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State/Territory Name: Vermont

State Plan Amendment (SPA) #: 16-0021

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) HCFA 179 Form
- 3) Approved SPA Page

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

December 20, 2016

Hal Cohen, Secretary
Vermont Agency of Human Services
208 Hurricane Lane, Suite 103
Williston, Vermont 05495

Dear Secretary Cohen:

We are pleased to enclose an approved copy of Vermont's approved State plan amendment (SPA) No. 16-0021 with an effective date of October 1, 2016, as requested by your Agency.

This SPA amended your Title XIX State plan to increase reimbursement to primary care physicians by increasing the conversion factor used for primary care services payable under the RBRVS methodology.

Enclosed are the following pages to be incorporated within your State plan:

- Attachment 4.19-B, page 10

If there are questions, please contact Tom Schenck at (617) 565-1325, or tom.schenck@cms.hhs.gov.

Sincerely,

/s/

Richard R. McGreal
Associate Regional Administrator

Enclosure

cc: Steven Costantino, Commissioner
Dylan Frazer, Health Programs Administrator, Policy Unit
Ashley Berliner, Director of Healthcare Policy and Planning

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: <div style="text-align: center; border: 1px solid black; padding: 2px;">16-0021</div>	2. STATE: <div style="text-align: center; border: 1px solid black; padding: 2px;">VERMONT</div>
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)	
		4. PROPOSED EFFECTIVE DATE(S) <div style="text-align: center; border: 1px solid black; padding: 2px;">10/1/16</div>	
5. TYPE OF PLAN MATERIAL (CHECK ONE): <div style="display: flex; justify-content: space-between;"> <input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT </div> <div style="text-align: center; font-size: small;"> COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT <i>See State Transmittal for each amendment</i> </div>			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR §430.12(c)(1)(ii)		7. FEDERAL BUDGET IMPACT: a. FFY 2017 — \$ 1,634,926 b. FFY 2018 — \$ 2,176,899	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Att. 4.19-B page 10		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Att. 4.19-B pages 10, 21, 22, and 23	
10. SUBJECT OF AMENDMENT: Enhanced Primary Care Payment Rate			
11. GOVERNOR'S REVIEW (Check One): <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 <div style="text-align: center; margin-top: 10px;"> Trey Martin <small>Digitally signed by Trey Martin Date: 2016.12.05 16:39:55 -05'00'</small> </div>	
12. SIGNATURE OF STATE AGENCY OFFICIAL: <div style="text-align: center; margin-top: 10px;"> Hal Cohen <small>Digitally signed by Hal Cohen Date: 2016.11.28 16:18:12 -05'00'</small> </div>		16. RETURN TO: DYLAN FRAZER AGENCY OF HUMAN SERVICES 280 STATE DRIVE, CENTER BUILDING WATERBURY, VT 05671-1000	
13. TYPED NAME: HAL COHEN		15. DATE SUBMITTED: <u>12/18/16</u>	
14. TITLE: SECRETARY, AGENCY OF HUMAN SERVICES			
17. DATE RECEIVED: 12/8/2016			
FOR REGIONAL OFFICE USE ONLY			
18. DATE APPROVED: 12/20/2016		19. EFFECTIVE DATE OF APPROVED MATERIAL: 10/1/2016	
20. SIGNATURE OF REGIONAL OFFICIAL: <div style="background-color: black; height: 20px; width: 100%;"></div>		21. TYPED NAME: Richard R. McGreal	
22. TITLE: Associate Regional Administrator		23. REMARKS	

METHODS AND STANDARDS OF ESTABLISHING PAYMENT RATES - OTHER MEDICAL CARE
(Continued)

Effective for dates of service on or after January 1, 2015, the RVUs used are the Medicare RBRVS values published by the Centers for Medicare and Medicaid on its website. The DVHA will utilize the Non-Facility values for services provided in the physician office and facility RVUs to providers when place of service is an inpatient hospital, outpatient hospital, emergency room, ambulatory surgical center, inpatient psychiatric facility, nursing facility or skilled nursing center. The DVHA will follow Medicare's payment logic of using the lesser of the RBRVS or OPPS RVU values for those select procedures subject to the policy.

The GPCIs used are 1.000 for Work, 1.004 for Practice Expense and 0.682 for Malpractice Insurance.

Effective with dates of service on or after January 1, 2015, the DVHA will use one conversion factor for DVHA covered services payable in the RBRVS methodology. The DVHA will pay for these services using a conversion factor of \$28.71 multiplied by the RVU value on file with DVHA as referenced in the first paragraph on this page.

Effective with dates of service on or after October 1, 2016, the DVHA will implement a second conversion factor of \$32.59 that will be paid only to eligible enrolled Vermont Medicaid providers who must attest to being a primary care physician by one of the following:

1. Board certification as a primary care physician by the American Board of Medical Specialties (ABMS), the American Board of Physician Specialties (ABPS), or the American Osteopathic Association (AOA) or;
2. Have furnished evaluation & management (E&M) and vaccine administration services that equal at least 60% of the Medicaid codes billed during the most recently completed fiscal year.

If the provider meets these conditions, then the services paid using the conversion factor of \$32.59 are those covered and separately payable by Vermont Medicaid and are within the range of E&M Codes from 99201 through 99499 or vaccine administration codes from 90460 through 90474.

When the \$32.59 rate is used, there is no site of service adjustment. Reimbursement is always made using the RVUs associated with the office setting.

Depending upon the provider billing the service, the DVHA modifier pricing logic may also apply.

All rates are published at <http://dvha.vermont.gov/for-providers>.

27. Anesthesia

Payment is made at the lower of the actual charge or the Medicaid rate on file. Effective for dates of service on or after January 1, 2012, the DVHA will reimburse qualified providers who administer anesthesia services covered by the DVHA using the Medicare payment formula of (time units of service + base unit) multiplied by a conversion factor. The units of service billed are based on Medicare billing requirements. The base unit values used by DVHA are those put in place by Medicare effective January 1, 2012. The DVHA will follow Medicare's changes to the base unit values by updating the base units each January.

1. The DVHA will not use Medicare's conversion factor for Vermont, but rather a conversion factor of \$18.15.

All rates are published at www.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.