
METHODS AND STANDARDS OF ESTABLISHING PAYMENT RATES - OTHER MEDICAL CARE
(Continued)

2. a. Outpatient Hospital Services (Continued)

2. Effective with dates of service on or after May 1, 2008, the Department of Vermont Health Access (DVHA) will reimburse qualified providers for outpatient hospital services under a prospective fee schedule as set forth in this plan. The majority of services will be paid using the Medicare Outpatient Prospective Payment System (OPPS) Ambulatory Payment Classification (APC) fee schedule.

i. Participating Hospitals

All in-state and out-of-state hospitals will be included in this payment methodology, regardless of any designation provided by Medicare.

ii. Discussion of Pricing Methodology

A. APC Rates

The DVHA will follow the Medicare OPPS pricing methodology with respect to how each CPT/HCPCS will be treated in the Medicare OPPS, with the exception that the DVHA will not utilize Medicare OPPS composite pricing logic. The DVHA will use the status indicator that the Medicare OPPS assigns to each CPT/HCPCS to set pricing methodology. Additionally, the DVHA will follow Medicare's methodology with respect to packaging items into the payment with the primary service.

Effective with dates of service on or after January 1, 2011, two rates will be in place for each APC. The standard rates will be set at 83.8% of the Medicare OPPS median APC rate without local wage adjustments. The enhanced rates will be set at 99.2% of the Medicare OPPS median APC rate without local wage adjustments.

The enhanced rates will be paid to in-state hospitals for a limited time period. The Vermont Legislature appropriated an additional \$3.075 million in funds (federal and state share) for outpatient services delivered within the state. The enhanced rate will be in place for eligible hospitals until such time that the payments using the enhanced rates are \$3.075 million above what the payments would have been using the standard rates. Once the \$3.075 million is spent, then the rates paid to the in-state hospitals will revert back to the standard rates.

Hospitals in the state of Vermont classified by Medicare as a sole community hospital (SCH), or a critical access hospital (CAH) will receive 107.1% of the rate in place (either the standard or enhanced rate). Dartmouth-Hitchcock Medical Center will also receive 107.1% of the rate in place.

The DVHA will update the APC rates, the status indicators, the packaging methodology, and the outlier payment methodology annually based upon the Medicare OPPS Final Rule set each year.

B. Outlier Payments

The DVHA will follow the Medicare OPPS pricing methodology with respect to identifying claims eligible as high-cost outliers and for the outlier payment calculation for these claims.

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