



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

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# Global Commitment Register

June 27, 2024

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GCR 24-046  
FINAL

## **Nursing Home Rate Setting Methodology Update**

### **Policy Summary:**

The Vermont Medicaid program updated the nursing home rate setting resident acuity methodology. The Division of Rate Setting sets daily rates for Vermont nursing homes based on the historical and allowable costs incurred at each nursing home. Vermont state law requires that these rates take into account the amount of care each resident needs. Currently, the Division uses the Rug-IV system to determine resident acuity. In 2018, CMS announced that it would discontinue its support for the Rug-IV system and transition to a Patient-Driven Payment Model (PDPM). Vermont will also transition to this new PDPM model to follow the CMS transition. The Healthcare Administrative Rule related to this change has been filed with the Secretary of State and can be found at HCAR 5.101: Methods, Standards, and Principles for Establishing Medicaid Payment Rates for Long-Term Care Facilities.

### **Effective Date:**

July 1, 2024

### **Authority/Legal Basis:**

This change is being done through Global Commitment to Health waiver authority, where DVHA may establish rates with providers on an individual or class basis without regard to the rates currently set forth in the approved 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:**

Skilled Nursing Facilities

### **Fiscal Impact:**

The estimated gross annualized budget impact is \$1,300,000

### **Public Comment Period:**

The public comment period for the rule ended February 15, 2024. One comment was received on HCAR 5.101. [The comment received and the responsiveness summary are available here.](#)

**Additional Information:**

The [HCAR proposed rules](#) are available on the Agency of Human Services website.

The HCAR final [proposed rules on the SOS website](#) are referred to as:

- Rule 24P005 – Private Nonmedical Institution Rules Simplification
- Rule 24P006 – Nursing Home Reimbursement Rule Simplification

The [HCAR adopted rules](#) that are currently in effect are available on the Agency of Human Services website.

More information about the [rulemaking process](#) is available on the Office of the Secretary of State's website.

To be added to the GCR email list, send an email to [AHS.MedicaidPolicy@vermont.gov](mailto:AHS.MedicaidPolicy@vermont.gov).

The draft Global Commitment Amended State Plan page provides additional details on the proposed changes; copies of the draft page can be requested from local Department for Children and Families (DCF) offices or from DVHA at (802) 355-8843, or can be found on [Agency of Human Services website](#).