



Global Commitment Register

June 20, 2024

GCR 24-055
PROPOSED

Border Hospital Peer Group Prospective Payments

Policy Summary:

The Vermont Medicaid program proposes to create two new out-of-state (OOS) border hospital peer group designations for the inpatient and outpatient prospective payment systems.

Peer group designations are used to establish rates for inpatient (IPPS) and outpatient (OPPS) prospective payment systems for specified groups of hospitals. Two new peer group designations are being created for OOS border hospitals. A border hospital is defined as any hospital within 10 miles of the Vermont border.

This change is anticipated to increase access to care as OOS border hospitals will be more likely to accept Vermont Medicaid members with increased reimbursement rates for services.

OOS Border Hospital Peer Group Reimbursement Methodology:

- For out-of-state border hospitals that have a Medicare classification of critical access hospital (CAH):
 - IPPS: The peer group rate is 90% of the in-state CAH inpatient base rate.
 - OPSS: The peer group base rate is 95% of the in-state CAH peer group base rate percentage, which is equivalent to 101.2% of the Medicare 2024 outpatient national APC payment rate without local adjustment.
- For out-of-state border hospitals that do not have a Medicare classification of CAH and who are not considered an academic medical center:
 - IPPS: The peer group rate is 90% of the in-state non-academic medical center inpatient base rate.
 - OPSS: The peer group base rate is 95% of the in-state non-academic medical center peer group base rate percentage, which is equivalent to 79.3% of the Medicare 2024 outpatient national APC payment rate without local adjustment.
- For out-of-state border hospitals the outlier payment methodology will be the same as for in-state hospitals.

Effective Date:

July 1, 2024

Authority/Legal Basis:

[Fiscal Year 2025 Appropriations Act—Act 113](#)

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:

All Medicaid

Fiscal Impact:

The estimated gross annualized budget impact is \$2,207,816.

Public Comment Period:

June 20, 2024 – July 20, 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.

Additional Information:

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](#).