

VNAs of Vermont Home Health Provider Tax

Testimony of Jill Mazza Olson, Executive Director

March 3, 2017

Tax Basis

- Pre-SFY2017: “Core Services” defined as medically necessary skilled nursing, home health aide, therapeutic, and personal care attendant services covered by Medicaid
- SFY2017 (and SFY2018 if no changes): Net patient revenue
- H.386 Proposal: Net patient revenue for services that only VNAs provide

Concerns with Interim Model

- Includes services provided by only some VNAs that are not a traditional VNA service, such as Adult Day
- Includes services provided by other untaxed organizations such as Choices for Care care management services
- Includes home care provided in New Hampshire (successfully appealed)
- Includes various forms of “pass through” revenue

Proposal

- Key provision is the definition of “Core Home Health and Hospice Service” which defines what WILL be taxed - Section 4 of the bill - 33 VSA § 1951(2)(A)
 - Medicare Home Health Services
 - “Traditional” Medicaid Home Health Services
 - Commercial Home Health Services
 - Hospice services – all payers
 - Choices for Care: personal care, companion care, respite
 - High-Tech Services
- VNAs do their accounting by service and payer – they are able to identify the taxable revenue as defined above
- Section 33 VSA § 1951(2)(B) clarifies what is NOT taxed, but is not meant to be an exhaustive; does not need to be “backed out” by DVHA
- Out of State revenue is excluded in Section 5 of the bill - 33 VSA § 1955a(a)(1)