

Date: September 25, 2023

To: Catherine Benham, Chief Fiscal Officer, Joint Fiscal Office

From: Andrea DeLaBruere, Commissioner, Department of Vermont Health Access



Subject: Hospital Directed Payments

*Sec. E.301.3 GLOBAL COMMITMENT FUND; HOSPITAL DIRECTED
PAYMENT PROGRAM*

(a) The Agency of Human Services is authorized to seek a State Directed Payment model with the Centers for Medicare and Medicaid Services (CMS). This payment model will be for a Hospital Directed Payment (HDP) program. Upon approval from CMS, the Agency of Human Services' Department of Vermont Health Access, the University of Vermont, and the University of Vermont Medical Center may enter into a mutual agreement on the implementation of the HDP program.

(b) If CMS approves a Vermont HDP program within the State's Global Commitment to Health Section 1115 Demonstration Waiver in fiscal year 2024 while the General Assembly is not in session, then, pursuant to 32 V.S.A. § 511 and notwithstanding any other provision of law to the contrary, the Department of Finance and Management is authorized to approve the Agency of Human Services' allocation and expenditure of excess receipts for Global Commitment Fund spending up to the amount approved by CMS for the Vermont HDP program.

(c) In State fiscal year 2024, the Agency of Human Services is authorized, to the extent permitted under federal law, to reasonably manage the timing of federal fiscal year 2024 Disproportionate Share Hospital (DSH) payments to hospitals due to the impact the Vermont HDP program payments received in State fiscal year 2024 may have on hospitals' eligibility for DSH payments.

(d) The Agency of Human Services shall report on the status of the Vermont HDP program, the expenditure of excess receipts, and the status of the program's potential impacts on DSH payments at the September and November 2023 meetings of the Joint Fiscal Committee.

The Department of Vermont Health Access (DVHA) and the University of Vermont Medical Center (UVMMC) have not moved forward with the Hospital Directed Payment Program. The Department and UVMMC maintain ongoing contact and continue to consider terms of mutual agreement within the legal requirements of the program. At this time, DVHA has not submitted documentation to CMS for approval and Disproportionate Share Hospital (DSH) payments have not been impacted.



CC:

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