



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

Global Commitment Register

September 1, 2017

GCR 16-089
CLARIFICATION

Inpatient Prospective Payment System

Policy Summary:

This SPA was approved by CMS. Below is the policy summary for submission.

The Department of Vermont Health Access (DVHA) filed Vermont Medicaid State Plan Amendment (SPA) #16-0023 to update the Inpatient Prospective Payment System (IPPS). There were three changes made to IPPS: 1) The Neonate Add-on Payment was eliminated. Neonate is another term used for a newborn baby, and the Neonate Add-on Payment was a per diem payment that DVHA makes in addition to the DRG case rate payment for any newborn inpatient claims. This payment was eliminated in order to comply with Act 172 of the 2016 legislative session which required that \$4 million of funding be moved from hospital payments to primary care payments; 2) The inpatient psychiatric reimbursement methodology was updated. DRGs 56, 57, 80 and 81 were removed from this methodology because these cases tend to be medical in nature rather than primarily psychiatric. Additionally, revenue code 124 was added to indicate when services are provided on a psychiatric floor or unit. These changes were made to ensure that medical and psychiatric cases are paid according to the appropriate methodology; 3) The base rates for IPPS were updated to take into account the above changes as well as an additional reduction in order to comply with Act 172. The new base rates for In-State Hospitals are as follows: \$8,390.00 for Teaching Hospitals; \$9,273.00 for Critical Access Hospitals and Institutions for Mental Disease; and \$8,835.00 for all other Prospective Payment System Hospitals. The new base rates for Out-of-State Hospitals are as follows: \$5,594.00 for Border Teaching Hospitals; \$3,610.00 for Non-Border Teaching Hospitals; and \$2,900.00 for all other Out-of-State Hospitals. The new per diem inpatient psychiatric base rates are as follows: \$1,224.10 for the Brattleboro Retreat Children and Adolescents Program and \$1,128.05 for all other In-State Hospitals.

Effective Date:

Approved by CMS on July 14, 2017. Effective October 1, 2016

Authority/Legal Basis:

These changes are being made pursuant to 42 CFR §430.12(c)(1)(ii) under the [Medicaid State Plan](#).

Population Affected:

All Medicaid

Fiscal Impact:

	State Fiscal Year 2017	State Fiscal Year 2018
State	(\$1,365,713)	(\$1,823,950)
Federal	(\$1,633,218)	(\$2,174,625)
Total	(\$2,998,931)	(\$3,998,575)

Public Comment Period:

The public comment period was 9/8/16 – 9/30/16. One comment was received.

The public comment received is available here: <http://dvha.vermont.gov/global-commitment-to-health/16-089-comment-response.pdf>.

Additional Information:

Click here to view the GCR final policy for [16-089: Inpatient Prospective Payment System](#).

Click here for the [updated State Plan](#) on the DVHA website.

The following State Plan pages were amended:

- Attachment 4.19-A, pages 1c-3, 1c-4, 1c-5, 1c-6, 1c-7, 1c-8, 1c-10, and 1c-11