House Committee on Health Care FY25 Budget Recommendations

The House Committee on Health Care appreciates the opportunity to provide our fiscal year 2025 budget recommendations to the House Committee on Appropriations. Our approach to the budget process is guided by our commitment to improving circumstances for all who are involved with the health care system. While we have made progress over the past several years with our 988 crisis line, statewide mobile crisis response, mental health urgent care center pilots, and increased Medicaid reimbursement rates, we are still in a mental health crisis and we are still underfunding our system of care. While the Governor's recommended budget purports to make investments in health care, including mental health, his proposed increase to the Department of Mental Health budget was only 1.1 percent, which is an amount that is insufficient to make any real change in Vermonters' lives.

When we pay providers less for their services than they incur in costs to deliver the care, we discourage them from providing services to our most vulnerable residents. Insufficient resourcing in the Medicaid program reduces access to care, increases the costs borne by other payers, and leads to higher health care costs throughout the system of care. The Committee on Health Care continues to support increasing Medicaid funding, stabilizing our health care delivery system, and encouraging a greater focus on preventive care in our communities to keep Vermonters healthy and to improve health outcomes when individuals need care. While the Committee on Health Care ranked our highest priorities, we strongly urge the Committee on Appropriations to support all of our priorities. By doing so, we are investing our scarce resources in the continued development and maintenance of a comprehensive, coordinated, and equitable system of care that promotes community safety and public health and, most importantly, the health of Vermonters.

The Committee on Health Care has also included some additional priority language proposals following the chart budget language, including $3.5 million for reversion and reappropriation to support several important health care programs and services (Sec. A), language regarding the Department of Public Safety's embedded mental health worker program, language directing a comparison of methodologies for determining home health agency reimbursement rates (Sec. C), language requiring development of a proposed methodology for setting Medicaid reimbursement rates for health care professional services (Sec. D), and language revising the Green Mountain Care Board's bill-back authority (the language is a stakeholder-approved substitute for Sec. E.345 of the Governor's recommended budget) (Sec. E).

Section	Agency/ Dept.	Program Name/Proposal	Gross Dollars	General Fund	One-Time/ Base	HHC Position	Priority	Notes
Governor's Recommend								
B.1100(a)(4)(A)	DMH/ DCF	Youth Psychiatric Inpatient Treatment at SVMC	$1,000,000.00	$1,000,000.00	One-Time	Yes	N/A	
B.1100(a)(5)(A)	AHS-CO	Medicaid Global Payments	$9,279,583.00	$3,913,200.00	One-Time	Yes	N/A	
B311	VDH	Nursing Forgivable Loan Incentive	$288,594.00	$121,700.00	Base	Yes	N/A	
B.307	DVHA	Psychiatric Residential Treatment Facility	$3,500,000.00	$1,500,000.00	**Base**	**Yes**	N/A	**HHC recommends the language submitted by House Human Services for FY2026 Budget Presentations; Residential Beds for Youth**
B.314	DMH	988 Suicide/Crisis Line	$451,254.00	$190,294.00	Base	Yes	N/A	
B.314	DMH	Private Nonmedical Institutions (PNMI). Increase for Rule Change	$100,800.00	$48,772.00	Base	Yes	N/A	

Section	Agency/ Dept.	Program Name/Proposal	Gross Dollars	General Fund	One-Time/ Base	HHC Position	Priority	Notes
B.314	DMH	Private Nonmedical Institutions (PNMI). Inflationary Increase	$343,645.00	$168,325.00	Base	Yes	N/A	
	DPS	Embedded Mental Health Workers Base for current program and addition of 8 positions for a total of 20		$2,476,000.00	Base	Partial yes	N/A	HHC recommends funding current program (i.e., keep at 12 positions), which requires additional $804,000 of the $2,476000, and using remaining $1,536,000 for DA/SSA rate increases (see DA/SSA section)
HHC Proposals Using AHS Covid Emergent/Exigent Funds from Act 78, Sec. B.1100(l)(3)								
	VDH	Bridges to Health	$835,073.03	$835,073.03	One-Time	Support with Act 78 AHS funds	Highest	Bridges For Health has no funding after June 30, 2024. We support one more year of funding to continue the program and give them to time to work with partners, like VDH, on long-term funding.
	DMH	Mental Health Urgent Care Centers	$488,970.00	$206,198.65	One-Time	Support with Act 78 AHS funds	Highest	This secures funding for 3rd quarter FY 2025. Will require report back in early 2025
	DMH	Howard Center Adult Bed and Residential Program	$523,000.00	$523,000.00	One-Time	Support with Act 78 AHS funds	High	

Section	Agency/ Dept.	Program Name/Proposal	Gross Dollars	General Fund	One-Time/ Base	HHC Position	Priority	Notes
	DMH	Howard Center Cultural Liaison Program	$300,000.00	$300,000.00	One-Time	Support with Act 78 AHS funds	High	
	DVHA	NEMT for Medicaid FY2024 Need	$1,201,000.00	$506,000.00	One-Time	Support with Act 78 AHS funds	Medium	Non-emergency medical transportation (NEMT) is an entitlement program; the private providers cannot deny a ride to a Medicaid beneficiary.
	VDH	Household Insurance Survey	$400,000.00	$400,000.00	One-Time	Support with Act 78 AHS funds	Medium	
	VDH	Health Equity Advisory Commission operating and staffing expenses	$250,000.00	$250,000.00	One-Time	Support	Medium	
	VDH	EMS training	$500,000.00	$500,000.00	One-Time	Support	Medium	Another round of one-time requested by EMS advocates. Original request was $1,000,000
			Total	**$3,520,271.68**				
HHC Reimbursement Rate Recommendations								
	DVHA	Visiting Nurses Assn reimbursement rates to 100% of LUPA	$1,300,000.00	$550,000.00	Base	Support	Highest	
	VDH	EMS Treatment No Transport Reimbursement Rates	$74,000.00	$31,200.00	Base	Support	Highest	

Section	Agency/ Dept.	Program Name/Proposal	Gross Dollars	General Fund	One-Time/ Base	HHC Position	Priority	Notes
		to 100% BLS (Medicare) Rate						
	DVHA	Bi-State and Community Health Centers Reimbursement Rate Increase	$4,380,000.00	$1,850,000.00	Base	Support	High	
	DVHA/ DMH (mental health only)	Increase Medicaid Reimbursement Rates to DAs and SSAs (including Pathways) by 3%	$7,800,000.00	$3,300,000.00	Base	Support	High	• DA/SSA request was for 6.5% increase, but HHC recommends 3% increase for mental health services; this is consistent with the Human Services Committee's 3% rate increase request for the DA/SSA services in its jurisdiction. • $1,536,000 of this funding comes from a portion of Governor's recommend for embedded mental health workers. Due to the ongoing mental health crisis, HHC believes it is most appropriate to invest these funds in the mental health system of care to address the

Section	Agency/ Dept.	Program Name/Proposal	Gross Dollars	General Fund	One-Time/ Base	HHC Position	Priority	Notes
								root causes of the public safety issues.
	DVHA	Vermont Medical Society/Health Medicare Economic Index of 4.6% to reimbursement rates	$6,740,000.00	$2,730,000.00	Base	Support	Medium	
Additional HHC Recommendations								
	---	Office of Health Care Advocate	$153,141.32	$96,479.03	Base	Support	Highest	
	VDH	Office of Health Equity	$200,000.00	$200,000.00	Base	Support	High	
	---	UVMMC Vermont Cancer Funding for NCI designation process	$1,000,000.00	$1,000,000.00	One-Time	Support	Medium	Original request was $5,000,000/per year for each of 5 years
	DVHA	NEMT for Medicaid FY2025 Increase	$1,624,500.00	$685,000.00	Base	No	N/A	NEMT is an entitlement program. HHC does not recommend this increase at this time, but supports development of new methodology to properly fund these required services. DVHA's FY 2025 BAA request should include estimated costs of fully funding this

Section	Agency/ Dept.	Program Name/Proposal	Gross Dollars	General Fund	One-Time/ Base	HHC Position	Priority	Notes
								obligation, preferable under the new methodology.

Sec. A. REVERSION AND APPROPRIATION OF HEALTH CARE-RELATED FUNDS

Of the funds appropriated to the Agency of Human Services in 2023 Acts and Resolves No. 78, Sec. B.1100(l)(3), the sum of $3,520,271.68 is reverted to the General Fund and shall be appropriated in fiscal year 2025 as follows:

(1) $835,073.03 from the General Fund to the Department of Health for the Bridges to Health program.

(2) $488,970.00 in Global Commitment funds to the Department of Mental Health to support mental health urgent care centers. On or before January 15, 2025, the Department of Mental Health shall report to the House Committees on Health Care and on Appropriations and the Senate Committees on Health and Welfare and on Appropriations with data regarding each independent urgent care center and the Department's recommendations regarding continued funding needs.

(3) $523,000.00 from the General Fund to the Department of Mental Health for the Howard Center for adult bed-based and residential support services.

(4) $300,000.00 from the General Fund to the Department of Mental Health for the Howard Center's Cultural Liaison Program.

(5) $1,201,000.00 in Global Commitment funds to the Department of Vermont Health Access for non-emergency medical transportation. The Department shall report on its new payment methodology for non-emergency medical transportation as part of its fiscal year 2025 budget adjustment presentation.

(6) $400,000.00 from the General Fund to the Department of Health to conduct the household health insurance survey required by 18 V.S.A. § 9410(i).

(7) $250,000.00 from the General Fund to the Department of Health for the operating and staffing expenses of the Health Equity Advisory Commission.

(8) $500,000.00 from the General Fund to the Department of Health for training for emergency medical services personnel.

Sec. B. DEPARTMENT OF PUBLIC SAFETY; EMBEDDED MENTAL HEALTH WORKERS; REPORT

(a) The General Assembly supports the development and maintenance of a comprehensive, coordinated, and equitable system of care that promotes community safety and public health by delivering high-quality, evidence-based, data-driven, and person-centered responses to emergencies. To the extent that funds are appropriated for embedded mental health workers in the Department of Public Safety, they should be used to improve integration, continuity, and consistency of care between every part of the system, including regional dispatch, homes, schools, clinics, and the streets in order to meet people where they are with responses that most appropriately and effectively address their needs when they ask for help.

(b) On or before January 15, 2025, the Department of Public Safety shall report to the House Committee on Health Care and the Senate Committee on Health and Welfare with measurable outcomes on the results of the Department's embedded mental health worker program to date, by barrack, and on the Department's collaboration with the Department of Mental Health to achieve a

coordinated and integrated system of care, including how this program works with 988, with the statewide Mobile Crisis Response program, and with the designated and specialized service agencies.

Sec. C. HOME HEALTH AGENCY RATE COMPARISON METHODOLOGIES; REPORT

On or before August 31, 2024, the Department of Vermont Health Access shall provide the following to the Health Reform Oversight Committee and the Joint Fiscal Committee:

(1) a methodology for comparing Medicaid rates for home health agency services to rates under the Medicare home health prospective payment system model; and

(2) a methodology for comparing Medicaid pediatric palliative care rates to rates under the Medicare home health prospective payment system model or to Medicare hospice rates, or both.

Sec. D. PROPOSED METHODOLOGY FOR 2025 MEDICAID RESOURCE-BASED RELATIVE VALUE SCALE PROFESSIONAL FEE SCHEDULE

(a) On or before July 1 and October 1, 2024, the Department of Vermont Health Access shall meet with interested stakeholders to develop a proposed methodology for the Medicaid Resource-Based Relative Value Scale professional fee schedule for calendar year 2025. In developing the proposed methodology, the Department shall consider:

(1) maintaining alignment with relative value units used by Medicare but implementing a mandatory minimum on the conversion factors used in Vermont Medicaid, so that Vermont Medicaid's conversion factors do not decrease in the event that Medicare decreases its conversion factor;

(2) whether to benchmark one or more conversion factors in Vermont Medicaid to the Medicare conversion factor from a specific year; and

(3) whether Vermont Medicaid should continue to use two separate conversion factors, one for primary care services and one standard conversion factor, or transition to a single conversion factor in combination with other methods of providing enhanced support for primary care services, such as implementing payment of Healthcare Common Procedure Coding System add-on code G2211 for primary care services, and the potential implications that any proposed approach may have on Vermont's participation in the States Advancing All-Payer Health Equity Approaches and Development (AHEAD) Model, as applicable.

(b) On or before November 1, 2024, the Department of Vermont Health Access shall provide its proposed methodology to the House Committees on Health Care and on Appropriations, the Senate Committees on Health and Welfare and on Appropriations, and the Health Reform Oversight Committee.

(c) On or before December 15, 2024, the Department of Vermont Health Access shall report to the House Committees on Health Care and on Appropriations, the Senate Committees on Health and Welfare and on Appropriations, and the Health Reform Oversight Committee on the fiscal impact of implementing its proposed methodology for calendar year 2025 and, if the new methodology would not result in an increase to provider rates that are greater than or equal to the Medicare Economic Index, the costs of increasing provider rates in an amount equal to the Medicare Economic Index increase as part of the Department's fiscal year 2026 budget.

Sec. E. 18 V.S.A. § 9374(h) is amended to read: ***(substitute for Sec. E.345 of Governor's recommended budget language)***

(h)(1) ~~The Board may assess and collect from each regulated entity the actual costs incurred by the Board, including staff time and contracts for professional services, in carrying out its regulatory duties for health insurance rate review under 8 V.S.A. § 4062; hospital budget review under chapter 221, subchapter 7 of this title; and accountable care organization certification and budget review under section 9382 of this title. The Board may also assess and collect from general hospitals licensed under chapter 43 of this title expenses incurred by the Commissioner of Health in administering hospital community reports under section 9405b of this title.~~

~~(2)~~(A) ~~In addition to the assessment and collection of actual costs pursuant to subdivision (1) of this subsection and except~~ Except as otherwise provided in subdivisions ~~(2)(C) and (3)~~ (1)(C) and (2) of this subsection, ~~all other~~ the expenses of the Board shall be borne as follows:

(i) 40.0 percent by the State from State monies;

(ii) ~~30~~ 28.8 percent by the hospitals;

(iii) ~~24~~ 23.2 percent by nonprofit hospital and medical service corporations licensed under 8 V.S.A. chapter 123 or 125, health insurance companies licensed under 8 V.S.A. chapter 101, and health maintenance organizations licensed under 8 V.S.A. chapter 139; and

(iv) ~~six~~ 8.0 percent by accountable care organizations ~~certified under section 9382 of this title~~.

(B) Expenses under subdivision (A)(iii) of this subdivision ~~(2)~~(1) shall be allocated to persons licensed under Title 8 based on premiums paid for health care coverage, which for the purposes of this subdivision ~~(2)~~(1) shall include major medical,

comprehensive medical, hospital or surgical coverage, and comprehensive health care services plans, but shall not include long-term care, limited benefits, disability, credit or stop loss, or excess loss insurance coverage.

(C) Expenses ~~incurred by the Board for regulatory duties associated with certificates of need shall be~~ assessed pursuant to the provisions of section 9441 of this title ~~and not~~ shall not be assessed in accordance with the formula set forth in subdivision (A) of this subdivision ~~(2)~~(1).

~~(3)~~(2) The Board may determine the scope of the incurred expenses to be allocated pursuant to the formula set forth in subdivision ~~(2)~~(1) of this subsection if, in the Board's discretion, the expenses to be allocated are in the best interests of the regulated entities and of the State.

~~(4)~~(3) If the amount of the proportional assessment to any entity calculated in accordance with the formula set forth in subdivision ~~(2)(A)~~(1)(A) of this subsection would be less than $150.00, the Board shall assess the entity a minimum fee of $150.00. The Board shall apply the amounts collected based on the difference between each applicable entity's proportional assessment amount and $150.00 to reduce the total amount assessed to the regulated entities pursuant to subdivisions ~~(2)(A)(ii)-(iv)~~ (1)(A)(ii)–(iv) of this subsection.

~~(5)~~(4)(A) Annually on or before September 15, the Board shall report to the House and Senate Committees on Appropriations the total amount of all expenses eligible for allocation pursuant to this subsection (h) during the preceding State fiscal year and the total amount actually billed back to the regulated entities during the same period. The provisions of 2 V.S.A. § 20(d) (expiration of required reports) shall not apply to the report to be made under this subdivision.

(B) The Board ~~and the Department~~ shall also present the information required by this subsection (h) to the Joint Fiscal Committee annually at its September meeting.