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METHODS AND STANDARDS OF ESTABLISHING PAYMENT RATES - OTHER MEDICAL CARE

2. a. Outpatient Hospital and Ambulatory Surgical Center Services

2. Effective with dates of service on or after May 1, 2008, the Department of Vermont Health Access (DVHA) began reimbursing qualified providers for outpatient hospital services under a prospective fee schedule as set forth in this plan. Effective with dates of service on or after July 1, 2021, Ambulatory Surgical Centers were added to this group of qualified providers. The majority of services are paid using the Medicare Outpatient Prospective Payment System (OPPS) Ambulatory Payment Classification (APC) fee schedule as its basis. Effective July 1, 2021, dental services will no longer be paid using Medicare OPPS APC fee schedule but will be paid via a Vermont Medicaid specific payment methodology. Covered services that are delivered in an outpatient setting that are not payable in Medicare's OPPS or are not packaged in the price for another service in Medicare's OPPS are paid using either a fee that has been set on DVHA's professional fee schedule or by using a cost-to-charge ratio multiplied by covered charges. The majority of the services on DVHA's professional fee schedule are derived from Medicare's Resource Based Relative Value Scale (RBRVS) relative value units (RVUs). Except as otherwise noted in the plan, state-developed fee schedule rates are the same for both governmental and private providers. The agency's most recent OPPS fee schedule rates were set as of January 1, 2025~~January 1, 2024~~ and are effective for services provided on or after that date. All rates are published on the DVHA website.

i. Participating Hospitals and Ambulatory Surgical Centers

All in-state and out-of-state hospitals and Ambulatory Surgical Centers will be included in this payment methodology, regardless of any designation provided by Medicare.

ii. Discussion of Pricing Methodology

A. APC Rates

~~The~~ DVHA will follow the Medicare OPPS pricing methodology with respect to how each CPT/HCPCS will be treated in the Medicare OPPS although may deviate in rare circumstances from this methodology for specific operational and/or policy reasons. Effective July 1, 2021, dental services covered by DVHA and payable under Medicare OPPS in APC 5871 will not be paid using the pricing logic for APC 5871. Instead, DVHA will pay for dental services in an outpatient hospital or ambulatory surgical center setting using the Vermont Medicaid specific methodology described in 2.a.iii.I. DVHA will follow Medicare's methodology with respect to packaging items into the payment with the primary service.

Effective with dates of service on or after July 1, 2018, the DVHA has defined peer groups to set rates for groups of hospitals in its OPPS. Effective July 1, 2021, Ambulatory Surgical Centers were added as a defined peer group. Effective July 1, 2024, out-of-state border hospitals were added as defined peer groups. Effective January 1, 2025~~January 1, 2024~~, the rate paid for each service payable in DVHA's OPPS using APC rates will be set as follows:

- For in-state hospitals that have a Medicare classification of critical access hospital (CAH): the peer group base rate is ~~104.6%~~~~106.5%~~ of the Medicare 2024 OPPS national APC payment rate without local adjustment.
 - For out of state border hospitals that have a Medicare classification of critical access hospital (CAH): the peer group base rate is 95% of the in-state CAH of the in-state CAH peer group base rate percentage, which is equivalent to ~~99.3%~~~~101.2%~~ of the Medicare ~~2025~~~~2024~~ OPPS national APC payment rate without local adjustment.
- For in-state hospitals that do not have a Medicare classification of CAH and who are not considered an academic medical center, the peer group base rate is ~~81.8%~~~~83.5%~~ of the Medicare ~~2025~~~~2024~~ OPPS 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, the peer group base rate is 95% of the in-state non-academic medical center peer group base rate percentage, which is equivalent to ~~77.6%~~~~79.3%~~ of the Medicare ~~2025~~~~2024~~ OPPS national APC payment rate without local adjustment.

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