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# VIRGINIA STATE BUDGET

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2016 Session

## Budget Amendments - HB30 (Conference Report)

Bill Order » Item 306 #19c

**Fund Medical Residencies through Medicaid**

Item 306 #19c	First Year - FY2017	Second Year - FY2018	
<b>Health and Human Resources</b>			
Department of Medical Assistance Services	\$0	\$1,250,000	GF
	\$0	\$1,250,000	NGF

**Language** Page 250, line 34, strike "\$11,552,255,000" and insert "\$11,554,755,000".

Page 274, after line 33, insert:

"SSSS. Out of this appropriation, \$1,250,000 from the general fund and \$1,250,000 from nongeneral funds the second year shall be used to fund 25 new medical residency slots. The Department of Medical Assistance Services shall submit a State Plan amendment to make supplemental payments for new graduate medical education residency slots effective July 1, 2017. Supplemental payments shall be made for up to 25 new medical residency slots in fiscal year 2018. Of the 25 new residency slots, 13 shall be for primary care and 12 shall be for high need specialties. In addition, preference shall be given for residency slots located in underserved areas. The department shall adopt criteria for primary care, high need specialties and underserved areas developed by the Virginia Health Workforce Development Authority. The authority shall submit these criteria to the department by September 1, 2016. The supplemental payment for each new qualifying residency slot shall be \$100,000 annually minus any Medicare residency payment for which the hospital is eligible. Supplemental payments shall be made for up to three years for each new qualifying resident. The hospital will be eligible for the supplemental payments as long as the hospital maintains the number of residency slots in total and by category as a result of the increase in fiscal year 2018. If the number of qualifying residency slots exceeds the available number of supplemental payments, the Virginia Health Workforce Development Authority shall determine which new residency slots to fund based on priorities developed by the authority. Payments shall be made quarterly following the same schedule for other medical education payments. In order to be eligible for the supplemental payment, the hospital must make an application to the department by November 1, 2016. The department shall identify hospitals and the number of new residency slots to be awarded supplemental payments by April 1, 2017. Subsequent to the award of a supplemental payment, the hospital must provide documentation annually by June 1 that they continue to meet the criteria for the supplemental payments and report any changes during the year to the number of residents. The department shall require all hospitals receiving medical education funding to report annually by June 1 on the number of residents in total and by specialty/subspecialty. The supplemental payments are subject to federal Centers for Medicare and Medicaid Services approval. The department shall have the authority to promulgate emergency regulations to implement this amendment within 280 days or less from the enactment of this act."

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### Explanation

(This amendment provides \$1.3 million from the general fund and an equivalent amount of federal matching funds the second year to increase the number of medical residency slots funded through Medicaid. The average residency slot is estimated at \$100,000 a year and this funding would create 25 the second year. Half of the slots would be dedicated to primary care and the remainder for high-need specialties. Preference will be given to residency programs in community and rural areas that are underserved. This is a Joint Commission on Health Care recommendation.)