

### **Increasing Medicaid rates and Blueprint payments**

#### Sec. X. INCREASES TO MEDICAID REIMBURSEMENT RATES AND BLUEPRINT PAYMENT AMOUNTS

(a) The 2014 Vermont Household Health Insurance Survey indicates the number of uninsured Vermonters has decreased from 6.8 percent in 2012 to 3.7 percent in 2014, which is a 3.1 percent reduction. Over the same time, Medicaid Disproportionate Share Hospital (DSH) payments have remained unchanged and the amount of free care in approved hospital budgets has been reduced by no more than 25 percent. The reduction in the number of uninsured Vermonters has increased costs to the General Fund, but the funds allocated in hospital budgets to serve those Vermonters have not “followed the customer.” In order to properly fund the shifted costs, it is critical that the Department of Vermont Health Access adjust Medicaid rates in a manner that responsibly increases investments by drawing from sources proportionate to their share of DSH and free care funds.

(b) The Department of Vermont Health Access shall reduce Medicaid reimbursement rates for certain hospital services in fiscal year 2016 by an amount sufficient to fund increases to reimbursement rates for Medicaid primary care providers and to patient-centered medical homes and community health teams participating in the Blueprint for Health in an amount not to exceed \$10,000,000.00 in total.

(c) On or before September 1, 2015, the Commissioner of Vermont Health Access shall present the changes to the Medicaid rates and Blueprint payment

amounts and explain the methodology behind them at a meeting of the Green

Mountain Care Board.