Introduced by Representatives Noyes of Wolcott and Wood of Waterbury

Referred to Committee on

Date:

Subject: Human services; Medicaid; home- and community-based service providers

Statement of purpose of bill as introduced: This bill proposes to establish an annual inflation factor to be applied to the Medicaid rates for providers of home- and community-based service providers. It would also direct the Department of Vermont Health Access and the Department of Disabilities, Aging, and Independent Living to study the Medicaid reimbursement rates paid to home- and community-based service providers, their adequacy, and the methodologies underlying the rates.

An act relating to Medicaid reimbursement rates for home- and community-based service providers

It is hereby enacted by the General Assembly of the State of Vermont:

Sec. 1. 33 V.S.A. § 900 is amended to read:

§ 900. DEFINITIONS

Unless otherwise required by the context, the words and phrases in this chapter shall be defined as follows. As used in this chapter:
(7) “Home- and community-based services” means long-term services and supports received in a home or community setting other than a nursing home pursuant to the Choices for Care component of Vermont’s Global Commitment to Health Section 1115 Medicaid demonstration or a successor program and includes home health and hospice services, assistive community care services, and enhanced residential care services.

Sec. 2. 33 V.S.A. § 911 is added to read:

§ 911. INFLATION FACTOR FOR HOME- AND COMMUNITY-BASED SERVICES; PAYMENT RATES

(a) The Director shall establish by rule procedures for determining an annual inflation factor to be applied to the Medicaid rates for providers of home- and community-based services authorized by the Department of Vermont Health Access or the Department of Disabilities, Aging, and Independent Living, or both.

(b) The Division, in collaboration with the Department of Disabilities, Aging, and Independent Living, shall calculate the inflation factor for home- and community-based services annually according to the procedure adopted by rule and shall report it to the Departments of Disabilities, Aging, and Independent Living and of Vermont Health Access for application to home-
and community-based provider Medicaid reimbursement rates beginning on
July 1.

(c) Determination of Medicaid reimbursement rates for each fiscal year shall be based on application of the inflation factor to the sum of:

(1) the prior fiscal year’s payment rates; plus

(2) any additional payment amounts available to providers of home- and community-based services as a result of policies enacted by the General Assembly that apply to the fiscal year for which the rates are being calculated.

Sec. 3. HOME- AND COMMUNITY-BASED SERVICE PROVIDER RATE STUDY; REPORT

(a) The Departments of Vermont Health Access and of Disabilities, Aging, and Independent Living shall conduct a rate study of the Medicaid reimbursement rates paid to providers of home- and community-based services, their adequacy, and the methodologies underlying those rates. The Departments shall:

(1) establish a predictable schedule for Medicaid rates and rate updates;

(2) identify ways to align the Medicaid reimbursement methodologies and rates for providers of home- and community-based services with those of other payers, to the extent such other methodologies and rates exist;

(3) limit the number of methodological exceptions; and
(4) communicate the proposed changes to providers of home- and community-based services prior to implementing any proposed changes.

(b) On or before January 15, 2022, the Departments of Vermont Health Access and of Disabilities, Aging, and Independent Living shall report to the House Committees on Human Services and on Appropriations and the Senate Committees on Health and Welfare and on Appropriations with the results of the rate study conducted pursuant to this section.

Sec. 4. EFFECTIVE DATE

This act shall take effect on passage, provided that the inflation factor in Sec. 2 shall apply to home- and community-based service provider rates beginning on July 1, 2022.