangements allowed under 42 CFR 438.6(c) approved pre-prints and made through managed care plans in calculating the annual IME payments. Annual IME payments will be calculated using the most recently filed and available Medicare Cost Report (CMS Form 2552) extracted from the Healthcare Cost Report Information System (HCRIS). One fourth of the annual computed IME payment will be paid to eligible government and non-state government owned hospitals on a quarterly basis. The quarterly payments are considered final and shall not be reconciled or amended due to updated or amended Medicare Cost Reports.

The IME payment amount for Mississippi's State Government Owned and Non-State Government Owned hospitals is calculated using each hospital's ratio of full-time residents to number of beds and Medicaid inpatient payments as follows:

A. Calculate each hospital's IME Percentage:

$$1.35 * ((1 + [\text{resident to bed ratio}])^{.405} - 1)$$

The resident to bed ratio is from the most recent CMS Form 2552, Worksheet E, Part A, Line 21, Column 1.

Hospitals that meet the criteria defined above for inclusion in the IME program but do not have a reported resident to bed ratio on CMS Form 2552, Worksheet E, Part A, Line 21, Column 1 shall utilize the following formula to calculate the IME percentage:

$$1.35 * ((1 + [\text{Resident FTE Counts} / \text{Bed Counts}])^{.405} - 1)$$

Resident FTE Counts = S-3, Lines 14+16+17, Column 9.00

Bed Counts = S-3, Lines 14+16+17, Column 2.00

B. The Division of Medicaid shall make an annual IME payment to the eligible hospitals equal to:

The total of all inpatient hospital base payments and inpatient state directed payments received from managed care organizations in the previous year multiplied by the IME percentage determined in (A) above. The state directed payments used in the calculation will be the actual payments made during the previous year for that rate year and will disregard any reconciliation payments made in the following year, if reconciliation payments are made.

Medical education costs will not be reimbursed to out-of-state hospitals.

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