

METHODS AND STANDARDS OF ESTABLISHING PAYMENT RATES - OTHER MEDICAL CARE

2. a. Outpatient Hospital Services

2. Effective with dates of service on or after May 1, 2008, the Department of Vermont Health Access (DVHA) ~~will begin~~ reimburseing qualified providers for outpatient hospital services under a prospective fee schedule as set forth in this plan. The majority of services ~~will be~~ are paid using the Medicare Outpatient Prospective Payment System (OPPS) Ambulatory Payment Classification (APC) fee schedule as its basis. Covered services that are delivered in an outpatient setting that are not payable in Medicare's OPPS or are not packaged in the price for another service in Medicare's OPPS ~~will be~~ are paid using ~~either~~ either a fee that has been set on DVHA's professional fee schedule or by using a cost-to-charge ratio multiplied by covered charges. The majority of the services on DVHA's professional fee schedule are derived from Medicare's Resource Based Relative Value Scale (RBRVS) relative value units (RVUs). Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. The agency's fee schedule rates ~~were~~ are set as of ~~January/July~~ July-1, 201~~6~~5 and ~~are~~ is effective for services provided on or after that date. All rates are published at <http://dvha.vermont.gov/for-providers/claims-processing-1>.

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. ~~Effective January 1, 2015, with the exception that the DVHA adopted some, but not all, of the will utilize select Medicare OPPS composite and comprehensive pricing logic, as of January 1, 2015. Prior to this date, the DVHA did not utilize any of 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~~ March/July 1, 201~~5~~6, the rate paid for each service payable in DVHA's OPPS using APC rates will be set as follows:

- For in-state hospitals that have a Medicare classification of ~~either sole community hospital (SCH) or critical access hospital (CAH)~~: ~~92.79%~~ 115.00% of the Medicare 201~~5~~6 OPPS national median APC rate without local adjustment.
- For in-state hospitals that do not have a Medicare classification of ~~either SCH or CAH~~: ~~86.64%~~ 100.00% of the Medicare 201~~5~~6 OPPS national median APC rate without local adjustment.
- For Dartmouth-Hitchcock Medical Center: ~~7490.7600%~~ of the Medicare 201~~5~~6 OPPS national median APC rate without local adjustment.
- For out-of-state hospitals other than Dartmouth-Hitchcock Medical Center: ~~6985.8000%~~ of the Medicare 201~~5~~6 OPPS national APC median rate without local adjustment.

The percentages listed above are considered the base rates for DVHA's OPPS.

Effective with ~~payment dates~~ dates of service on or after July 1, 2016, the DVHA will no longer pay separately for outpatient hospital services billed using revenue codes 510-519 (clinic services). The base rates listed above have been increased to account for this policy change. However, due to the fact that some individual in-state hospitals were disproportionately impacted, positively or negatively, by this policy change, the DVHA is implementing a risk corridor for dates of service effective July 1, 2016 to June 30, 2017 as follows:

(Continued)

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