

Rebasing of Nursing Care Costs

I. Purpose

This Practice and Procedure Issuance announces the rebase of Nursing Care costs used for the setting of Medicaid rates for services provided on and after July 1, 2017, and describes the methodology used in the rebase.

II. Background

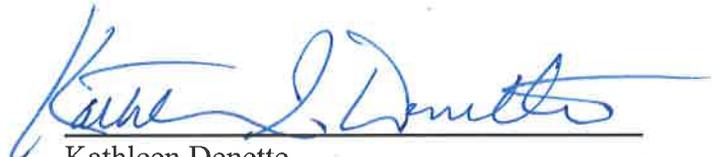
State law requires the periodic rebasing of nursing facility costs. 33 V.S.A. § 905(c). Nursing Care costs must be rebased every two years and at least every four years for other cost categories unless the Secretary of Human Services certifies to the legislature that rebasing is not necessary. 33 V.S.A. § 905(c) and V.D.R.S.R. § 5.6. 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 will be rebased July 1, 2017. The base year will be calendar year 2015.**

III. 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 90th percentile cap for Nursing determined) before July 1, 2017, interim rates will be set based on the Division's estimates of base year 2015 allowable Nursing Care costs for each facility. After all facilities' cost reports used as the base year are settled, the interim rates will be made final.

The rebase will be based on the allowable Nursing Care costs for each facility's 2015 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 Nursing Care costs to the calendar 2015 base year.

Effective: June 6, 2017



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