



State of Vermont
Agency of Human Services
280 State Drive, Center Building
Waterbury, VT 05671-1000

Global Commitment Register

September 8, 2016

GCR 16-089
PROPOSED

Inpatient Prospective Payment System

Policy Summary:

The Department of Vermont Health Access (DVHA) is filing Vermont Medicaid State Plan Amendment (SPA) #16-0023 to update the Inpatient Prospective Payment System (IPPS). There are three changes being made to IPPS: 1) The Neonate Add-on Payment is being eliminated. Neonate is another term used for a newborn baby, and the Neonate Add-on Payment is a per diem payment that DVHA makes in addition to the DRG case rate payment for any newborn inpatient claims. This payment is being eliminated in order to comply with Act 172 of the 2016 legislative session which required that \$4 million of funding be moved from hospital payments to primary care payments; 2) The inpatient psychiatric reimbursement methodology is being updated. DRGs 56, 57, 80 and 81 are being removed from this methodology because these cases tend to be medical in nature rather than primarily psychiatric. Additionally, revenue code 124 is being added to indicate when services are provided on a psychiatric floor or unit. These changes are being made to ensure that medical and psychiatric cases are paid according to the appropriate methodology; 3) The base rates for IPPS are being updated to take into account the above changes as well as an additional reduction in order to comply with Act 172. The new base rates for In-State Hospitals are as follows: \$8,390.00 for Teaching Hospitals; \$9,273.00 for Critical Access Hospitals and Institutions for Mental Disease; and \$8,835.00 for all other Prospective Payment System Hospitals. The new base rates for Out-of-State Hospitals are as follows: \$5,594.00 for Border Teaching Hospitals; \$3,610.00 for Non-Border Teaching Hospitals; and \$2,900.00 for all other Out-of-State Hospitals. The new per diem inpatient psychiatric base rates are as follows: \$1,224.10 for the Brattleboro Retreat Children and Adolescents Program and \$1,128.05 for all other In-State Hospitals.

Effective Date:

October 1, 2016

Authority/Legal Basis:

These changes are being made pursuant to 42 CFR §430.12(c)(1)(ii) under the Medicaid State Plan, which can be found here: <http://dvha.vermont.gov/administration/state-plan>.

Population Affected:

All Medicaid

Fiscal Impact:

	State Fiscal Year 2017	State Fiscal Year 2018
State	(\$1,365,713)	(\$1,823,950)
Federal	(\$1,633,218)	(\$2,174,625)
Total	(\$2,998,931)	(\$3,998,575)

Public Comment Period:

9/8/16 – 9/30/16

Send comments to:

AHS Medicaid Policy Unit
280 State Drive, Center Building
Waterbury, VT 05671-1000

Or submit via e-mail to AHS.MedicaidPolicy@vermont.gov.

There is no public meeting scheduled at this time. If one should be scheduled, that information can be found at: <http://dvha.vermont.gov/> either through the calendar or listed under upcoming events. Comments received will be posted to the DVHA website by October 14, 2016 (link below).

Additional Information:

The draft SPA provides additional details on the proposed changes; copies of the draft SPA can be requested from local Department for Children and Families (DCF) offices or from DVHA at (802) 355-8843, or can be found on the DVHA website: <http://dvha.vermont.gov/global-commitment-to-health/global-commitment-register-proposed-policy-changes>.