

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
JFK Federal Building, Government Center
Room 2275
Boston, Massachusetts 02203



CENTERS for MEDICARE & MEDICAID SERVICES

Division of Medicaid and Children's Health Operations / Boston Regional Office

December 21, 2011

Douglas A. Racine, Secretary
Vermont Agency of Human Services
103 South Main Street
Waterbury, Vermont 05671-0204

Dear Mr. Racine:

We are pleased to enclose a copy of approved Vermont State Plan Amendment (SPA) No. 11-023-A, originally submitted to my office as SPA No. 11-023 on September 30, 2011. This SPA was split at CMS request and this portion was subsequently resubmitted as 11-023-A.

This SPA transmitted a proposed amendment to Vermont's approved Title XIX State Plan to implement nonpayment provisions for healthcare acquired conditions/provider preventable conditions as required by 42 CFR 447.26. This SPA has been approved effective August 1, 2011.

Changes are reflected in the following sections of your approved State Plan:

- Attachment 4.19-A, page 1; and
- Attachment 4.19-B, page 1.

If you have any questions regarding this matter you may contact Julie McCarthy at (617) 565-1244 or by e-mail at Julie.McCarthy@cms.hhs.gov.

Sincerely,

s

Richard R. McGreal
Associate Regional Administrator

cc: Mark Larson, Commissioner, Department of Vermont Health Access

Enclosure/s

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 11 -- 023-A	2. STATE: VERMONT
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
5. TYPE OF PLAN MATERIAL (CHECK ONE): <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT		4. PROPOSED EFFECTIVE DATE(S) August 1, 2011	
COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR §430.12(c)(ii)		7. FEDERAL BUDGET IMPACT: a. FFY 2011 \$ (60,615) savings b. FFY 2012 \$ (196,440) savings	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Att. 4.19-A pg 1 Att. 4.19-B pg 1		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable)	
10. SUBJECT OF AMENDMENT: Provider Preventable Conditions			
11. GOVERNOR'S REVIEW (Check One): <input checked="" type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED SIGNATURE OF SECRETARY OF ADMINISTRATION	
12. SIGNATURE OF STATE AGENCY OFFICIAL: _____ 13. TYPED NAME: DOUGLAS A. RACINE		16. RETURN TO: LINDSEY WELLS DEPARTMENT OF VERMONT HEALTH ACCESS 312 HURRICANE LANE, SUITE 201 WILLISTON, VT 05495	
14. TITLE: SECRETARY, AGENCY FOR HUMAN SERVICES		15. DATE SUBMITTED: 09/30/2011	
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 09/30/2011		18. DATE APPROVED: 12/21/2011	
19. EFFECTIVE DATE OF APPROVED MATERIAL: 08/01/2011		20. SIGNATURE OF REGIONAL ADMINISTRATOR:	
21. TYPED NAME: Richard R. McGreal		22. Title: Associate Regional Administrator, Division of Medicaid & Children's Health Operations, Boston, MA	
23. REMARKS: State and Federal officials agree via e-mail 11/23/2011 to pen&ink changes to Boxes 1, 4, 7, 8, 9 and 10 to facilitate splitting the original SPA submission 11-023 into three smaller SPAs (A-C) at CMS request.			

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -INPATIENT HOSPITAL CARE

Citation

42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions.

Health Care-Acquired Conditions

The State identifies the following Health Care-Acquired Conditions for non-payment under Section 4.19 (A) of this State plan.

X Hospital-Acquired Conditions as identified by Medicare other than Deep Vein Thrombosis (DVT)/Pulmonary Embolism (PE) following total knee replacement or hip replacement surgery in pediatric and obstetric patients.

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section 4.19 (A) of this State plan.

X Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

 Additional Other Provider-Preventable Conditions identified below:

In compliance with 42 CFR 447.26(c), the DVHA assures that:

1. No reduction in payment for a PPC will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by that provider.
2. Reductions in provider payment may be limited to the extent that the following apply:
 - a. The identified PPC would otherwise result in an increase in payment.
 - b. The State can reasonably isolate for non-payment the portion of the payment directly related to treatment for, and related to, the PPC.
3. Non-payment for PPCs does not prevent access to services for Medicaid beneficiaries.

In order to determine the non-payment amount, for services paid under Section 4.19 (A) of this State plan, the DVHA will utilize the diagnoses and present on admission indicator submitted by providers on claims. The DVHA utilizes the MS-DRG grouper in its methodology to pay for inpatient hospital services. As such, the MS-DRG grouper will identify the amount of non-payment for inpatient hospital services when a PPC is reported that was not present on admission. In the event of a Deep Vein Thrombosis diagnosis, DVHA will review and make an individual adjustment to the case.

This provision applies to all providers contracted with the DVHA.

TN# 11-023-A
Supersedes
TN# None

Effective Date: 08/01/11
Approval Date: 12/21/11

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES -INPATIENT HOSPITAL CARE

Citation

42 CFR 447, 434, 438, and 1902(a)(4), 1902(a)(6), and 1903

Payment Adjustment for Provider Preventable Conditions

The Medicaid agency meets the requirements of 42 CFR Part 447, Subpart A, and sections 1902(a)(4), 1902(a)(6), and 1903 with respect to non-payment for provider-preventable conditions (PPCs).

Other Provider-Preventable Conditions

The State identifies the following Other Provider-Preventable Conditions for non-payment under Section 4.19 (B) of this State plan.

X Wrong surgical or other invasive procedure performed on a patient; surgical or other invasive procedure performed on the wrong body part; surgical or other invasive procedure performed on the wrong patient.

____ Additional Other Provider-Preventable Conditions identified below:

In compliance with 42 CFR 447.26(c), the DVHA assures that:

1. No reduction in payment for a PPC will be imposed on a provider when the condition defined as a PPC for a particular patient existed prior to the initiation of treatment for that patient by that provider.
2. Reductions in provider payment may be limited to the extent that the following apply:
 - a. The identified PPC would otherwise result in an increase in payment.
 - b. The State can reasonably isolate for non-payment the portion of the payment directly related to treatment for, and related to, the PPC.
3. Non-payment for PPCs does not prevent access to services for Medicaid beneficiaries.

In order to determine the non-payment amount, for services paid under Section 4.19 (B) of this State plan, the DVHA will utilize modifiers that are self-reported by providers on claims that indicate if an OPPC occurred. When one of the OPPC modifiers is present on the claim, the DVHA will calculate a non-payment amount to ensure that the services rendered which the OPPC pertains to are not paid for by DVHA.

This provision applies to all providers contracted with the DVHA.

TN# 11-023-A
Supersedes
TN# None

Effective Date: 08/01/11
Approval Date: 12/21/11