

H.153 – An Act Relating to Medicaid Reimbursement Rates for Home- and Community-Based Service Providers

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Today, we will briefly review:

- **What the Department is currently doing as part of its ongoing commitment to being a reliable and predictable payer partner for our Vermont Medicaid-participating providers:**
 - Discuss the Department's current responsibilities for payment reform and reimbursement methodologies/payment rates, including examples of past projects.
- **The cost and amount of time required for past projects:**
 - Discuss the anticipated impact of the scope of H.153 As Passed By The House for the Department of Vermont Health Access – contractual and staffing, including ongoing; and
 - Discuss the amount of time required to establish methodologies and payment rates for sets of services, as compared to the effective date of H.153 As Passed By The House.

H.153 As Passed By The House in 2021 Requires the Department of Vermont Health Access to Rapidly and Broadly Expand Its Current Responsibilities/Work

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Key Points:

- DVHA has demonstrated ongoing commitment to periodic review of provider rates, for DVHA programs and for other Departments' programs (e.g., Home Health Services and Children's Integrated Services).
- Approaches can include provider surveys and/or building models based on existing data and methodologies.
- Provider engagement and feedback is essential, regardless of approach. Each rate study takes months of concerted effort, involving provider, state staff, and contractor time and resources.
- Given the large numbers of additional Home and Community Based Services, Mental Health and Substance Use Disorder programs that would require studies in H.153 (estimated at about 20), it will not be possible to complete them in a way that ensures meaningful provider engagement and understanding of existing data and methodologies in less than a year's time.
- There would be additional DVHA staff and contractor resources needed, which will require an updated fiscal note.

Rate Study and Determination Processes are Complex and Require Flexibility

For example, a rate study could entail:

- Meeting with staff and providers to learn about the program, the population served, the services provided, and the procedure codes and rates associated with the services.
- Researching the methodology currently used to determine rates, whether Medicare and other payers cover the service, and how rates are determined in other states.
- Determining if a change in methodology is warranted; if so, engage in methodology design process (extensive process that would include significant stakeholder engagement).
- Estimating costs of providing services (technical work that would include engaging a contractor and may also include creating and fielding a provider survey).
- Researching state and federal mandates and developing models for estimating costs of implementing those mandates (required by the Bill).
- Estimating impact of inflation on costs (required by the Bill).
- Estimating impact of labor costs (required by the Bill).
- Determining rates for the program.
- Estimating budget impacts of rate changes.
- Developing reports to communicate results, findings, budget impacts, and recommendations (required by the Bill).