

**Bulletin Number:** MSA 11-51

**Distribution:** Hospitals, Medicaid Health Plans

**Issued:** December 15, 2011

**Subject:** Graduate Medical Education (GME)

**Effective:** For Fiscal Year 2012, upon approval from the Centers for Medicare and Medicaid Services (CMS)

**Programs Affected:** Medicaid

Since 2007 Graduate Medical Education (GME) funds have been distributed through fee-for-service (FFS) and through the Medicaid Health Plans (MHPs), with \$100 million through the MHP rates and approximately \$68.9 million through the FFS pools.

Public Act 63 of 2011 reduces GME funds from \$168,954,800 to \$154,259,900. This is accomplished by a reduction of \$31,824,300, with an offsetting \$17,469,200 million as "one-time" funding for a net Fiscal Year 2012 reduction of \$14,694,900.

The Michigan Department of Community Health (MDCH) will implement the GME reduction by reducing the FFS GME Funds Pool by a total of \$17,469,200 and increasing the FFS Primary Care Pool by \$2,774,300. The Primary Care Pool and GME Funds Pool that are currently incorporated in the Medicaid Health Plan rates will remain unchanged. Pool distribution methodologies remain unchanged.

The table below provides a comparison between Fiscal Year 2011 and Fiscal Year 2012 GME Pool distributions:

|   | GME Pool              | Fiscal Year 2011     | Change              | Fiscal Year 2012     |
|---|-----------------------|----------------------|---------------------|----------------------|
| <b>GME Pools Distributed on a FFS Basis</b> | GME Primary Care Pool | 7,548,400            | 2,774,300           | 10,322,700           |
|   | GME Funds Pool        | 61,406,400           | (17,469,200)        | 43,937,200           |
| <b>GME Pools Incorporated in MHP Rates</b>  | GME Primary Care Pool | 10,946,900           | 0                   | 10,946,900           |
|   | GME Funds Pool        | 89,053,100           | 0                   | 89,053,100           |
|   | <b>Total GME</b>      | <b>\$168,954,800</b> | <b>(14,694,900)</b> | <b>\$154,259,900</b> |

## Manual Maintenance

Retain this bulletin until the information has been incorporated into the Michigan Medicaid Provider Manual.

## Questions

Any questions regarding this bulletin should be directed to Provider Inquiry, Department of Community Health, P.O. Box 30731, Lansing, Michigan 48909-8231, or e-mail at [ProviderSupport@michigan.gov](mailto:ProviderSupport@michigan.gov). When you submit an e-mail, be sure to include your name, affiliation, and phone number so you may be contacted if necessary. Providers may phone toll-free 1-800-292-2550.

Approved

A handwritten signature in black ink that reads "Stephen Fitton". The signature is written in a cursive, flowing style.

Stephen Fitton, Director  
Medical Services Administration