

Vermont Legislative Joint Fiscal Office

One Baldwin Street • Montpelier, VT 05633-5701 • (802) 828-2295 • Fax: (802) 828-2483

FISCAL NOTE

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Prepared by: Nolan Langweil

H.611 An act relating to the Older Vermonters Act

Proposed Floor Amendment from Representatives Wood and Noyes – Draft 1.4

Sec. 5 of the bill would require the Director of Rate Setting (located in the Department of Vermont Health Access) to establish procedures for determining an annual inflation factor to be applied to the Medicaid rates for providers of home- and community-based services. It also provides guidance for how the inflation rate would be applied. This inflation factor would be calculated and applied to Medicaid reimbursement rates beginning July 1, 2021.

While this language would not increase spending in FY 2021, there would be an increase in base spending beginning FY 2022. However, the increase cannot be determined at this time since the Division of Rate-Setting has not yet calculated an inflation factor as required under Sec. 5 of this amendment. Every 1% increase to the rate is a roughly \$900,000.00 gross increase to the base budget.

Appropriation

FY 2021 = No additional appropriation required

FY 2022 = To be determined

- *NOTE: The fiscal impact would likely exceed \$1 million gross to the extent the increase is greater than 1%*

NOTE: Home and community-based services (HCBS) in Choices for Care received 2% Medicaid rates increases in fiscal years 2018, 2019, and 2020. However, the Governor's proposed FY 2021 budget did not include a rate increase.