POSSIBLE NON-STATE GENERAL FUND FINANCING OPPORTUNITIES TO SUPPORT GME AND LEVERAGING HHS FUNDING

MEDICAID GME FINANCING

Medicaid programs are not required to provide support for GME, but if they do they are eligible for federal matching funds (FMAP). Nevada Medicaid currently enjoys an FMAP rate of 63%. In other words, if Medicaid makes GME payments the non-federal share of the payments would only be 37%. It makes great fiscal sense to leverage FMAP for GME if possible.

Potential sources (ideas) of non-federal revenues are:

Inter-governmental transfers (IGTs): This source of funding is currently used to finance the Public Hospital GME program. Clark County transfers funds to NV Medicaid to support the GME payments made to University Medical Center (UMC). This program could be expanded if there is room under the Public Hospital Upper Payment Limit (UPL) gap. IGTs could be accepted from other governmental sources (University, DHHS, DETR, GOED, etc.) to support GME payments. IGTs must be voluntary payments per federal rules.

Reallocation of Net State Benefit from the Private Hospital UPL program: Nevada DHHS, in cooperation with the private hospitals, recently started a private hospital UPL program. A "needy care collaborative" known as Nevada Clinical Services (NCS) was established to assist with the financing mechanics. Contractual services that NVDHHS has historically paid for are ended and payment responsibility is transferred to NCS. This frees funding within DHHS budgets that can then be leveraged with federal funds to make UPL payments. Within this process DHHS keeps a portion of the funds known as the "net state benefit" for reversion to the State General Fund. This process (AB 507) could be revisited and used to support GME.

> **Sec. 51.** 1. The Department of Health and Human Services may, with the approval of the Interim Finance Committee upon the recommendation of the Governor, transfer from the various divisions of the Department to an account which is hereby created within the State General Fund any excess money available to the divisions as a result of savings from not providing health and related services, including, without limitation, savings recognized by using a different source of funding to pay the providers of services if the persons previously served by a division no longer require the provision of services from the division of the Department.
> 2. Any money transferred to the account created by subsection 1, to the extent approved by the Centers for Medicare and Medicaid Services and authorized by the State Plan for Medicaid, must:
> (a) Be used to pay administrative and related costs and the State's share of the cost for the expansion of the upper payment limit program as provided in this section.
> (b) After being used to satisfy the requirements of paragraph (a), be reserved for reversion to the State General Fund and must be reverted to that Fund at the end of each fiscal year of the 2013-2015 biennium.

Tobacco Settlement Funds: Each year NV DHHS receives approximately $24 million in funding from the Tobacco Settlement. These funds are distributed to a number of programs supporting seniors, disabled, tobacco cessation, children's services, mental health programs and general wellness. Although the funding is generally fully distributed each year; a policy decision could be made to earmark Tobacco funds to support GME.

Fees, Fines and Assessments: Several DHHS programs are funded though fees and assessments, or penalties paid (birth and death certificates, application fees for licenses, non-compliance penalties, etc.). These sources could be reviewed and adjusted to support GME.

Provider Tax: Medicaid programs can use provider taxes as a revenue stream to fund programs/services. An example in Nevada is the 6% tax on net patient revenue on free standing nursing facilities. The revenue stream is used to match federal funds to make enhanced/quality payments to the nursing facilities. Provider taxes could support GME.

BLOCK GRANTS

Nevada DHHS receives several federal block grants to support various health and wellness programs. Examples are; Preventative Health Grant, Maternal and Child Health Grant, and the Mental Health Block Grant. These grants could be reviewed and potentially used to support GME. It is not likely these funds could be matched with Medicaid funds.

VETERANS ADMINISTRATION

The VA is an important source of GME funding and training capacity. Approximately 30% of the nation's medical residents receive training at the VA each year. We need to ensure we are fully leveraging this opportunity in Nevada.

HEALTH RESOURCE SERVICES ADMINISTRATION

HRSA provides several different types of GME grants that operate outside of the CMS GME funding mechanisms. Nevada is not listed in the chart (shown below) provided in the University of North Carolina's September 2013 report summarizing these programs. Why isn't or can't Nevada leveraging these resources?

Table 1: HRSA funding by program type and state

State	2013 HRSA Teaching Health Center[1]	2010 HRSA Primary Care Residency Expansion[2]	2013 HRSA Children's Hospitals GME[3]	2013 HRSA Preventive Medicine Residencies[4]	2012 HRSA Integrative Medicine Program[5]
CA	X	X	X		X
FL		X	X		
GA			X		
ID	X	X			
IL	X	X	X		
MA	X	X	X	X	X
MD		X	X		X
MI	X	X	X	X	X
MT	X	X			
NC	X	X		X	X
NJ		X	X		X
NY	X	X	X		
TN		X	X	X	X
TX	X	X	X		
UT			X	X	
VT					
WA	X	X	X		

[1] Active Grants for HRSA Program(s): Affordable Care Act Teaching Health Center (THC) Graduate Medical Education (GME) Payment Program (T91). Accessed online 22 July 2013: http://ersrs.hrsa.gov/ReportServer/Pages/ReportViewer.aspx?/HGDW_Reports/FindGrants/GRANT_FIND&ACTIVITY=T91&rs:Format=HTML4.0.

[2] Active Grants for HRSA Program(s): Affordable Care Act: Primary Care Residency Expansion (T89). Accessed online 22 July 2013 at: http://ersrs.hrsa.gov/ReportServer/Pages/ReportViewer.aspx?/HGDW_Reports/FindGrants/GRANT_FIND&ACTIVITY=T89&rs:Format=HTML4.0.

[3] US Department of Health and Human Services, Health Resources and Services Administration. 2013. Report to Congress: Children's Hospitals Graduate Medical Education (CHGME) Payment Program. Accessed online 22 July 2013 at: http://bhpr.hrsa.gov/childrenshospitalgme/pdf/reporttocongress2013.pdf.

[4] Active Grants for HRSA Program(s): Preventive Medicine Residencies (D33). Accessed online 22 July 2013 at: http://ersrs.hrsa.gov/ReportServer/Pages/ReportViewer.aspx?/HGDW_Reports/FindGrants/GRANT_FIND&ACTIVITY=D33&rs:Format=HTML4.0.

[5] Active Grants for HRSA Program(s): Integrative Medicine Program (IM0). Accessed online 22 July 2013 at: http://ersrs.hrsa.gov/ReportServer/Pages/ReportViewer.aspx?/HGDW_Reports/FindGrants/GRANT_FIND&ACTIVITY=IM0&rs:Format=HTML4.0.

THIRD PARTY PAYERS/FOUNDATIONS/SETTLEMENTS

A few states are tapping into non-governmental resources to support GME. A concerted effort in Nevada to raise funds for GME from these sources may be fruitful. A specific recommendation in this area is to work with the Attorney General's Office to ensure they are aware of the Taskforce's efforts and to determine if GME could become a recipient of future settlement funding obtained by the AG's Office (examples: past United Health Settlement and Drug Manufacturer Settlements).