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

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, 2015 and describes the methodology used in the rebase.

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, 2011 and the base year used at that time was calendar year 2009. The Nursing Care cost category was rebased again on July 1, 2013 to calendar year 2011. **All cost categories will be rebased July 1, 2015. The base year will be calendar year 2013.**

IMPLEMENTATION

The rebase will be implemented by the Division. **No action is required by providers.** Because not all relevant cost reports will have been settled (and the applicable cost category limits determined) before July 1, 2015, interim rates will be set based on the Division's estimates of 2013 allowable costs for each facility. After all facilities' fiscal year 2013 cost reports are settled, the interim rates will be made final.

The rebase will be based on the allowable costs for each facility's 2013 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 will be used to adjust the facility's fiscal year costs to the calendar 2013 base year.

Effective: December 17, 2015



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