



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

Global Commitment Register

December 29, 2023

GCR 23-146
PROPOSED

Brattleboro Retreat Alternative Payment Model (APM) Changes

Policy Summary:

Vermont Medicaid proposes to continue the Brattleboro Retreat prospective payment model for inpatient psychiatric services with adjustments to the reconciliation process. The per diem rate of \$3,100 and daily bed day target of 51 will remain in place. Medicaid will continue to pay the Retreat a single monthly payment at the start of each calendar month. The rate is informed by several factors:

- Historical utilization incurred by the Department of Mental Health (DMH) and Department of Vermont Health Access (DVHA) at the Retreat
- Projected utilization in the coming year
- Recent cost per day values incurred by the Retreat for direct care, fixed, and administrative costs
- A negotiated allowance for changes in cost each year for direct care, fixed, and administrative costs

At the start of each calendar year, Medicaid projects the number of inpatient bed days that it will purchase in the coming year, this is known as the utilization target. Using the factors mentioned above, a cost per patient day is determined. The monthly prospective payment represents the monthly bed day target multiplied by the cost per patient day.

Although the patient day utilization will be forecasted for each unit at the Retreat, this model will be tracked based on all Medicaid utilization combined, regardless of the hospital program where the utilization was ultimately incurred.

The Retreat is obligated to submit authorization requests and claims under the practices established by DMH and DVHA. This information will be used in an annual reconciliation process.

In the year-end reconciliation process, actual Medicaid utilization will be tracked against the utilization target. A +/- 2% risk corridor is wrapped around the utilization target, and days within the risk corridor are held harmless. If actual inpatient days incurred by Medicaid is below the lower bound of the risk corridor, then the Retreat will be obligated to pay back \$3,100 for each day under target. Conversely, the State will pay the Retreat for each day above the upper bound of the risk corridor as follows:

- Between 18,989 and 20,788 bed days = 100% of per bed day rate
- Between 20,789 and 21,347 beds days = 0% of per bed day rate
- Over 21,347 bed days = 100% of per bed day rate

The APM Per Diem rate is a fair and reasonable prospective estimate of the reasonable actual cost of care. In 2023 and 2024, the Level 1 cost settlement will no longer occur; therefore, negating the need for a combined settlement by which the amounts derived from the application of the Utilization Risk Corridor and the Level 1 cost settlement are combined to determine the overall amount owed either to the Retreat by the State or to the State by the Retreat.

In addition to fiscal monitoring of this payment approach, Vermont Medicaid has also built-in quality of care measures to ensure that cost and quality incentives are aligned.

Effective Date:

January 1, 2024

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.

Population Affected:

All Medicaid

Fiscal Impact:

This change is expected to be budget neutral.

Public Comment Period:

December 29, 2023 – January 29, 2024

Send comments to:

Medicaid Policy Unit
280 State Drive, Center Building
Waterbury, VT 05671-1000

Or submit via e-mail to AHS.MedicaidPolicy@vermont.gov.

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