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METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – INPATIENT  
HOSPITAL SERVICES (CONTINUED)

IV. Special Payment Provisions (Continued)

1. The Cost to Charge Ratio (CCR) to be applied for calculating the outlier cost of the case will be assigned to each participating out-of-state hospital based upon its peer group.
  - a. Border Teaching Hospitals: The CCR to apply will be calculated from the most recent available Medicare Cost Report for each hospital in the peer group.
  - b. Non-Border Teaching Hospitals: The CCR to apply will be the average CCR of all in-state hospitals.
  - c. Other Out-of-State Hospitals: The CCR to apply will be the average CCR of all in-state hospitals.
2. In order to ensure access to non-Vermont hospitals providing unusual and highly complex services, the State has the authority to establish rates on a case by case basis or by hospital.

H. New Facilities

New facilities under the DRG system will receive payments using the same payment formulas as stated in III.A.1 and III.A.2. If the new facility is an in-state hospital, it will receive the same base rate as other in-state hospitals and all other payment policies for in-state hospitals will apply. If it is an out-of-state hospital, it will receive a base rate based upon the out-of-state peer group it is assigned to. All other payment provisions will follow the policies for the out-of-state hospital peer group to which it is assigned or the authority as outlined in G.5 above.

I. New Medicaid Providers

Prospective payment rates for established facilities which had not been an OVHA participating provider prior to October 3, 2008 will receive payments based on the same provisions that apply to new facilities as described in IV.H.