

State of Vermont
Department of Vermont Health Access
Division of Rate Setting
280 State Drive, NOB 1 South
Waterbury, VT 05671-1010
<http://dvha.vermont.gov>

Agency of Human Services

[Phone] 802-241-0980

April 3, 2020

TO: Vermont Private Non-Medical Institutions

Re: Notice of temporary Private Non-Medical Institution rate restructure in response to declared COVID-19 National Health Emergency

Dear Vermont PNMI Provider:

In order to provide financial stability to private non-medical institutions (PNMIs) during the COVID-19 national health emergency, the per diem rate for all PNMIs shall be temporarily calculated in accordance with section 7.5 (Calculation of Per Diem Rates for Crisis/Stabilization Programs) of the *Methods, Standards and Principles for Establishing Payment Rates for Private Nonmedical Institutions Providing Residential Child Care Services, Vermont Private Nonmedical Institutions Rules* (V.P.N.M.I.R.). This temporary change shall be effective retroactively starting March 1, 2020 and last until the earlier of 60 days after the National Health Emergency related to COVID-19 is terminated or when a determination to by the placement authorizing departments (PADs) to revert back to the normal rate setting methodology is made.

The temporary methodology will use the total allowable costs from a PNMI's settled base year funding application and divide those costs by twelve to arrive at the monthly allowable costs. The Division will calculate the Vermont Medicaid per diem rate for the previous month for which the census data be submitted by dividing the monthly allowable costs, subject to adjustments for the cap on cost increases, revenue recapture, and rate adjustments, by the total number of all-payor resident days for the month just ended. V.P.N.M.I.R. §§ 6.7(b) & 7.6.

PNMIs shall submit the prior month's census to the Division in the normal manner on Form 10-1 of the V.P.N.M.I.R. Practices and Procedures within five days of the end of each month, starting with the month of March.

All other provisions of the Division's rules will remain in full force, including future revenue recapture under V.P.N.M.I.R. § 7.6 for any excess revenue received from these temporary rates. If, during the time the PNMIs receive these restructured rates, a PNMI program's revenue exceeds their allowable costs from staff shortages resulting in lower staffing costs or for any other reason, the Division strongly urges PNMI programs to set aside excess funds in the event of a future recapture.



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In addition to the temporary rate methodology, PNMI programs may apply for extraordinary financial relief (EFR) under V.P.N.M.I.R. § 7.5 for additional relief. If a PNMI program has additional COVID-19 related costs that are not covered by the restructured rates, applying for EFR is the appropriate mechanism to seek additional relief to pay for these costs. PNMIs requesting EFR due to COVID-19 related costs should document these costs with as much detail as possible.

Please do not hesitate to contact the Division with any questions at PNMI.DRS@vermont.gov or (802) 241-0980. Thank you for your work to care for Vermonters during this unprecedented public health crisis.

Sincerely,



Lindsay Gillette
Director of Rate Setting

Enc.

cc: PNMI Placement Authorizing Departments (PADs)
Jodi Verba, DRS Medicaid Residential Program Auditor
Sarah Drinkwater, DRS Attorney
Jaime Mooney, DRS Audit Manager

