

**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).