



State of Vermont

Department of Vermont Health Access

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Agency of Human Services

MEMORANDUM

TO: Senator Jane KitcheI, Chair, Senate Appropriations Committee
Representative Diane Lanpher, Chair, House Appropriations Committee

FROM: Andrea DeLaBruere, Commissioner, Department of Vermont Health Access

DATE: April 27, 2023

SUBJECT: Hospital Directed Payment Program

The Agency of Human Services is pursuing an opportunity with the Centers for Medicare and Medicaid Services (CMS), known as the Hospital Directed Payment program. These payments would be targeted to mitigate critical health issues facing Vermonters, which include supporting needs in mental health and substance use, primary care, and mobile response efforts. Due to the payment structure and an Intergovernmental Transfer (IGT) arrangement from the University of Vermont Medical School, only the University of Vermont Medical Center (UVMCMC) would be eligible to receive this funding. If UVMCMC is a recipient of these payments, they would no longer be eligible for a Disproportionate Share Hospital (DSH) payment. This portion of DSH funding would be available for redistribution to the other eligible Vermont in-state hospitals.

We are working with CMS, and hope to gain clarity to determine whether the Hospital Directed Payment mechanism is a viable option for Vermont during the summer or fall 2023. Global Commitment (GC) spending authority would be needed for DVHA during that time-frame when the Vermont Legislature is out of session. If CMS, AHS, and the involved parties agree to this arrangement, the Agency of Human Services will provide a report to the Joint Fiscal Committee. General funds are not necessary for this federal mechanism; therefore, no State funds appropriation is needed at this time.