Notice & Comment Process Required for Medicaid rate changes
From Robin Lunge, Director of Health Care Reform

With more money from the legislature -

1) Model (financial model) allocation of new funding or decreases in funding based on existing payment system policies across provider types; provide impact tables and draft rate schedules.
2) If there is a change to reimbursement methodology, a State Plan Amendment (SPA) is needed.
    a. Prepare SPA pages
    b. Post Public Notice:
        i. Must be published before effective date and include:
            1. Description of the proposed change in methods and standards;
            2. Estimate of any expected increase or decrease in annual aggregate expenditures;
            3. Explanation of why the agency is changing its methods and standards;
            4. Identification a local agency in each county (DCF local offices) where copies of the proposed changes are available for public review;
            5. Address where written comments may be sent and reviewed by the public, and date comments will be posted to DVHA site; and
        ii. Posted to DCF, DVHA site, MEAB, Burlington Free Press
        iii. Public comments, if received, must be posted to DVHA site by date listed in public notice.
    c. SPA package submitted to CMS.

3) Prepare public documents with updates and work with HP (fiscal agent) to ensure implementation consistent with funding allocation or decrease.
4) Communicate with GMCB (for hospital budgets), provider associations and individual providers (through banners and other mechanisms) of upcoming changes.
5) Have contractor (HP) modify the claims processing system to reflect changes

Budget neutral updates to payment systems (many are annual, a few less frequent), process is as follows**:

1) Review internal clinical coverage changes, internal policy changes for implications on payment systems.
2) Review federal mandates and Medicare proposed rule payment system changes.
3) Update data used in payment system rate setting (claims data/other administrative cost data, etc).
4) Do preliminary models of provider impacts of clinical coverage, policy and updated data (NOTE: these systems are redistributed so any updates do not remove money from the

system (i.e., budget neutral), they simply reallocate relative rate amounts consistent with policies and updated data).

5) Draft and release proposed policies and impacts with comment periods.
6) Communicate with GMCB (for hospital budgets if applicable), provider associations and individual providers (through dissemination of policies, meetings, banners and other mechanisms) of upcoming changes.
7) Update models and policies when Medicare releases final rules and based on responses to comments received.
8) Post response to comments and final policies.
9) If there is a change to reimbursement methodology, a SPA is needed.
    a. Prepare SPA pages
    b. Post Public Notice (see public notice process above)
    c. Submit SPA package to CMS.
10) Have contractor (HP) modify the claims processing system to reflect changes

**There is some variation to this general process depending on provider type and the timing of those events outside of the control of the Medicaid agency (e.g., Medicare rules) and/or within the Medicaid agency (e.g., clinical coverage decisions).