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MEMORANDUM

To: Representative Martha Heath, Chair, House Committee on Appropriations
From: Representative Michael Fisher, Chair, House Committee on Health Care
Cc: Representative Janet Ancel, Chair, House Committee on Ways & Means
Date: March 11, 2014
Subject: Health Care Committee FY 2015 budget memo

2% increase to Medicaid provider rates

The House Health Care Committee urges the House Appropriations Committee to include in the FY 2015 budget the Governor's recommended two percent rate increase for Medicaid participating providers. This increase represents an important step in addressing the cost-shift by attempting to maintain a rate-of-inflation increase for Medicaid providers. Failure to keep pace with inflation does not reduce the cost of health care, it merely shifts the burden of inflationary increases onto private health insurance rates.

The increase is also part of building and maintaining trust with the provider community, which is critical at this time of historic health care reform. This is a real concern for those of us who are measuring the sustainability of independent practitioners who take Medicaid, as well as the sustainability of our network for human service providers who are funded through Medicaid. It is a priority of the Health Care Committee that provider rates in Medicaid not be cut and the Committee strongly encourages adoption of the two percent rate increase, as well.

New positions

The Health Care Committee supports establishing the Clinical Operations Nurse Case Manager and Health Programs Administrator positions in the Department of Vermont Health Access.

Medicaid budget language

The Health Care Committee supports the proposal to amend 32 V.S.A. § 307(d)(5) to shift the Medicaid budget inflation increase benchmark from hospital budgets to the Green Mountain Care Board's expenditure trends.

Emergency rulemaking authority

The Health Care Committee supports allowing the Agency of Human Services to adopt emergency rules prior to December 31, 2014 if changes are needed to ensure Vermont's Health Benefit Exchange complies with federal guidance and regulations.