



Global Commitment Register

September 25, 2019

GCR 19-057
 PROPOSED

Substance Use Disorder Residential Treatment Episodic Payment

Policy Summary:

The Agency of Human Services proposes to update the episodic payment methodology for substance use disorder (SUD) residential treatment for its second year of operation. Under the episodic payment arrangement, residential treatment providers receive a single price for all services needed by a patient for the entire episode of care, from pre-admission through discharge. This episodic payment includes both residential detoxification and residential treatment. Pharmaceutical benefits continue to be billed separately.

The episodic payment amount will be determined by two factors: the primary diagnosis and, if present at intake, a co-morbidity (see Table 2). The multifactorial rate structure in Table 1 is designed to incentivize providers to admit only those patients that need the full resources of residential care, thereby ensuring people receive appropriate types and levels of care. Quality and utilization oversight will be incorporated into existing Alcohol and Drug Abuse Program activities.

Table 1.

		No Co-occurring Disorder	Co-occurring Disorder Weighted Score		
		A	B	C	D
SUD Primary Diagnosis	<i>Alcohol or Benzodiazepines</i>	\$4,033	\$4,273	\$4,530	\$4,803
	<i>Other</i>	\$3,532	\$3,745	\$3,969	\$4,206

Table 2.

No Co-occurring (from the list below)	A
Bipolar Disorder	
Liver disease/Cirrhosis	
Gender Dysphoria	B
Eating Disorders	
Diabetes	
Post-Traumatic Stress Disorder	
Homeless	
Intellectual Disability	C
Pregnancy	
Personality disorders	
Endocarditis	
Deafness-bilateral	D
Psychotic disorders	

Co-occurring disorders are not additive. For individuals presenting two or more co-occurring disorders at intake, payment is triggered for the highest-weighted category (A < B < C < D).

For residential stays less than three days, providers will be reimbursed at a rate of \$220 per diem.

Through this payment reform effort, the Agency sought a method of reimbursement that would: provide a framework to pay for outcomes rather than discrete services; incentivize innovation and cost-containment through increased provider flexibility; and ensure financial stability through the delivery of more predictable payments. This approach aligns with the goals related to SUD treatment as described in the Global Commitment to Health 1115 waiver, linked below.

Effective Date:

October 1, 2019

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 #29.

Population Affected:

All Medicaid

Fiscal Impact:

The estimated annualized budget impact is a savings of \$190,000.

Public Comment Period:

September 25, 2019 – October 25, 2019

Send comments to:

AHS Medicaid Policy Unit
280 State Drive, Center Building
Waterbury, VT 05671-1000

Or submit via e-mail to AHS.MedicaidPolicy@vermont.gov.

There is no public meeting scheduled at this time. If one should be scheduled, that information can be found at: <http://dvha.vermont.gov/> either through the calendar or listed under upcoming events. Comments received will be posted to the DVHA website.