

Brief snapshot of how we rate set PNMI programs--

The Division of Rate Setting (DRS) requires the completion of annual funding applications from each PNMI provider. The funding applications are reports showing program costs from a “base year”. Costs from base year 2015 will be reviewed to determine the SFY 2017 per diem rates; costs from base year 2014 were used to determine SFY 2016 per diem rates. The costs reported on the funding applications are examined by an auditor at the Division to see that the reported costs are proper, related to the care of residents, allowable per all applicable regulations, and are reasonable. As part of the review of these costs, the Division will request and examine any financial records necessary to confirm that a cost is allowable for inclusion in the Medicaid reimbursement rate.

The DRS rules that govern the rate setting process for PNMI providers are called “Methods, Standards and Principles for Establishing Payment Rates for Private Nonmedical Institutions Providing Residential Child Care Services” and are cited as Vermont Private Nonmedical Institutions Rules or V.P.N.M.I.R. The rules spell out how rates are set and the appeal process available to a provider aggrieved by our findings. These rules can be found on the Division of Rate Setting’s website at <http://humanservices.vermont.gov/departments/office-of-the-secretary/ahs-drs>.

PNMI rates are generally broken down into three components which correspond to funding streams. The three components are treatment, room and board and education. Only the treatment portion of the rate is a Medicaid service; the room and board is paid for by various state and federal programs (non-Medicaid), and the education portion of the rate is paid by the Agency of Education. Most, but not all, PNMI providers run schools or tutorials.

To determine the breakdown of costs between these three categories, the Division requires that the providers conduct semi-annual time studies on all direct-care employees working at the PNMI programs. This information is compiled on forms provided to the PNMI programs by DRS and sent into the Division at prescribed times each year. The data shows how much of each employee’s time is spent on duties related to treatment, room and board and education. The statistics from this data are used to allocate the allowable program costs into treatment, room and board and education amounts. After this is done, the costs in each category are totaled and divided by the number of resident days to come to a per diem rate.

There are minimum occupancy limits which vary between 75% and 90 %, depending on the number of licensed beds of the program. There are two crisis programs with expected stays of up to 10 days which have no minimum occupancy and are paid full cost regardless of occupancy. There is also a cap on cost increases from one base year to the next base year.

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