

### Sections of budget bill still awaiting HHC review

**Sec. E.301.1** Sec. 3 of No. 60 of the Acts of 2011 is amended to read:

**Sec. 3. REQUEST FOR A WAIVER**

By no later than July 1, 2012, the agency of human services shall include as a part of its application request for a demonstration project from the Centers for Medicare and Medicaid Services to integrate care for dual eligible individuals the additional proposal of allowing the state to provide for an “enhanced hospice access” benefit, whereby the definition of “terminal illness” is expanded from six months’ life expectancy to that of 12 months and participants may access hospice without being required to first discontinue curative therapy. ~~Also, by no later than July 1, 2013, the agency of human services shall submit a Global Commitment Medicaid waiver amendment to provide funding for the same enhanced hospice access benefit.~~

**EXPLANATION:** The State wants to focus on extending the Global Commitment Medicaid waiver; any amendment to the waiver will complicate the extension request.

Please note that the Committee on Human Services has also been asked to review Sec. 301.1.

**Sec. E.302** PAYMENT RATES FOR PRIVATE NONMEDICAL INSTITUTIONS PROVIDING RESIDENTIAL CHILD CARE SERVICES

(a) Notwithstanding any other provision of law, for the first quarter of state fiscal year 2014, the division of rate setting shall calculate payment rates for private nonmedical institutions (PNMI) providing residential child care services as 100 percent of each program’s final per diem rate in effect on June 30, 2013.

(1) For programs whose final per diem rate as of June 30, 2013 includes an approved rate adjustment, the per diem rate for the first quarter of state fiscal year 2014 will include provisions from the division of rate setting’s rate adjustment order.

(2) For programs whose final per diem rate as of June 30, 2013 is categorized as a start-up rate, the per diem rate for the first quarter of state fiscal year 2014 will include provisions from the division of rate setting’s final order on the start-up rate.

(b) The division of rate setting shall propose a rule to set rates effective October 1, 2013 for PNMI facilities providing residential child care services based on actual historical costs in a base year.

**EXPLANATION:** This language is necessary to level-fund PNMI providers for the first quarter of state fiscal year 2014 and treat PNMI providers the same as other Medicaid providers. Beginning October 1, 2013, PNMI providers will be rebased based on actual historical costs.

Please note that the Committee on Human Services has also been asked to review Sec. E302.

**Sec. E.306** 32 V.S.A. §305a(c) is amended to read:

(c) The January estimates shall include estimated caseloads and estimated per member per month expenditures for the current and next succeeding fiscal years for each Medicaid enrollment group as defined by the agency and the joint fiscal office for state health care

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assistance programs or premium assistance programs supported by the state health care resources and Global Commitment funds, ~~for VermontRx, and for the programs under the Choices for Care~~ any Medicaid Section 1115 waiver. The next succeeding fiscal year's estimated per member per month expenditures shall include an increase in Medicaid provider reimbursements in order to ensure that the expenditure estimates reflect amounts attributable to health care inflation as required by subdivisions 307(d)(5) and (d)(6) of this title. For VPharm, the January estimates shall include estimated caseloads and estimated per-member per-month expenditures for the current and next succeeding fiscal years by income category. The January estimates shall include the expenditures for the current and next succeeding fiscal years for the Medicare Part D phased-down state contribution payment and for the disproportionate share hospital payments. In July, the administration and the joint fiscal office shall make a report to the emergency board on the most recently ended fiscal year for all Medicaid and Medicaid-related programs, including caseload and expenditure information for each Medicaid eligibility group, and health care inflation estimates provided by the Green Mountain Care board developed under 18 V.S.A. Sec. 9375a. Based on this report, the emergency board may adopt revised estimates for the current fiscal year and estimates for the next succeeding fiscal year.

**EXPLANATION:** Clarifies that expenditure estimates include a reimbursement inflation factor in order to ensure Medicaid reimbursements do not increase the costs shifted to private payers.

**Sec. E.306.1** 32 V.S.A. §307(d) is amended to read:

(d) The governor's budget shall include his or her recommendations for an annual budget for Medicaid and all other health care assistance programs administered by the agency of human services. The governor's proposed Medicaid budget shall include a proposed annual financial plan, and a proposed five-year financial plan, with the following information and analysis:

\* \* \*

(5) health care inflation trends consistent with provider reimbursements approved under 18 V.S.A. 9376 and hospital budgets approved by the Green Mountain Care Board under 18 V.S.A. chapter 221, subchapter 7.

(6) recommendations for funding provider reimbursement at levels sufficient to ensure reasonable access to care, and at levels at least equal to Medicare reimbursement;

\* \* \*

**EXPLANATION:** Clarifies that health care inflation trends should include a reimbursement inflation factor consistent with the hospital budget approvals in order to ensure Medicaid reimbursements do not increase the costs shifted to private payers.

**Sec. E.307.2** REDUCTION IN MEDICAID COST-SHIFT

(a) It is the intent of the general assembly to ensure that health care providers receive fair and reasonable reimbursement from the department of Vermont health access for services provided to individuals eligible for Medicaid and Dr. Dynasaur. Vermont's public programs should reimburse health care providers in a manner that recognizes inflation included in hospital budgets approved by the Green Mountain Care Board in order to avoid exacerbating the shift of costs to private payers.

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(b) Beginning October 1, 2013, the agency of human services shall increase Medicaid reimbursements to health care providers, except nursing homes and private nonmedical institutions (PNMI), by an amount equal to 3 percent of fiscal year 2012 expenditures for those providers. The agency may vary the percentage increase to health care providers consistent with participation in payment and delivery system activities authorized under 18 V.S.A. Sec. 9375, or consistent with meeting health care cost and quality performance targets established by the department of Vermont health access (DVHA) under the Global Commitment to Health Section 1115 waiver.

**EXPLANATION:** Provides an inflation increase to reimbursements under Medicaid for all providers, except nursing homes, which have a statutory inflation factor, and PNMI providers, which will be rebased based on actual costs effective October 1, 2013. Delays the increase in hospital reimbursements to coincide with the hospital budget year which begins October 1. Also provides discretion for the Agency of Human Services to vary the increase consistent with participation in “payment reform” and cost and quality performance targets.

**Sec. E.312.1** 33 V.S.A. Sec. 2004 is amended to read:  
Sec. 2004. Manufacturer fee

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(b) Fees collected under this section shall fund collection and analysis of information on pharmaceutical marketing activities under 18 V.S.A. §§ 4632 and 4633, analysis of prescription drug data needed by the attorney general's office for enforcement activities, the Vermont prescription monitoring system established in 18 V.S.A. chapter 84A, ~~and~~ the evidence-based education program established in 18 V.S.A. chapter 91, subchapter 2, and the community-based HIV prevention programs and services. The fees shall be collected in the evidence-based education and advertising fund established in section 2004a of this title.

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**EXPLANATION:** Adds as a permissible use for the manufacturer fee (which is deposited into the evidence-based education and advertising special fund) HIV prevention programs and services.