

Vermont Legislative Joint Fiscal Office

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ISSUE BRIEF

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A Brief History of the Home Health Provider Tax

Revenues from the Home Health Provider Tax are currently deposited into the State Health Care Resources Funded. Under H. 97 – the Budget Adjustment bill – all provider tax revenues will be deposited into the General Fund.

Prior to 2016

- **Rate: 19.3% of Net Operating Revenues from Core Home Health Services.**
- This equaled between 3.63 and 3.9% of net patient revenues (capped at 6% of net patient revenue).

Act 134 of 2016 (Misc. Tax Bill)

- Act 134 changed the methodology from percentage of net operating revenues from core home health services to percentage of net patient revenues for two years (FY 2017 and 2018).¹
- **Rate: 3.63% of Net Patient Revenues.**
- Act 134 also required DVHA to convene a working group to determine whether the home health agency assessment represents “the most appropriate and equitable model for the assessment, or whether additional changes to the methodology are needed.”² The home health agencies met and came up with a proposal which was captured in Act 73 of 2017 (Misc. Tax Bill).

Act 73 of 2017 (Misc. Tax Bill)

- Act 73 changed the definition of “core home health and hospice services” based on recommendations from the VNAs of Vermont and Bayada Nursing Services.³
- **Rate: 4.25% of net patient revenues from core home health and hospice services.**
- Act 73 sunsets the home health agency provider tax on July 1, 2019.

S.27 as passed the Senate

- S.27 proposes to change the sunset from July 1, 2019 to July 1, 2021.

Home Health Provider Tax Revenues, FY 2012 - Est. FY 2020

FY 12	FY 13	FY 14	FY 15	FY 16
4,548,206	4,529,917	4,097,040	\$4,373,603	\$4,488,435

FY 17	FY 18	Est. FY 19	Est. FY 20
\$5,467,427	\$4,699,521	\$4,799,638	\$4,799,638

¹ [Act 134 of 2016, Sec. 32](#)

² [Act 134 of 2016, Sec. 33](#)

³ [Act 73 of 2017, Sec. 18](#)