

Table of Contents

State/Territory Name: VT

State Plan Amendment (SPA) #: 16-0029

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
7500 Security Boulevard, Mail Stop S2-26-12
Baltimore, Maryland 21244-1850



Financial Management Group

MAR 22 2017

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

RE: Vermont 16-0029

Dear Mr. Cohen:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 16-0029. This amendment updates disproportionate share (DSH) payments to all providers. Specifically, it revises the base year data used to determine DSH payments and update references to the current state plan rate year.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30) 1903(a), and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. The Medicaid State plan amendment 16-0029 is approved effective October 1, 2016. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Novena James-Hailey at (617) 565-1291.

Sincerely,

A solid black rectangular box used to redact the signature of Kristin Fan.

Kristin Fan
Director

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: <div style="text-align: center;">16-0029</div>	2. STATE: <div style="text-align: center;">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)	
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>		4. PROPOSED EFFECTIVE DATE(S) <div style="text-align: center;">10/1/16</div>	
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)(1)(ii)		7. FEDERAL BUDGET IMPACT: a. FFY 2017 \$ 0.00 b. FFY 2018 \$ 0.00	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: Att. 4.19-A pages 1f and 1g		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) Att. 4.19-A pages 1f and 1g	
10. SUBJECT OF AMENDMENT: Disproportionate Share Hospital FFY17			
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;"> Trey Martin <small>Digitally signed by Trey Martin Date: 2016.12.20 15:14:26 +05'00'</small> </div>	
12. SIGNATURE OF STATE AGENCY OFFICIAL: <div style="text-align: center;"> <small>Digitally signed by Paul Dragon</small> </div>		16. RETURN TO: DYLAN FRAZER AGENCY OF HUMAN SERVICES 280 STATE DRIVE, CENTER BUILDING WATERBURY, VT 05671-1000	
13. TYPED NAME: <div style="text-align: center;">HAL COHEN</div>		14. TITLE: <div style="text-align: center;">SECRETARY, AGENCY OF HUMAN SERVICES</div>	
15. DATE SUBMITTED: <u>12/30/16</u>		17. DATE RECEIVED:	
FOR REGIONAL OFFICE USE ONLY			
18. DATE APPROVED: <u>MAR 22 2017</u>		19. EFFECTIVE DATE OF APPROVED MATERIAL: <div style="text-align: center;">OCT 01 2016</div>	
20. SIGNATURE OF REGIONAL OFFICIAL: <div style="text-align: center;"> </div>		21. TYPED NAME: <u>Kristin FAN</u>	
22. TITLE: <div style="text-align: center;">Director, FMCo</div>		23. REMARKS	

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL SERVICES (CONTINUED)

VII. Data Sources for Computation of Disproportionate Share Payments

A Base Year is established each year for collecting the data used to set disproportionate share payments in each State Plan Year (SPY). For payments in SPY 2017 (effective October 1, 2016), the Base Year used is the fiscal year ending September 30, 2014. The Base Year will advance one year for each subsequent SPY. Data sources, and the data that will be used from them, include the following:

- A. From the State's Medicaid Management Information System (MMIS)
 - 1. Vermont Medicaid inpatient and outpatient hospital charges
 - 2. Vermont Medicaid inpatient days - Excluded from this figure are Title XXI days and days attributable to Medicaid patients between 21 and 65 years of age in Institutions for Mental Disease (IMD).
 - 3. Vermont Medicaid payments
- B. Hospital Medicare Cost Reports
 - 1. Hospital cost-to-charge ratios
 - 2. Total hospital inpatient days and total Medicaid inpatient days
 - 3. Medicaid inpatient accommodation per diem costs
- C. Hospital Attestation. Federal statute, specifically 42 CFR 447 and 455 requires that hospitals provider certain information for the DSH calculation. The Department of Vermont Health Access (DVHA) collects this federally required information in the form of an attestation from hospitals. Hospitals are required to complete this attestation each year to allow the DVHA the ability to collect data that is not available from any other sources. The DVHA will establish the due date for hospitals to complete this attestation each year and will provide hospitals at least 60 calendar days to complete the attestation. The due date will be on or before May 1. Hospitals who do not submit a completed attestation by the due date waives its right to be eligible for a DSH payment for that DSH plan year.
 - 1. Attestation of federal obstetrical requirement.
 - 2. Total state and local cash subsidies for inpatient and outpatient services
 - 3. Disproportionate share payments from other states and Section 1011 payments
 - 4. Inpatient days for Medicare/Medicaid dual eligibles, out of state Medicaid beneficiaries, and individuals with no third party coverage
 - 5. Inpatient and outpatient hospital charges for Medicare/Medicaid dual eligibles, out of state Medicaid beneficiaries, and individuals with no third party coverage
 - 6. Payments for claims from Medicare/Medicaid dual eligibles, out of state Medicaid beneficiaries, and individuals with no third party coverage
- D. Green Mountain Care Board's Payer Revenue by Hospital (former Report 5)
 - 1. Net Medicaid and Net All Payer patient services revenue
 - 2. Gross Inpatient Charges
- E. Audited hospital financial statements and hospital accounting records.
 - 1. Total revenue for hospital patient services, including inpatient and outpatient services and services by sub provider

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES - INPATIENT HOSPITAL SERVICES (CONTINUED)

VIII. Disproportionate Share Payments (DSH)

Each year of the program, DVHA will determine the DSH Eligibility Group that each hospital is eligible for before calculating payments. If a hospital is eligible for more than one DSH Eligibility Group, for the purposes of computing the funding for each DSH group, the hospital will be placed in the DSH Eligibility Group that maximizes the hospital's DSH payment.

Within a DSH Eligibility Group, funds will be assigned to each hospital using the formulas described in VIII.A. Hospitals may only receive funds from one DSH Eligibility Group each year.

The Total DSH Funding for the DSH State Plan Year 2017 is \$37,448,781. At the time that DSH payments are disbursed, DVHA will publish the funding for each DSH Eligibility Group and a schedule showing the DSH payment made to each eligible hospital.

A. Payment Formulas

Before the calculation of funding by DSH Eligibility Group occurs, the calculation of each Hospital Specific Limit is completed as described in VIII.B. Funding for each Group is then completed as follows:

1. Funding for DSH Group #3 is done first. The amount funded for Group #3 is the lesser of 50% of the of the Total DSH Funding for the DSH SPY or 76% of the combined Hospital Specific Limit for all hospitals in the Group.
2. Subtract the amount funded for DSH Group #3 from the Total DSH Funding for the DSH SPY to derive the remaining amount to be allocated between DSH Groups #1, #2 and #4.
3. Calculate for each hospital its percentage of Title XIX statewide days in the Base Year.

(Continued)