

Distribution: Hospital 01-01

Issued: December 15, 2000

Subject: Special Disproportionate Share Hospital (DSH) Pool for
Psychiatric Residency Training

Effective: January 15, 2001

Programs Affected: Medicaid

In order to implement Section 1658 of Act 296 of 2000, the Medical Services Administration (MSA) is modifying its hospital reimbursement policy. This policy is intended to ensure that Medicaid beneficiaries have continued access to high quality, cost-effective psychiatric services.

Hospitals that facilitate the training of psychiatric residents that provide treatment to low-income patients may be eligible for special disproportionate share hospital (DSH) payments. These payments will be made in addition to any graduate medical education (GME) funds the hospital may receive. Payments will be made only to hospitals that have approved agreements with either of two programs that specifically address this training need.

A hospital must have an approved psychiatric residency training agreement with either Michigan State University (MSU), in order to receive up to \$535,100 in additional payments, or with Wayne State University (WSU), in order to receive up to \$3,091,640 in additional payments. Hospital agreements must be approved by the Deputy Director for the Medical Services Administration. A separate agreement must be approved for both MSU and WSU. Payments will be made only to hospitals that have accepted cost reports on file with MSA by August 31st of the state fiscal year prior to the one in which the payments are to be made.

To be approved, each agreement at a minimum must include:

- Identification of the purpose, goals and objectives of the residency program.
- Identification of the number of residents to be trained and the location of the training.
- A budget providing detailed costs for the training program.

In addition, to be eligible for the special payment, a hospital must meet at least one of the four criteria on the DSH Eligibility Form included in Chapter VIII, Section 6, of the Hospital Manual.

Manual Maintenance

Retain this bulletin for future reference.

Questions

Any questions regarding this bulletin should be directed to: Provider Inquiry, Medical Services Administration, P.O. Box 30479, Lansing, Michigan 48909-7979. Providers may phone toll free: 1-800-292-2550.

Approved



James K. Haveman, Jr.
Director