

Feb. 25, 2022

Ms. Chiquita Brooks-LaSure
Administrator
Centers for Medicare & Medicaid Services
7500 Security Boulevard
Baltimore, Maryland 21244-1850

RE: CMS-1752-FC3, Medicare Program: Inpatient Prospective Payment System for Acute Care Hospitals, changes to Medicare Graduate Medical Education Payments for Teaching Hospitals

Dear Ms. Brooks-LaSure:

The Michigan Health & Hospital Association (MHA) appreciates this opportunity to provide comments to the Centers for Medicare & Medicaid Services' (CMS) regarding the Medicare Inpatient Prospective Payment System (IPPS) final rule with comment period for fiscal year (FY) 2022. Our comments focus on the distribution of additional medical residency slots as authorized by the Consolidated Appropriations Act of 2021 (CAA).

Section 126 of the CAA authorizes 1,000 new residency slots over five years, limited to 200 slots per year, beginning in FY 2023, with priority given to hospitals in four statutorily specified categories:

- located in rural areas or treated as rural;
- training more residents that their full-time equivalent cap;
- located in states with new medical schools; or
- serve areas designated as Health Professional Shortage Areas (HPSAs).

Additionally, at least 10% of the total number of residency slots must be distributed to each of the four eligible categories. The MHA supports the CMS' modification in the final rule to award slots based on the length of the residency program rather than limiting the slots to hospitals to 1.0 residency slot per year. We believe this change will allow teaching hospitals to create workable and sustainable training programs while providing new federal funding that will allow hospitals to expand existing residency programs and establish new programs.

In addition, we also appreciate that the CMS modified its proposal to determine qualifying hospitals for purposes of awarding slots. Specifically, the CMS will no longer require that a hospital's main campus or provider-based facility be physically located in a primary care or mental health professional shortage area (HPSA) in order to be eligible.

The agency welcomes further feedback on the Graduate Medical Education (GME) program for potential future rulemaking. The MHA believes that Medicare GME funding is vital for ensuring availability and access to an adequate number of physicians in the future as the population of aging adults continues to grow. We remain concerned that the CMS' methodology prioritizes GME slot distribution by HPSA score and training time in HPSA areas. These methods do not reflect statutory intent and are operationally complicated. **The MHA urges the CMS to use a clear and simple method to distribute residency slots that is consistent with statutory intent.**

We believe that the reliance on HPSAs to qualify eligible hospitals and prioritize residency slots does not comply with statutory intent. Based on statute, only one category out of the four eligible categories

Brian Peters, Chief Executive Officer

requires that hospitals serve areas designated as HPSAs. Yet, the CMS has required that a high threshold of training time occur in HPSAs and instituted a HPSA score to prioritize residency slots across the four categories. This reliance on HPSAs minimizes the Congress' other priorities to expand training slots for hospitals in rural areas, training above their residency cap, and in states such as Michigan with new medical schools.

As stated in the CAA, at least 10% of the aggregate number of residency slots must go to each of the four eligible hospital categories. However, the CMS finalized a policy that applications from hospitals for a fiscal year are grouped by the HPSA score and prioritized by descending HPSA score. The CMS asserts its belief that this approach would likely result in the statutory minimum of 10% distributions being met for all four of the statutory categories by the end of the 5-year distribution process.

The MHA urges the CMS to prioritize slot distribution based solely on the four statutory categories, giving top priority to hospitals that qualify under all four categories, followed by those that qualify under any three categories, then any two categories and lastly, hospitals that qualify under a single category. This approach would be less burdensome for hospitals and aligns with the CAA statutory requirements which do not place an emphasis on a higher HPSA score while supporting teaching hospitals serving underrepresented and historically marginalized populations.

Since the deadline to apply for FY 2023 residency slots is quickly approaching, **the MHA urges the CMS to distribute these residency slots for the first year without delay and assess the methodology finalized in this rule in future rulemaking.** Given the dire workforce challenges currently faced by hospitals and other providers, **we request that the CMS distribute these needed residency slots quickly.** We also ask that the CMS publish results of the FY 2023 distribution and work with the relevant stakeholders to refine the approach for future years.

SUMMARY

Michigan is one of the leading states for training physicians across the United States. Michigan's teaching hospitals rely on the support from the Medicare GME program to fulfill their mission of training physicians and other healthcare professionals. The new residency slots are critical and will provide a needed investment into the Medicare GME program which has not occurred in nearly two decades. We encourage the CMS to further increase the numbers of residency slots even beyond the increase provided by the CAA to help ensure there is an adequate supply of physicians.

We appreciate your consideration of our comments and believe that our recommended changes would result in a positive outcome for hospitals and the patients they serve. If you have any questions, please contact me at (517) 703-8608 or via email at vkunz@mha.org.



Sincerely,
Vickie R. Kunz
Senior Director, Health Finance