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State/Territory Name: VT

State Plan Amendment (SPA) #: 11-031

This file contains the following documents in the order listed:

- 1) Approval Letter
- 2) CMS 179 Form/Summary Form (with 179-like data)
- 3) Approved SPA Pages

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
7500 Security Boulevard, M/S S3-14-28
Baltimore, MD 21244-1850



Center for Medicaid and CHIP Services (CMCS)

Douglas A. Racine, Secretary
Vermont Agency of Human Services
208 Hurricane Lane, Suite 103
Williston, Vermont 05495

MAR - 2 2012

RE: TN 11-031

Dear Mr. Racine:

We have reviewed the proposed amendment to Attachment 4.19-A of your Medicaid State plan submitted under transmittal number (TN) 11-031. This amendment changes out-of-state hospital base rate amounts from a percentage of the in-state base rate to a specific dollar amount base rate for each hospital classification. This change also delinks the out-of-state methodology from the in-state methodology and maintains the rate paid to out-of-state hospitals as of June 30, 2010.

We conducted our review of your submittal according to the statutory requirements at sections 1902(a)(2), 1902(a)(13), 1902(a)(30), 1903(a) and 1923 of the Social Security Act and the implementing Federal regulations at 42 CFR 447 Subpart C. We are pleased to inform you that Medicaid State plan amendment 11-031 is approved effective November 21, 2011. We are enclosing the CMS-179 and the amended plan pages.

If you have any questions, please call Novena James-Hailey at (617) 565-1291.

Sincerely,

Cindy Mann
Director, CMCS

TRANSMITTAL AND NOTICE OF APPROVAL OF STATE PLAN MATERIAL FOR: CENTERS FOR MEDICARE AND MEDICAID SERVICES		1. TRANSMITTAL NUMBER: 11 -- 031	2. STATE: VERMONT
		3. PROGRAM IDENTIFICATION: TITLE XIX OF THE SOCIAL SECURITY ACT (MEDICAID)	
TO: REGIONAL ADMINISTRATOR CENTERS FOR MEDICARE & MEDICAID SERVICES DEPARTMENT OF HEALTH AND HUMAN SERVICES		4. PROPOSED EFFECTIVE DATE(S) NOVEMBER 21, 2011	
5. TYPE OF PLAN MATERIAL (CHECK ONE):			
<input type="checkbox"/> NEW STATE PLAN <input type="checkbox"/> AMENDMENT TO BE CONSIDERED AS NEW PLAN <input checked="" type="checkbox"/> AMENDMENT COMPLETE BLOCKS 6 THRU 10 IF THIS IS AN AMENDMENT (Separate Transmittal for each amendment)			
6. FEDERAL STATUTE/REGULATION CITATION: 42 CFR §430.12(c)(ii)		7. FEDERAL BUDGET IMPACT: a. FFY 2012 \$ (3,125,914) b. FFY 2013 \$ (3,642,923)	
8. PAGE NUMBER OF THE PLAN SECTION OR ATTACHMENT: ATT. 4.19-A PAGE 1C-10		9. PAGE NUMBER OF THE SUPERSEDED PLAN SECTION OR ATTACHMENT (If Applicable) ATT. 4.19-A PAGE 1A, 1B, 1C, 1C - 1, 1C - 2, AND 1C -11	
10. SUBJECT OF AMENDMENT: OUT-OF-STATE INPATIENT HOSPITAL RATE CHANGE			
11. GOVERNOR'S REVIEW (Check One):		<input checked="" type="checkbox"/> OTHER, AS SPECIFIED	
<input type="checkbox"/> GOVERNOR'S OFFICE REPORTED NO COMMENT <input type="checkbox"/> COMMENTS OF GOVERNOR'S OFFICE ENCLOSED <input type="checkbox"/> NO REPLY RECEIVED WITHIN 45 DAYS OF SUBMITTAL		SIGNATURE OF SECRETARY OF ADMINISTRATION	
12. SIGNATURE OF STATE AGENCY OFFICIAL:		16. RETURN TO:	
13. TYPED NAME: DOUGLAS A. RACINE		LINDSEY WELLS	
14. TITLE: SECRETARY, AGENCY FOR HUMAN SERVICES		DEPARTMENT OF VERMONT HEALTH ACCESS 212 HURRICANE LANE, SUITE 201 WILLISTON, VT 05495	
15. DATE SUBMITTED: 12/29/11			
FOR REGIONAL OFFICE USE ONLY			
17. DATE RECEIVED:		18. DATE APPROVED: MAR - 2 2012	
PLAN APPROVED - ONE COPY ATTACHED			
19. EFFECTIVE DATE OF APPROVED MATERIAL: NOV 21 2011		20. SIGNATURE OF REGIONAL OFFICIAL:	
21. TYPED NAME: Penny Thompson		22. TITLE: Deputy Director, CMCS	
23. REMARKS:			

METHODS AND STANDARDS FOR ESTABLISHING PAYMENT RATES – INPATIENT HOSPITAL SERVICES (CONTINUED)

IV. Special Payment Provisions (Continued)

B. Out of State Facilities

Out-of-state facilities will receive payments using the same payment formulas as stated in III.A.1 and III.A.2. However, the values of components of the formulas may differ from those used to pay in-state hospitals.

1. A Base Rate will be assigned to each participating out-of-state hospital based upon its peer group.
 - a. **Border Teaching Hospitals:** Defined as hospitals within 10 miles of the Vermont border that operate post-graduate training programs. For payments on or after November 21, 2011, the base rate will equal \$4,584.00.
 - b. **Non-Border Teaching Hospitals:** Defined as hospitals greater than 10 miles of the Vermont border that operate post-graduate training programs. For payments on or after November 21, 2011, the base rate will equal \$2,812.50.
 - c. **Other Out-of-State Hospitals:** Defined as hospitals not meeting the criteria of G.1.a or G.1.b. For payments on or after November 21, 2011, the base rate will equal \$2,625.00.
2. A Fixed Outlier Value will be assigned to each participating out-of-state hospital based upon its peer group.
3. An Outlier Percentage will be assigned to each participating out-of-state hospital based upon its peer group.

TN # 11-031
Supersedes
TN # 09-003

Effective Date: 11/21/11
Approval Date: MAR - 2 2012