

Rebasing of All Nursing Facility Costs Pursuant to V.D.R.S.R. § 5.6

I. Purpose

This Practice and Procedure Issuance announces the rebase of all nursing facility costs used for the setting of Medicaid rates for services provided on and after July 1, 2019 and describes the methodology used in the rebase.

II. Background

State law requires the periodic rebasing of nursing facility costs. Pursuant to 33 V.S.A. § 905(c) and V.D.R.S.R. § 5.6, costs must be rebased every two years for the Nursing Care cost category and at least every four years for other cost categories unless the Secretary of the Agency of Human Services certifies to the legislature that rebasing is not necessary.

The last full rebase was on July 1, 2015 and the base year used at that time was calendar year 2013. The Nursing Care cost category was rebased again on July 1, 2017 to calendar year 2015. **The Division began rebasing all cost categories as of July 1, 2019. The base year was calendar year 2017.**

III. Implementation

The rebase is being implemented by the Division. **No action is required by providers.** The rebase has been based on the allowable costs for each facility's 2017 fiscal year, subject to the limits in V.D.R.S.R. § 7. No special cost reports will be required. For facilities whose cost reporting period is not the calendar year, the inflation factors prescribed in V.D.R.S.R. § 5.8 were used to adjust the facility's fiscal year costs to the calendar 2017 base year.

Effective: August 17, 2021

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