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**State/Territory Name: Vermont**

**State Plan Amendment (SPA) #: 13-043**

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

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



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

April 9, 2014

Douglas A. Racine, Secretary  
Agency of Human Services  
208 Hurricane Lane, Suite 103  
Williston, VT 05495

Dear Secretary Racine:

We are pleased to enclose a copy of approved State plan amendment (SPA) No. 13-043. This SPA was approved on March 13, 2014 with an effective date of November 1, 2013, as requested by your Agency.

This SPA transmitted a proposed amendment to your approved Title XIX State plan to revise the percentages used to recalculate the Medicaid Interim Reimbursement Rates for Federally Qualified Health and Rural Health Centers.

If there are questions, please contact Lynn Wolfsfeld at (410) 999-4004.



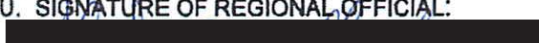
Sincerely,

/s/

Richard R. McGreal  
Associate Regional Administrator

Enclosure

cc: Mark Larson, Commissioner  
Ashley Berliner, DVHA Health Programs Administrator  
Lindsay Parker, Health Program Administrator, Policy Unit

<b>TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL</b>  FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER:  13 - 043	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 COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT ( <i>Separate Transmittal for each amendment</i> )		4. PROPOSED EFFECTIVE DATE(S) NOVEMBER 1, 2013	
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR §430.12(c)(ii)	7. FEDERAL BUDGET IMPACT: a. FFY 2014      \$ 268,665 b. FFY 2015      \$ 289,482		
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: ATT. 4.19-B PAGE 2A(2)	9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT ( <i>If Applicable</i> ) ATT. 4.19-B PAGE 2A(2)		
10. SUBJECT OF AMENDMENT: FQHC AND RHC RATES			
11. GOVERNOR'S REVIEW ( <i>Check One</i> ): <input 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: 		16. RETURN TO:  ASHLEY BERLINER  DEPARTMENT OF VERMONT HEALTH ACCESS 312 HURRICANE LANE, SUITE 201 WILLISTON, VT 05495	
13. TYPED NAME: DOUGLAS A. RACINE		15. DATE SUBMITTED: December 23, 2013	
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED: 12/23/13		18. DATE APPROVED: 3/13/14	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: 11/1/13		20. SIGNATURE OF REGIONAL OFFICIAL: 	
21. TYPED NAME: Richard R. McGreal		22. TITLE Associate Regional Administrator, Division of Medicaid and Children's Health Operations, Boston Regional Office	
23. REMARKS			



METHODS AND STANDARDS OF ESTABLISHING PAYMENT RATES - OTHER MEDICAL  
CARE (Continued)2. b. Rural Health Clinic Services/Federally Qualified Health Centers

- ☒ The payment methodology for FQHCs/RHCs will conform to section 702 of the BIPA 2000 legislation.
- ☒ The payment methodology for FQHCs/RHCs will conform to the BIPA 2000 requirements Prospective Payment System (PPS).
- ☒ The payment methodology for FQHCs/RHCs will conform to the BIPA 2000 requirements for an alternative payment methodology. The payment amount determined under this methodology:
1. Is agreed to by the State and the center or clinic; and
  2. Results in payment to the center or clinic of an amount which is at least equal to the PPS payment rate.

Effective in the center's fiscal year beginning January 1, 2002, or later, payment to RHC's and FQHC's will be made at the greater of the federal PPS payment level with any adjustment for changes in scope, or allowable costs up to the Medicaid upper limit. For RHC's subject to the Medicare upper limit, the interim payment shall be calculated at 110% of the Medicare amount for services provided on or after November 1, 2013. For services provided by FQHC's on or after November 1, 2013, the interim payment shall be calculated at 130% of the Medicare upper limit for that year. For RHC's not subject to the Medicare upper limit, the Medicaid upper limit shall be 125 percent of the non-urban FQHC Medicare upper limit from calendar year 2010. The Commissioner may waive the application of the upper limit, in part or in whole, for good cause shown.

Thirty days prior to a fiscal year the DVHA shall set the interim payment for the next year at the greater of the PPS rate or the rate derived from the most recent adjudicated cost report up to the Medicaid upper limit. If the entity submits a timely cost report, the DVHA will settle on the basis of reasonable costs up to the limit. If the entity does not file a timely cost report and the interim payment was based on the costs, the DVHA will settle the interim payments at the PPS levels.

If a facility elects to be paid by the PPS system, it need not file a Medicaid cost report for that year. If a center elects to be paid by the cost-based system, it must include a declaration of agreement to use the cost-based alternative with its cost report.

3. Other Laboratory and X-Ray Services

Payment is limited to laboratories and laboratory services certified by Medicare. Reimbursement is made at the lower of the provider's charge or the Medicaid rate on file. The Agency's rates were set as of July 1, 2009 and are effective for services on for after that date. All rates are published on <http://dvha.vermont.gov/for-providers>. Except as otherwise noted in the plan, State developed fee schedule rates are the same for both governmental and private.