



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

Global Commitment Register

December 4, 2024

GCR 24-106
PROPOSED

Inpatient Prospective Payment System Update

Policy Summary:

The Department of Vermont Health Access (DVHA) is updating the hospital Inpatient Prospective Payment System (IPPS). This update will include changes to hospital base rates, outlier thresholds, outlier payment percentages, as well as hospital specific Cost-to-Charge ratios. It will also include a complete rebase of the Vermont-specific Diagnosis Related Group (DRG) weights, which is conducted every four years. Due to an overall decrease in the Medicaid Severity Diagnosis Related Group (MS-DRG) relative weights, DVHA is increasing the base rates to remain budget neutral. The last rebase was done in 2020 ([GCR 20-106](#)).

The IPPS base rates will be updated as follows:

- In-State Critical Access Hospitals (CAH): \$10,900 (increased from \$9,488.32)
- In-State and Border Teaching Hospitals: \$9,755 (increased from \$8,355.03)
- In-State Prospective Payment System (PPS): \$10,100 (increased from \$9,159.71)
- Out-of-State Boarder CAH: \$9,090 (increased from \$8,243.74)
- Out-of-State Board PPS: \$9,810 (increased from \$8,539.49)
- Out-of-State Teaching Hospital: \$3,710 (increased from \$3,610.00)
- All other Out-of-State Hospitals: \$3,000 (increased from \$2,900.00)

The psychiatric base per diem rate will be updated as follows:

- In-State Hospitals and Border Teaching Hospitals: \$1,345 (increased from \$1,244.33)

The IPPS outlier values will be updated as follows:

- In-State Hospitals, Out-of-State Boarder Teaching Hospitals, and Out-of-State Boarder CAH/PPS Hospitals:
 - Inpatient outlier threshold: \$27,000 (increased from \$24,000)
 - Inpatient outlier payment percentage: 90% (increased from 80%)

Effective Date:

January 1, 2025

Authority/Legal Basis:

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:

This change is expected to be budget neutral.

Public Comment Period:

December 4, 2024 - January 4, 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](#).