



State of Vermont
Agency of Human Services
280 State Drive, Center Building
Waterbury, VT 05671-1000

Global Commitment Register

June 28, 2024

GCR 23-092
FINAL

Mental Health Case Rate Update

The Centers for Medicare and Medicaid Services (CMS) approved the calendar year 2023 Mental Health Case Rate value-based payment model on May 21, 2024. Please note that the current Mental Health Case Rate reimbursement policy effective January 1, 2024 is reflected in [Global Commitment Register Final Policy 23-164](#), which incorporated the low threshold emergency services payments addressed below into the case rates for children and adults.

Policy Summary:

The Vermont Medicaid program has updated its Mental Health Case Rate payment model to establish a statewide floor for case rate services and begin a process of standardizing payments across providers for Children and Adult core mental health services. The Mental Health Case Rate is comprised of three discrete payments that are combined to derive a single all-inclusive monthly prospective payment for each participating community mental health provider (herein referred to as providers). The provider specific all-inclusive monthly prospective payment is made up of three components:

Component 1: a capitated per-member-per-month case rate payment for children with or at risk of Severe Emotional Disturbance,

Component 2: a capitated per-member-per-month case rate payment for adults with Serious Mental Illness, and

Component 3: a capitated global payment for low threshold emergency services.

The provider specific capitated per-member-per-month case rate payments in components 1 and 2 will be calculated in three steps as follows:

Step 1: As a result of H.494 of the 2023 legislative session, Vermont Medicaid received a 5% increase to the funds available under the all-inclusive monthly prospective payments effective July 1, 2023. This increase requires that as a first step, 3% be directly reimbursed to participating providers as a rate increase.

Step 2: After this rate increase is applied, the second step implements a state-wide base per-member-per-month reimbursement rate for children's and adult's core mental health services. As of July 1, 2023, a state-wide floor of \$700 will be established for both Children and Adult core mental health services. No provider will earn less PMPM than the state-wide floor. Providers

who had case rates lower than \$800 received a 3% increase to begin to move providers incrementally towards standardization. It is Vermont’s goal to increase the state-wide floor over time until state-wide PMPMs are in place for a standardized set of children and adult core mental health services. Progress towards this goal will be implemented on an incremental basis. Vermont believes an incremental approach is critical to ensuring the overall stability of its system of care as it works to achieve this goal. Currently, Vermont is projecting an approach to achieve standard state-wide PMPMs for children and adult core mental health services by 2028 or sooner. To achieve this, in future years, the state will either reallocate a minimum of 2% of existing funds for mental health services, utilize funds appropriated by the legislature, or a combination of both, to move towards rate equity.

Step 3: The third step will distribute the remaining funds from the legislative appropriation. Beginning July 2023, an additional \$1,114,251 will be allocated based on three key domains (1) number of individuals served (herein referred to as caseload), (2) intensity of service delivery for individuals served (herein referred to as service intensity) and (3) quality of services delivered as identified using the value-based payment measures in Attachment 2 of the preprint. Each of the three domains will impact the potential additional PMPM payments for each participating provider. Much like the base PMPM payments described in step 2, Vermont is planning an incremental approach to reach its desired distribution of payments across the three domains. Beginning July 1, 2023, caseload will impact 57%, service intensity will impact 40%, and quality of services will impact 3% of the overall funds providers can earn in step 3.

Step 3 Payment Distribution Across Domains						
	SFY 2023	SFY 2024	SFY2025	SFY2026	SFY2027	SFY2028
Service Intensity	0%	40%	50%	60%	70%	70%
Caseload	98%	57%	46%	35%	25%	25%
Performance	2%	3%	4%	5%	5%	5%

In each of these three domains individual provider performance is compared to average performance across all providers to determine their relative performance (in 2023 performance will be capped at no lower than 85% and no higher than 110% of the average). Payment will be distributed on a sliding scale with the highest scoring providers earning the most and the lowest scoring providers earning the least. Calendar year 2022 claims data will be used to determine the caseload, service intensity and quality of service domains. Refreshed claims data will be used to inform rate changes year over year.

The provider specific capitated global payment in component 3 will be calculated as follows:

The emergency services global payment (ESGP) uses Vermont’s most recent statewide Medicaid penetration rate and the census of each provider’s catchment area to arrive at a single, fixed monthly payment for all “low threshold” emergency services to Medicaid beneficiaries of all age groups. Providers are expected to ensure that the total cost for all low threshold services does not exceed the total capitation amount. “Low threshold” emergency services are those that provide immediate support, evaluation, and referral access and are intended to make minimal demands on the individual in need of emergency services.

To determine the monthly provider-specific Emergency Services Global Payments, Vermont used the most recent statewide Medicaid penetration rate and the census of each provider’s catchment area to arrive at a single, fixed monthly payment for all low-threshold emergency services to Medicaid beneficiaries of all age groups. Low-threshold services meet the billing requirements for code H2011. Providers are expected to ensure that the total cost for all low-threshold services does not exceed the total capitation amount.

Provider Payment Methodology:

All three components (Children’s Case Rate; Adult Case Rate; ESGP) will be combined to determine a single all-inclusive monthly prospective payment for each participating provider. The monthly prospective payment will be determined by multiplying the provider specific PMPM rates by the provider specific monthly caseload target. Monthly caseload targets are determined using a 33-month weighted average for CY 2023 and a 36-month weighted average of unique members served for the remaining years, as identified in claims data. Funds will be distributed prospectively monthly and will be reconciled annually after the close of the performance year. Providers must serve at least 96% of their established caseload target to retain the full portion of the prospective payment determined in this step. If 96% of caseload targets are not met, funds will be recouped on a PMPM basis as part of the annual performance year reconciliation cycle.

Vermont will continue to withhold 2% of participating providers’ prospective payment for a quality incentive fund. Providers will have the opportunity to earn back the full value of this fund as distributed on a quarterly basis and driven by their performance on the defined quality metrics. The provider must meet or exceed the performance benchmark for each quality metric. Providers that reach the highest achievable benchmark (90th percentile) or have improved by a minimum of 5% (as compared to their previous performance) may be eligible for “meaningful improvement” (MI) bonus points. The MI bonus encourages continuous quality improvement for the provider network. The score is subject to the provider’s timely and complete submission of data. The \$971,000 quality payment previously noticed in [Proposed GCR 22-077](#) will be eliminated due to data collection issues.

The provider specific rates for all three components (Children’s Case Rate, Adult Case Rate, ESGP) are as follows:

Mental Health Case Rate Provider	Adult and Child Per-Member-Per-Month Rate*		Emergency Services Global Monthly Capitated Payments
	Adult	Child	
Clara Martin Center	Adult	\$987.71	\$361,603
	Child	\$745.63	
Counseling Service of Addison County	Adult	\$1,820.29	\$408,044
	Child	\$1,507.95	
Howard Center	Adult	\$1,593.64	\$1,006,471
	Child	\$1,081.81	

Health Care and Rehabilitation Services	Adult	\$1,973.50	\$1,849,218
	Child	\$1,386.11	
Lamoille County Mental Health Services	Adult	\$2,591.20	\$299,050
	Child	\$1,118.17	
Northwestern Counseling and Support Services	Adult	\$1,500.79	\$639,504
	Child	\$1,112.84	
Northeast Kingdom Human Services	Adult	\$1,037.28	\$702,510
	Child	\$1,259.47	
Rutland Mental Health Services	Adult	\$1,651.09	\$657,051
	Child	\$756.08	
United Counseling Services	Adult	\$1,029.10	\$400,502
	Child	\$968.23	
Washington County Mental Health	Adult	\$1,490.85	\$721,682
	Child	\$2,478.86	
Pathways	Adult	\$839.63	N/A

*Rates listed in this chart are inclusive of residential rates and other unique programming and are not the rates used to determine the statewide standardization of core mental health services as described in Step 2 above.

Effective Date: July 1, 2023

Authority/Legal Basis:
[Medicaid State Plan](#)

Global Commitment to Health Waiver: Waiver authority #5 [Section 1902(a)(13), 1902(a)(30)]; Special Term and Condition #6.8.

[H.494 of the 2023 Legislative Session](#)

Population Affected: All Medicaid

Fiscal Impact:

The estimated gross annualized budget impact is \$6,219,622.

Public Comment Period:

The public comment period ended on July 31, 2023. One comment was received. [View the comment here.](#)

To be added to the GCR email list, send an email to AHS.MedicaidPolicy@vermont.gov.

Additional Information:

See Table 1: Payment Arrangement Provider Performance Measures on the following page.

TABLE 1: Payment Arrangement Provider Performance Measures							
	Measure Name and NQF # (if applicable)	Measure Steward/ Developer	Baseline Year	Baseline Statistic	Performance Measurement Period	Performance Target*	Notes
1	Number of Medicaid-enrolled children/youth (0-17 years old) served	Vermont	CY2019	N/A	N/A	N/A	Pay for reporting
2	Number of eligible children/youth (0-17 years old) served per 1,000 age-specific population	Vermont	CY2019	N/A	N/A	N/A	Pay for reporting
3	Number of Medicaid-enrolled young adults (18-24 years old) served	Vermont	CY2019	N/A	N/A	N/A	Pay for reporting
4	Number of eligible young adults (18-24 years old) served per 1,000 age-specific population	Vermont	CY2019	N/A	N/A	N/A	Pay for reporting
5	Number of Medicaid-enrolled adults (18+ years old) served	Vermont	CY2019	N/A	N/A	N/A	Pay for reporting
6	Number of adults (18+ years old) served per 1,000 age-specific population	Vermont	CY2019	N/A	N/A	N/A	Pay for reporting
7	Percentage of clients indicate services were “right” for them.	Vermont	CY2019	90%	CY2019 onward	82%**	Pay for performance starting in CY2020
8	Percentage of clients indicate they were treated with respect.	Vermont	CY2019	96%	CY2019 onward	87%**	Pay for performance starting in CY2020
9	Percentage of clients indicate services made a difference.	Vermont	CY2019	88%	CY2019 onward	75%**	Pay for performance starting in CY2020
10	Percentage of clients offered a face-to-face contact within 5 calendar days of initial request.	Vermont	CY2020	66%	CY2020 onward	54%***	Pay for performance starting in CY2021
11	Percentage of clients seen for treatment within 14 calendar days of assessment.	Vermont	CY2020	61%	CY2020 onward	50%***	Pay for performance starting in CY2021
12	Percentage of youth clients (ages 12-17)	Vermont	CY2023	N/A	CY2023 onward	N/A	Pay for reporting in CY2023

TABLE 1: Payment Arrangement Provider Performance Measures							
	Measure Name and NQF # (if applicable)	Measure Steward/ Developer	Baseline Year	Baseline Statistic	Performance Measurement Period	Performance Target*	Notes
	screened for depression.						
13	Percentage of youth clients (ages 12-17) screened for substance use.	Vermont	CY2023	N/A	CY2023 onward	N/A	Pay for reporting in CY2023
14	Percentage of adult clients (ages 18 and older) screened for depression.	Vermont	CY2020	63%	CY2020 onward	59%***	Pay for performance starting in CY2021
15	Percentage of adult clients (ages 18 and older) screened for substance use.	Vermont	CY2020	65%	CY2020 onward	59%***	Pay for performance starting in CY2021
16	Percentage of adult clients (ages 18 and older) screened for trauma.	Vermont	CY2020	60%	CY2023 onward	55%***	Pay for performance starting in CY2021
17	[For Children] Percentage of clients with a CANS update recorded within the last 6 months.	Vermont	CY2020	73%	CY2020 onward	60%***	Pay for performance starting in CY2021
18	[For Adults] Percentage of clients with an ANSA update recorded within the last 12 months.	Vermont	CY2022	29%	CY2022 onward	35%	Pay for Reporting in CY2022, Pay for Performance starting in CY2023
19	Percentage of youth (ages 6-17) with a 7-day follow up after hospitalization (FUH; NQF #: 0576)	NCQA /HEDIS	CY2023	N/A	CY2023 onward	Target to follow national standard for Medicaid HMO	Pay for reporting in CY2023
20	Percentage of adults (ages 18-64) with a 7-day follow up after hospitalization (FUH; NQF #: 0576)	NCQA /HEDIS	CY2023	N/A	CY2023 onward	Target to follow national standard for Medicaid HMO	Pay for reporting in CY2023

* Calculating statistical significance involves having enough data points (n=20+ data points) to ensure a sufficient sample size for computing any inferential statistical analytics. Presently, Vermont has not collected enough data points from Designated Agencies to conduct any analyses for statistical significance. Vermont has agreed to set the targets at 80% of the statewide average of the most recent three years of data until sufficient data points are available.

** Targets for surveys measures follow methodology of attaining the statewide average.

*** Targets for state-selected measures are set 80% of the statewide average of most recent three years of data. The targets above represent data from all of CY2020, CY2021, and CY2022 Quarters 1 & 2.