# Table of Contents

**State/Territory Name: VT**

**State Plan Amendment (SPA) #:16-0017**

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
JFK Federal Building, Government Center
Room 2275
Boston, Massachusetts 02203

CENTERS FOR MEDICARE & MEDICAID SERVICES

**Division of Medicaid and Children's Health Operations / Boston Regional Office**

March 29, 2017

Al Gobeille, Secretary
Vermont Agency of Human Services
280 State Drive - Center Building
Waterbury, VT

Dear Secretary Gobeille:

We are pleased to enclose an approved copy of Vermont's approved State plan amendment (SPA) No. 16-0017 with an effective date of October 1, 2016 as requested by your Agency. This SPA amends your state plan to exempt sexual-assault related services from hospital outpatient cost-sharing.

Enclosed are the following pages to be incorporated within your State plan:

- G1
- G2a
- G2b
- G2c
- G3

We look forward to working with you on the state's process to track aggregate household premiums and cost-sharing not to exceed 5 percent household income as required under 42 CFR 447.56(f) and as outlined in a companion letter to this SPA.

If there are questions, please contact Tom Schenck at (617) 565-1325, or tom.schenck@cms.hhs.gov .

Sincerely,

[redacted]

Richard R. McGreal
Associate Regional Administrator

Enclosure

cc: Corey Gustafson, Commissioner
Dylan Frazer, Health Programs Administrator, Policy Unit
Ashley Berliner, Director of Healthcare Policy and Planning

DEPARTMENT OF HEALTH & HUMAN SERVICES
Centers for Medicare & Medicaid Services
JFK Federal Building, Government Center
Room 2275
Boston, Massachusetts 02203

CENTERS FOR MEDICARE & MEDICAID SERVICES

**Division of Medicaid and Children's Health Operations / Boston Regional Office**

March 29, 2017

Al Gobeille, Secretary
Vermont Agency of 0Human Services
280 State Drive - Center Building
Waterbury, VT

Dear Secretary Gobeille:

This letter is being sent as a companion to Centers for Medicare & Medicaid Services (CMS) approval of State Plan Amendment (SPA) transmittal VT- No. 16-0017. Our review of this submission included a review of the state's proposal to exempt cost sharing for sexual-assault related services as well as the G1, G2a, G2b, G2c, G3 pages of this SPA.

Regarding the process to track each household's aggregate incurred premiums and cost sharing, as required under 42 CFR §447.56(f), the state is currently performing a calculation and produces a report within 90 days after the end of each quarter identifying if any Medicaid beneficiaries have exceeded the aggregate limit of 5% of the household's income for cost sharing for that quarter. If the aggregated limit is exceeded, the state refunds the excess amount to the beneficiary.

Per 42 CFR §447.56(f)(3), in addition to implementing a process to track each household's incurred premiums and cost sharing, states must inform beneficiaries and providers when a beneficiary has incurred out-of-pocket premium and cost sharing expenses up to the aggregate household limit. When the limit has been reached, the individual is no longer subjected to cost sharing for the reminder of the household's cap period. Under the state's current process, due to its retrospective nature, the state is not notifying the beneficiary when the aggregate household limit has been reached, nor is it notifying the provider and capping the cost-sharing before the beneficiary incurs more than the permissible 5% limit. CMS understands that the state is working towards an alternative process to track each household's incurred premiums and cost sharing that will address these concerns.

As discussed during the July 26, 2016 letter and its enclosed documents regarding Vermont's mitigation plan for addressing deficiencies in the Vermont Health Connect eligibility and enrollment system, the state is currently evaluating a feasible timeline for full implementation of the MMIS interface, which will include an alternative method for tracking premiums and cost-sharing amounts to the 5% aggregated limit per Medicaid household. We understand that the state's current process to track premiums and cost-sharing amount is temporal and will be replaced with an alternative process once the MMIS interface is completed. The alternative process will better address real time identifications of individuals who have reached their

aggregated limited of 5% of the household's income and will address timely notification and overcharging concerns.

The state will continue to provide updates and a date to which the alternative tracking system/process will be implemented in conjunction with the items outlined in the July 26, 2016 letter. The state will update CMS as soon as more information is known.

If you have any questions about this letter or require any further assistance, please contact Tom Schenck at (617) 565-1325, or tom.schenck@cms.hhs.gov .

Sincerely,

[redacted]

Richard R. McGreal
Associate Regional Administrator

Enclosure

cc: Corey Gustafson, Commissioner
Dylan Frazer, Health Programs Administrator, Policy Unit
Ashley Berliner, Director of Healthcare Policy and Planning

# Medicaid Premiums and Cost Sharing: Summary Page (CMS 179)

**State/Territory name:** **Vermont**

**Transmittal Number:**

***Please enter the Transmittal Number (TN) in the format ST-YY-0000 where ST= the state abbreviation, YY = the last two digits of the submission year, and 0000 = a four digit number with leading zeros. The dashes must also be entered.***

VT-16-0017

**Proposed Effective Date**

10/01/2016 *(mm/dd/yyyy)*

**Federal Statute/Regulation Citation**

42 CFR §430.12(c)(1)(ii)

**Federal Budget Impact**

| | Federal Fiscal Year | Amount |
|---|---|---|
| **First Year** | 2017 | $ 109.00 |
| **Second Year** | 2018 | $ 109.00 |

**Subject of Amendment**

Removal of Copays for Sexual Assault Examinations

**Governor's Office Review**

- ○ **Governor's office reported no comment**
- ○ **Comments of Governor's office received**

  Describe:

- ○ **No reply received within 45 days of submittal**
- ◉ **Other, as specified**

  Describe:

  Approved by the Secretary of Administration

**Signature of State Agency Official**

| | |
|---|---|
| **Submitted By:** | **Dylan Frazer** |
| **Last Revision Date:** | **Mar 27, 2017** |
| **Submit Date:** | **Dec 29, 2016** |

# Medicaid Premiums and Cost Sharing

State Name: Vermont

OMB Control Number: 0938-1148

Transmittal Number: VT - 16 - 0017

Expiration date: 10/31/2014

## Cost Sharing Requirements G1

1916
1916A
42 CFR 447.50 through 447.57 (excluding 447.55)

The state charges cost sharing (deductibles, co-insurance or co-payments) to individuals covered under Medicaid. Yes

☑ The state assures that it administers cost sharing in accordance with sections 1916 and 1916A of the Social Security Act and 42 CFR 447.50 through 447.57.

**General Provisions**

☑ The cost sharing amounts established by the state for services are always less than the amount the agency pays for the service.

■ No provider may deny services to an eligible individual on account of the individual's inability to pay cost sharing, except as elected by the state in accordance with 42 CFR 447.52(e)(1).

■ The process used by the state to inform providers whether cost sharing for a specific item or service may be imposed on a beneficiary and whether the provider may require the beneficiary to pay the cost sharing charge, as a condition for receiving the item or service, is (check all that apply):

☒ The state includes an indicator in the Medicaid Management Information System (MMIS)

☐ The state includes an indicator in the Eligibility and Enrollment System

☒ The state includes an indicator in the Eligibility Verification System

☐ The state includes an indicator on the Medicaid card, which the beneficiary presents to the provider

☒ Other process

Description:

Pursuant to Section 1916(e) of the ACT, the State permits the provider, in the absence of knowledge or indications to the contrary, to accept the Medicaid recipient's assertion that he or she is unable to pay.

■ Contracts with managed care organizations (MCOs) provide that any cost-sharing charges the MCO imposes on Medicaid enrollees are in accordance with the cost sharing specified in the state plan and the requirements set forth in 42 CFR 447.50 through 447.57.

**Cost Sharing for Non-Emergency Services Provided in a Hospital Emergency Department**

The state imposes cost sharing for non-emergency services provided in a hospital emergency department. No

**Cost Sharing for Drugs**

The state charges cost sharing for drugs. Yes

The state has established differential cost sharing for preferred and non-preferred drugs. No

☒ All drugs will be considered preferred drugs.

**Beneficiary and Public Notice Requirements**

☑ Consistent with 42 CFR 447.57, the state makes available a public schedule describing current cost sharing requirements in a manner that ensures that affected applicants, beneficiaries and providers are likely to have access to the notice. Prior to submitting a SPA which establishes or substantially modifies existing cost sharing amounts or policies, the state provides the public with advance notice of the SPA, specifying the amount of cost sharing and who is subject to the charges, and provides reasonable opportunity for stakeholder comment. Documentation demonstrating that the notice requirements have been met are submitted with the SPA. The state also provides opportunity for additional public notice if cost sharing is substantially modified during the SPA approval process.

**Other Relevant Information**



V.20140415

# Medicaid Premiums and Cost Sharing

State Name: Vermont

OMB Control Number: 0938-1148

Transmittal Number: VT - 16 - 0017

## Cost Sharing Amounts - Categorically Needy Individuals G2a

1916
1916A
42 CFR 447.52 through 54

The state charges cost sharing to all categorically needy (Mandatory Coverage and Options for Coverage) individuals. Yes

**Services or Items with the Same Cost Sharing Amount for All Incomes**

| | Service or Item | Amount | Dollars or Percentage | Unit | Explanation | |
|---|---|---|---|---|---|---|
| + | Pharmacy | 1.00 | $ | Prescription | $1.00 for prescription drugs costing less than $30.00. *Cost refers to the amount of reimbursement | X |
| + | Pharmacy | 2.00 | $ | Prescription | $2.00 for prescription drugs costing $30.00 or more but less than $50.00. *Cost refers to the amount of reimbursement | X |
| + | Pharmacy | 3.00 | $ | Prescription | $3.00 for prescription drugs costing $50.00 or more. *Cost refers to the amount of reimbursement | X |
| + | Outpatient | 3.00 | $ | Day | $3.00 per day per hospital. Sexual assault related services are exempt from cost sharing. | X |
| + | Dental | 3.00 | $ | Visit | $3.00 per provider per date of service. | X |

**Services or Items with Cost Sharing Amounts that Vary by Income**

Service or Item:

Remove Service or Item

Indicate the income ranges by which the cost sharing amount for this service or item varies.

| | Incomes Greater than | Incomes Less than or Equal to | Amount | Dollars or Percentage | Unit | Explanation | |
|---|---|---|---|---|---|---|---|
| + | | | | | | | X |

Add Service or Item

**Cost Sharing for Non-preferred Drugs Charged to Otherwise Exempt Individuals**

If the state charges cost sharing for non-preferred drugs (entered above), answer the following question:

The state charges cost sharing for non-preferred drugs to otherwise exempt individuals.

**Cost Sharing for Non-emergency Services Provided in the Hospital Emergency Department Charged to Otherwise Exempt Individuals**

If the state charges cost sharing for non-emergency services provided in the hospital emergency department (entered above), answer the following question:

The state charges cost sharing for non-emergency services provided in the hospital emergency department to otherwise exempt individuals. ☐

## PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 40 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

V.20160722

# Medicaid Premiums and Cost Sharing

State Name: Vermont

OMB Control Number: 0938-1148

Transmittal Number: VT - 16 - 0017

| Cost Sharing Amounts - Medically Needy Individuals | G2b |
|---|---|
| 1916<br>1916A<br>42 CFR 447.52 through 54 | |
| The state charges cost sharing to all medically needy individuals. | Yes |
| The cost sharing charged to medically needy individuals is the same as that charged to categorically needy individuals. | Yes |

## PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 40 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

V.20160722

# Medicaid Premiums and Cost Sharing

State Name: Vermont

OMB Control Number: 0938-1148

Transmittal Number: VT - 16 - 0017

| Cost Sharing Amounts - Targeting | G2c |
|---|---|
| 1916<br>1916A<br>42 CFR 447.52 through 54 | |
| The state targets cost sharing to a specific group or groups of individuals. | No |

## PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 40 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

V.20160722

# Medicaid Premiums and Cost Sharing

State Name: Vermont

OMB Control Number: 0938-1148

Transmittal Number: VT - 16 - 0017

## Cost Sharing Limitations G3

42 CFR 447.56
1916
1916A

☑ The state administers cost sharing in accordance with the limitations described at 42 CFR 447.56, and 1916(a)(2) and (j) and 1916A(b) of the Social Security Act, as follows:

**Exemptions**

**Groups of Individuals - Mandatory Exemptions**

The state may not impose cost sharing upon the following groups of individuals:

- ■ Individuals ages 1 and older, and under age 18 eligible under the Infants and Children under Age 18 eligibility group (42 CFR 435.118).
- ■ Infants under age 1 eligible under the Infants and Children under Age 18 eligibility group (42 CFR 435.118), whose income does not exceed the higher of:
  - ■ 133% FPL; and
  - ■ If applicable, the percent FPL described in section 1902(l)(2)(A)(iv) of the Act, up to 185 percent.
- ■ Disabled or blind individuals under age 18 eligible for the following eligibility groups:
  - ■ SSI Beneficiaries (42 CFR 435.120).
  - ■ Blind and Disabled Individuals in 209(b) States (42 CFR 435.121).
  - ■ Individuals Receiving Mandatory State Supplements (42 CFR 435.130).
- ■ Children for whom child welfare services are made available under Part B of title IV of the Act on the basis of being a child in foster care and individuals receiving benefits under Part E of that title, without regard to age.
- ■ Disabled children eligible for Medicaid under the Family Opportunity Act (1902(a)(10)(A)(ii)(XIX) and 1902(cc) of the Act).
- ■ Pregnant women, during pregnancy and through the postpartum period which begins on the last day of pregnancy and extends through the end of the month in which the 60-day period following termination of pregnancy ends, except for cost sharing for services specified in the state plan as not pregnancy-related.
- ■ Any individual whose medical assistance for services furnished in an institution is reduced by amounts reflecting available income other than required for personal needs.
- ■ An individual receiving hospice care, as defined in section 1905(o) of the Act.
- ■ Indians who are currently receiving or have ever received an item or service furnished by an Indian health care provider or through referral under contract health services.
- ■ Individuals who are receiving Medicaid because of the state's election to extend coverage to the Certain Individuals Needing Treatment for Breast or Cervical Cancer eligibility group (42 CFR 435.213).

# Medicaid Premiums and Cost Sharing

**Groups of Individuals - Optional Exemptions**

The state may elect to exempt the following groups of individuals from cost sharing:

The state elects to exempt individuals under age 19, 20 or 21, or any reasonable category of individuals 18 years of age or over. Yes

Indicate below the age of the exemption:

- ○ Under age 19
- ○ Under age 20
- ◉ Under age 21
- ○ Other reasonable category

The state elects to exempt individuals whose medical assistance for services furnished in a home and community-based setting is reduced by amounts reflecting available income other than required for personal needs. No

**Services - Mandatory Exemptions**

The state may not impose cost sharing for the following services:

- ☑ Emergency services as defined at section 1932(b)(2) of the Act and 42 CFR 438.114(a).
- ☑ Family planning services and supplies described in section 1905(a)(4)(C) of the Act, including contraceptives and pharmaceuticals for which the state claims or could claim federal match at the enhanced rate under section 1903(a)(5) of the Act for family planning services and supplies.
- ☑ Preventive services, at a minimum the services specified at 42 CFR 457.520, provided to children under 18 years of age regardless of family income, which reflect the well-baby and well child care and immunizations in the Bright Futures guidelines issued by the American Academy of Pediatrics.
- ☑ Pregnancy-related services, including those defined at 42 CFR 440.210(a)(2) and 440.250(p), and counseling and drugs for cessation of tobacco use. All services provided to pregnant women will be considered pregnancy-related, except those services specificially identified in the state plan as not being related to pregnancy.
- ☑ Provider-preventable services as defined in 42 CFR 447.26(b).

**Enforceability of Exemptions**

The procedures for implementing and enforcing the exemptions from cost sharing contained in 42 CFR 447.56 are (check all that apply):

- ☑ To identify that American Indians/Alaskan Natives (AI/AN) are currently receiving or have ever received an item or service furnished by an Indian health care provider or through referral under contract health services in accordance with 42 CFR 447.56(a)(1)(x), the state uses the following procedures:
  - ☐ The state accepts self-attestation
  - ☐ The state runs periodic claims reviews
  - ☒ The state obtains an Active or Previous User Letter or other Indian Health Services (IHS) document
  - ☒ The Eligibility and Enrollment and MMIS systems flag exempt recipients

☐ Other procedure

Additional description of procedures used is provided below (optional):

To identify all other individuals exempt from cost sharing, the state uses the following procedures (check all that apply):

☒ The MMIS system flags recipients who are exempt

☐ The Eligibility and Enrollment System flags recipients who are exempt

☐ The Medicaid card indicates if beneficiary is exempt

☐ The Eligibility Verification System notifies providers when a beneficiary is exempt

☐ Other procedure

Additional description of procedures used is provided below (optional):

**Payments to Providers**

☑ The state reduces the payment it makes to a provider by the amount of a beneficiary's cost sharing obligation, regardless of whether the provider has collected the payment or waived the cost sharing, except as provided under 42 CFR 447.56(c).

**Payments to Managed Care Organizations**

The state contracts with one or more managed care organizations to deliver services under Medicaid. No

**Aggregate Limits**

☑ Medicaid premiums and cost sharing incurred by all individuals in the Medicaid household do not exceed an aggregate limit of 5 percent of the family's income applied on a quarterly or monthly basis.

The percentage of family income used for the aggregate limit is:

◉ 5%

○ 4%

○ 3%

○ 2%

○ 1%

○ Other: ____ %

The state calculates family income for the purpose of the aggregate limit on the following basis:

(•) Quarterly

( ) Monthly

The state has a process to track each family's incurred premiums and cost sharing through a mechanism that does not rely on beneficiary documentation. Yes

[■] Describe the mechanism by which the state tracks each family's incurred premiums and cost sharing (check all that apply):

[ ] As claims are submitted for dates of services within the family's current monthly or quarterly cap period, the state applies the incurred cost sharing for that service to the family's aggregate limit. Once the family reaches the aggregate limit, based on incurred cost sharing and any applicable premiums, the state notifies the family and providers that the family has reached their aggregate limit for the current monthly or quarterly cap period, and are no longer subject to premiums or cost sharing.

[ ] Managed care organization(s) track each family's incurred cost sharing, as follows:

[☒] Other process:

The Department of Vermont Health Access's (DVHA) fiscal agent tracks premiums and cost sharing in accordance with 42 CFR 447.56(f).

[■] Describe how the state informs beneficiaries and providers of the beneficiaries' aggregate family limit and notifies beneficiaries and providers when a beneficiary has incurred premiums and cost sharing up to the aggregate family limit and individual family members are no longer subject to premiums or cost sharing for the remainder of the family's current monthly or quarterly cap period:

See above.

The state has a documented appeals process for families that believe they have incurred premiums or cost sharing over the aggregate limit for the current monthly or quarterly cap period. No

[■] Describe the process used to reimburse beneficiaries and/or providers if the family is identified as paying over the aggregate limit for the month/quarter:

DVHA reimburses beneficiaries in accordance with 42 CFR 447.56(f).

[■] Describe the process for beneficiaries to request a reassessment of their family aggregate limit if they have a change in circumstances or if they are being terminated for failure to pay a premium:

An individual may request a reassessment of their family aggregate limit if they have a change in circumstances or if they are being terminated for failure to pay a premium.

| | |
|---|---|
| The state imposes additional aggregate limits, consistent with 42 CFR 447.56(f)(5). | No |

## PRA Disclosure Statement

According to the Paperwork Reduction Act of 1995, no persons are required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0938-1148. The time required to complete this information collection is estimated to average 40 hours per response, including the time to review instructions, search existing data resources, gather the data needed, and complete and review the information collection. If you have comments concerning the accuracy of the time estimate(s) or suggestions for improving this form, please write to: CMS, 7500 Security Boulevard, Attn: PRA Reports Clearance Officer, Mail Stop C4-26-05, Baltimore, Maryland 21244-1850.

V.20160722