



# Global Commitment Register

December 31, 2024

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GCR 24-123  
PROPOSED

## **Brattleboro Retreat Alternative Payment Model Changes**

### **Policy Summary:**

The Vermont Medicaid program proposes to continue the Brattleboro Retreat (the Retreat) prospective payment model for inpatient psychiatric services with adjustments to the per diem rate, daily bed day target, and reconciliation process. The new per diem rate will be \$2,825 and the new daily bed day target will be 56 beds per day (20,440 annually). 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 annual utilization target. The revised reconciliation process includes an upside-only risk corridor of 2.5% under the utilization target, whereby days are held harmless in the year-end reconciliation calculation. 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 \$2,825 for each day under

target. Conversely, the State will pay the Retreat for each day above the utilization target as follows:

- Between 20,441 – 23,301 = 100% of per bed day rate
- Between 23,302 – 24,323 = 0% of per bed day rate
- Over 24,323 bed days = 100% of per bed day rate

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, 2025

**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 31, 2024 – January 30, 2025

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](mailto:AHS.MedicaidPolicy@vermont.gov).

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