

# **MEDICAID REIMBURSEMENT GOALS AND APPROACHES**

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March 10, 2021**

- Be a reliable and predictable payer partner;
- Continually professionalize Medicaid reimbursement methodologies;
- Efficiently allocate resources to ensure access to cost-effective care for Medicaid members; and
- Identify opportunities to pay for value and enable delivery system transformation.

- Establishing a predictable schedule for fee schedule and/or rate updates;
- Aligning with other payer methodologies (and rates) where possible;
- Limiting the number of methodological exceptions; and
- Communicating about proposed changes with providers prior to implementation.

# Committee Testimony Pre-COVID-19 Public Health Emergency

## LTSS HCBS Rates Maintained by DVHA



Rates Maintained by DVHA	Last Update	Frequency
Medicaid State Plan Home Health Services (includes home health, hospice, and high-technology nursing services)	07/01/2019 <a href="#">GCR 19-030</a> – 2% FFS increase	Annual  Note: methodology development planned for 2020
Medicaid State Plan Assistive Community Care Services	07/01/2019 <a href="#">GCR 19-033</a> - \$5 per day increase	Annual (proposed)  Note: methodology development planned for 2020
Choices for Care Nursing Facility Rates	01/01/2020 (quarterly update) <a href="#">Administrative Rule</a>	Quarterly case mix adjustment; Annual inflationary update; Full cost rebase every 4 years

Update: Methodology developed with mutual agreement by stakeholders, proposed effective date of January 1, 2022.

Update: Prioritized for next project (late 2021), collaborating with DAIL for enhanced residential care.

If DVHA were to develop and maintain methodologies for additional services, staffing resources would be needed to support these processes ongoing. Methodologies that contemplate annual rate increases would also require annual budgetary appropriations.

# Recommendations for the Committee's Consideration for H.153 as Introduced

- Amend the bill as introduced to list the services prioritized for reimbursement review to clearly identify the specific services that are in scope. This will support the Department(s) in operationalizing the intent.
- Strike Section 2 (addressed below).
- Amend Section 3 to reflect the specific services prioritized for the Department's processes for payment reform and reimbursement (inclusive of payment methodology development/alignment with other methodologies, regular schedule for updates, etc.).
- The Department(s) would then provide testimony detailing the process and progress (including stakeholders that participated, results, proposed rate changes and effective dates, and estimated budgetary impact).
- Additional staffing and contractual resources will be required, dependent on the defined scope. There will also be anticipated budgetary impacts that may require additional appropriations.