



COMMONWEALTH of VIRGINIA

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MEMORANDUM

TO: EMILY MCCLELLAN
Regulatory Supervisor
Department of Medical Assistance Services

FROM: ELIZABETH M. GUGGENHEIM *E.M.G.*
Assistant Attorney General

DATE: March 26, 2018

SUBJECT: Fast-track regulation regarding EVMS and VA Tech Carilion Supplemental Payments

I have reviewed the attached regulation, which would provide for supplemental payments to primary teaching hospitals affiliated with Liaison Committee on Medical Education (LCME) accredited medical schools in Planning Districts 5 and 23. Based on that review, it is my view that the Director, acting on behalf of the Board pursuant to Virginia Code § 32.1-324 and with the authority provided for by Chapter 836, Item 306.RRR.1 of the *2017 Acts of the Assembly* and Virginia Code § 32.1-324, has the authority to promulgate this regulation, subject to compliance with the provisions of Article 2 of the Administrative Process Act and has not exceeded that authority.

Please be aware that this review is based solely upon whether DMAS has the legal authority to promulgate this regulation, not the appropriateness of whether it should be promulgated pursuant to the fast track process. Pursuant to Virginia Code § 2.2-4012.1, if an objection to the use of the fast-track process is received within the public comment period from 10 or more persons, any member of the applicable standing committee of either House of the General Assembly or of the Joint Commission on Administrative Rules, the Department of Medical Assistance Services shall (i) file notice of the objection with the Registrar of Regulations for publication in the Virginia Register, and (ii) proceed with the normal promulgation process set out in this article with the initial publication of the fast-track regulation serving as the Notice of Intended Regulatory Action.

If you have any questions or need any additional information, please feel free to call me at 786-2071.

cc: Kim F. Piner
Senior Assistant Attorney General



Logged in as

Elizabeth Guggenheim

Proposed Text

Action: EVMS & VA Tech Carillion Supplemental Payments**Stage:** Fast-Track

2/13/18 2:12 PM [latest] ▼

12VAC30-70-411. Supplemental payments for certain teaching hospitals.

Effective for dates of service on or after July 1, 2017, quarterly supplemental payments will be issued to qualifying private hospitals for inpatient services rendered during the quarter.

- ✓ A. Qualifying criteria. The primary teaching hospitals affiliated with a Liaison Committee on Medical Education (LCME) accredited medical school located in Planning District 23 that is a political subdivision of the Commonwealth and an LCME accredited medical school located in Planning District 5 that has a partnership with a public university.
- B. Reimbursement methodology. Each qualifying hospital shall receive quarterly supplemental payments for the inpatient services rendered during the quarter equal to the difference between the hospitals Medicaid payments and the hospitals disproportionate share limit (OBRA 93 DSH limit) for the most recent year for which the disproportionate share limit has been calculated by four. The supplemental payment amount will be determined prior to the beginning of the fiscal year.
- C. Limit. Maximum aggregate payments to all qualifying hospitals shall not exceed the available upper payment limit per state fiscal year.