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GENERAL ASSEMBLY
HOUSE COMMITTEE ON HEALTH CARE

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MEMORANDUM

To: Representative Michael Marcotte, Chair, House Committee on Commerce and Economic Development

From: Representative Bill Lippert, Chair, House Committee on Health Care

Date: February 18, 2022

Subject: Health care workforce development recommendations

The following is a list of recommendations from the House Committee on Health Care (HHC) to address the health care workforce crisis; many also include recommended language. In most cases, we have left the source of funds to be determined by your committee and/or the House Committee on Appropriations, and in some cases, we have left a placeholder for the amount of funding, as well. We have also noted a few instances in which HHC has received feedback on proposed language from affected stakeholders, and we encourage your committee to hear from them regarding their suggested revisions.

Intent: HHC recommends expressing support for health care workers, acknowledging the stress of underfunding and the pandemic, and stating legislative intent to invest in the workforce. We suggest language as follows:

Sec. A. HEALTH CARE WORKFORCE; LEGISLATIVE INTENT

(a) The General Assembly values all health care workers, at every level and in each component of the health care system. The General Assembly also acknowledges the many struggles faced by health care workers and that the pandemic has placed further strain on an already taxed system. Many health care workers have not had their pay adjusted over time to address increases in the cost of living, essentially amounting to pay cuts from year to year. Health care workers have experienced burnout, trauma, and moral injuries due to a history of underfunding and the present stress of the pandemic.

(b) In order to retain and recruit health care workers in Vermont, it is the intent of the General Assembly to invest in multiple solutions aimed at reinforcing our health care workforce in the present and sustaining our health care workers into the future.

Specific proposals:

- 1. Emergency grants to support nurse educators.** HHC recommends providing emergency interim grants to nursing schools for nurse educators while the schools plan for longer-term sustainability. The language below is based on 80 FTEs at \$10,000.00 per year for three years:

Sec. B. EMERGENCY GRANTS TO SUPPORT NURSE EDUCATORS

(a) The sum of \$2,400,000.00 is appropriated to the Agency of Human Services, Office of Health Care Reform from [source] in fiscal year 2023 and shall carry forward for the purpose of providing emergency interim grants to Vermont's nursing schools over three years to increase the compensation for their nurse faculty and staff, with \$800,000.00 to be distributed in each of fiscal years 2023, 2024, and 2025 to increase the compensation for each full-time-equivalent member of the clinical and didactic nurse faculty and staff by \$10,000.00.

(b) If the nurse faculty or staff, or both, of a nursing school receiving a grant under this section are subject to a collective bargaining agreement, the use of the grant funds provided to the nursing school for those faculty or staff, or both, shall be subject to impact bargaining between the nursing school and the collective bargaining representative of the nurse faculty or staff, or both, to the extent required by the applicable collective bargaining agreement.

- 2. Nurse preceptors.** HHC recommends providing financial incentives to nurse preceptors and/or funding to backfill nursing hours to free up nurses to provide clinical supervision. We recommend starting with incentive grants to nurse preceptors in hospitals and creating a stakeholder working group to propose next steps for other health care settings:

Sec. C. NURSE PRECEPTOR INCENTIVE GRANTS; HOSPITALS; WORKING
GROUP; REPORT

(a) The sum of \$XXX is appropriated to the Agency of Human Services, Office of Health Care Reform from [source] in fiscal year 2023 to provide incentive grants to hospital-employed nurses in Vermont to serve as preceptors for nursing students enrolled in Vermont nursing school programs.

(b)(1) The Director of Health Care Reform or designee in the Agency of Human Services shall convene a working group of stakeholders representing nursing schools, long-term care facilities, designated and specialized service agencies, federally qualified health centers, home health agencies, primary care practices, and other health care facilities to:

(A) identify ways to increase clinical placement opportunities across a variety of health care settings for nursing students enrolled in Vermont nursing school programs;

(B) establish sustainable funding models for compensating nurses serving as preceptors or for supporting the hiring of additional nurses to alleviate the pressures on nurse preceptors, or both; and

(C) develop an action plan for implementing the clinical placement expansion and sustainable funding models identified and established pursuant to subdivisions (A) and (B) of this subdivision (1).

(2) On or before January 15, 2023, the Director of Health Care Reform shall provide the working group's action plan and any recommendations for legislative action to the House Committees on Health Care, on Commerce and Economic Development, and on Appropriations and the Senate Committees on Health and Welfare, on Economic Development, Housing and General Affairs, and on Appropriations.

3. **Nursing pipeline program through health care providers.** HHC recommends providing \$3 million in one-time funds as seed money to establish nursing pipeline programs with health care providers as follows:

Sec. D. HEALTH CARE EMPLOYER NURSING PIPELINE PROGRAM

(a) The sum of \$3,000,000.00 is appropriated to the Agency of Human Services from [source] in fiscal year 2023 and shall carry forward for the purpose of providing grants to health care employers, including hospitals, long-term care facilities, designated and specialized service agencies, federally qualified health centers, and other health care providers, to establish partnerships with Vermont nursing schools to create nursing pipeline programs that will train members of the health care employers' existing staff, including personal care attendants, licensed nursing assistants, and licensed practical nurses, to become higher-level nursing professionals. Through a combination of scholarship awards, grants awarded to health care employers pursuant to this section, and the health care employer's contributions, the trainees' tuition and fees shall be covered in full, and trainees shall be provided with assistance in meeting their living costs, such as housing and child care, while attending the program.

(b) In awarding grants pursuant to this section, the Agency shall give priority to health care employer proposals based on the following criteria:

(1) the extent to which the health care employer proposes to participate financially in the program;

(2) the extent of the health care employer's commitment to sustaining the program financially, including providing financial support for nurse preceptors, to create ongoing opportunities for educational advancement in nursing;

(3) the ability of the health care employer's staff to leverage nursing scholarship opportunities to maximize the reach of the grant funds;

(4) the employer's demonstrated ability to retain nursing students in the Vermont nursing workforce;

(5) the employer's geographic location, in order to ensure access to pipeline programs for nursing staff across Vermont; and

(6) the employer's commitment to advancing the professional development of individuals from marginalized communities, especially those that have been historically disadvantaged in accessing educational opportunities and career advancement in the health care professions.

(c)(1) The Agency of Human Services shall begin awarding grants under this section expeditiously in order to enable health care employer staff to begin enrolling in nursing school programs that commence in the fall of 2022.

(2) On or before September 15, 2022, the Agency shall provide an update to the Health Reform Oversight Committee on the status of program implementation.

4. Nursing scholarship program. HHC agrees with the Governor's recommendation to appropriate \$3 million for the nursing scholarship program initially created in 2020 Acts and Resolves No. 155 and funded in the fiscal year 2021 and 2022 budget acts. We would like to make advanced practice registered nurse (APRN) students eligible for scholarships, as well, and we also recommend codifying the scholarship program and building the funding for the nursing scholarships into the Department of Health's base budget going forward. The language to codify the program and the fiscal year 2023 appropriations are as follows, using the \$3 million recommended by the Governor in his fiscal year 2023 budget proposal:

Sec. E. 18 V.S.A. § 34 is added to read:

§ 34. VERMONT NURSING SCHOLARSHIP PROGRAM

(a) The Vermont Nursing Scholarship Program is created and shall be administered by the Department of Health in collaboration with the Vermont Student Assistance Corporation. The Vermont Student Assistance Corporation shall disburse scholarship

funds under the Program on behalf of eligible individuals, subject to the appropriation of funds by the General Assembly for this purpose.

(b) To be eligible for a scholarship under the Program, an individual, whether a resident or nonresident, shall:

(1) be enrolled at an approved postsecondary education institution as defined in 16 V.S.A. § 2822;

(2) demonstrate financial need;

(3) demonstrate academic capacity by carrying at least a 2.5 grade point average in the individual's course of study prior to receiving the fund award; and

(4) agree to work as a nurse in Vermont for a minimum of one year following licensure for each year of scholarship awarded.

(c)(1) First priority for scholarship funds shall be given to students pursuing a practical nursing certificate who will be eligible to sit for the NCLEX-PN examination upon completion of the certificate.

(2) Second priority for scholarship funds shall be given to students pursuing an associate's degree in nursing who will be eligible to sit for the NCLEX-RN examination upon graduation.

(3) Third priority for scholarship funds shall be given to students pursuing a bachelor of science degree in nursing.

(4) Fourth priority shall be given to students pursuing graduate nursing education to become an advanced practice registered nurse.

(d) Students attending an approved postsecondary educational institution in Vermont shall receive first preference for scholarships.

(e) There shall be no deadline to apply for a scholarship under this section.

Scholarships shall be awarded on a rolling basis as long as funds are available, and any funds remaining at the end of a fiscal year shall roll over and shall be available to the Department of Health and the Vermont Student Assistance Corporation in the following fiscal year to award additional scholarships as set forth in this section.

Sec. F. REPEAL

18 V.S.A. § 31 (educational assistance; incentives; nurses) is repealed.

Sec. G. APPROPRIATION

The sum of \$3,000,000.00 in Global Commitment investment funds is appropriated to the Department of Health in fiscal year 2023 for scholarships for nursing students under the Vermont Nursing Scholarship Program established in Sec. E of this act.

- 5. Nurse loan repayment.** HHC supports the Governor's recommendation to appropriate \$2 million for loan repayment for nurses, including APRNs, who live and work in Vermont, with one year of loan repayment for each year of service.
- 6. Nurse educator scholarships and loan repayment.** HHC recommends appropriating \$500,000.00 for scholarships or loan repayment, or both, for graduate-level nursing education, with one year of scholarship or loan repayment for each year of service as a nurse educator in a Vermont nursing school program.
- 7. Updating and expanding simulation labs.** HHC recommends appropriating \$2 million for capital grants to nursing school programs to update their simulation labs or to expand their labs to increase student capacity.
- 8. Nursing tax credit.** HHC does not support the Governor's proposed income tax credit for nurses.
- 9. Review of salaries and workforce investments in hospital budget review.** HHC recommends directing the Green Mountain Care Board to consider information on the salaries for hospitals' executive and clinical leadership, along with hospital salary spreads, as part of the Board's annual hospital budget review process. HHC also recommends that the Board review hospitals' investments in workforce development initiatives, including workforce pipeline collaborations with nursing schools and compensation and additional support for nurse preceptors, and consider excluding these investments from hospital budget caps. HHC has received feedback from the Board, which we will convey to the House

Committee on Commerce and Economic Development separately for your review, on the following proposed language:

Sec. H. 18 V.S.A. § 9456 is amended to read:

§ 9456. BUDGET REVIEW

(a) The Board shall conduct reviews of each hospital's proposed budget based on the information provided pursuant to this subchapter and in accordance with a schedule established by the Board.

(b) In conjunction with budget reviews, the Board shall:

* * *

(10) require each hospital to provide information on administrative costs, as defined by the Board, including specific information on the amounts spent on marketing and advertising costs; ~~and~~

(11) require each hospital to create or maintain connectivity to the State's Health Information Exchange Network in accordance with the criteria established by the Vermont Information Technology Leaders, Inc., pursuant to subsection 9352(i) of this title, provided that the Board shall not require a hospital to create a level of connectivity that the State's Exchange is unable to support;

(12) review the hospital's investments in nursing workforce development initiatives, including nursing workforce pipeline collaborations with nursing schools and compensation and other support for nurse preceptors; and

(13) consider the salaries for the hospital's executive and clinical leadership and the hospital's salary spread.

* * *

(e)(1) The Board may establish a process to define, on an annual basis, criteria for hospitals to meet, such as utilization and inflation benchmarks. The Board may waive one or more of the review processes listed in subsection (b) of this section.

(2) The Board may exclude all or a portion of a hospital's investments in nursing workforce development initiatives from any otherwise applicable financial limitations on the hospital's budget or budget growth.

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10. Medicaid rate increase for designated and specialized service agencies.

HHC recommends increasing Medicaid reimbursement rates for the designated and specialized service agencies by 10 percent, with a report due in January 2023 on the additional amount of funds that would be necessary to bring salaries for staff in the community mental health system up to the level of equivalent positions in the State workforce, Vermont hospitals, and school settings.

Sec. I. DESIGNATED AND SPECIALIZED SERVICE AGENCIES; MEDICAID
RATE INCREASE; REPORT

(a) Since the 1960s, the State and federal governments have directed the community mental health system to provide care in the community using the least restrictive means for those who would previously have been institutionalized, but never redistributed the money to the community mental health system or fully funded that mandate. The General Assembly is taking the steps set forth in subsections (b) and (c) of this section to address the shortfall.

(b) The sum of \$12,738,070.00 in Global Commitment dollars is appropriated to the Agency of Human Services in fiscal year 2023 to increase the Medicaid rates for the designated and specialized service agencies by 10 percent.

(c) The Department of Mental Health, in consultation with representatives of the designated and specialized services agencies, shall report to the House Committees on

Health Care, on Human Services, and on Appropriations and the Senate Committees on Health and Welfare and on Appropriations on or before January 15, 2023 with the total amount of funds that would be necessary on an annual basis to increase the salaries for all staff in the community mental health system to the level of equivalent positions in the State workforce, Vermont hospitals, and school settings.

- 11. Loan repayment and tuition assistance for designated and specialized service agencies.** HHC recommends appropriating \$6 million to continue the loan repayment and tuition assistance opportunities for employees of designated and specialized service agencies, as they have proven to be successful recruitment and retention tools and HHC understands from the agencies that the need is still significant. Proposed language, based on Sec. E.311 of last year's budget act, is as follows:

Sec. J. AGENCY OF HUMAN SERVICES; DESIGNATED AND SPECIALIZED
SERVICE AGENCIES; WORKFORCE DEVELOPMENT

(a) The sum of \$6,000,000.00 is appropriated to the Agency of Human Services from [source] in fiscal year 2023 to expand the supply of high-quality mental health and substance use disorder treatment professionals by distributing funds to the designated and specialized service agencies equitably based on each agency's proportion of full-time-equivalent (FTE) mental health and substance use disorder treatment staff to the total number of FTE mental health and substance use disorder treatment staff across all designated and specialized service agencies statewide. The designated and specialized service agencies shall use these funds for loan repayment and tuition assistance to promote the recruitment and retention of high-quality mental health and substance use disorder treatment professionals available to Vermont residents in need of their services, as set forth in subsection (b) of this section.

(b)(1) Each designated and specialized service agency shall make the funds received pursuant to subsection (a) of this section available to its current and prospective

employees as set forth in subdivisions (A) and (B) of this subdivision (1) on a rolling basis in exchange for a one-year service obligation to provide mental health services or substance use disorder treatment services, or both, at a designated or specialized service agency in this State. The funds may be used for the following purposes:

(A) loan repayment for master's-level clinicians, bachelor's-level direct service staff, and nurses; and

(B) tuition assistance for individuals pursuing degrees to become master's-level clinicians, bachelor's-level direct service staff, and nurses.

(2) Loan repayment and tuition assistance funds shall be available to the current and prospective employees of designated and specialized service agencies in the form of forgivable loans, with the debt forgiven upon the employee's completion of the required service obligation.

(c) Until the funds have been fully expended, the Agency of Human Services shall report on or before January 15 annually to the House Committees on Appropriations, on Health Care, and on Human Services and the Senate Committees on Appropriations and on Health and Welfare with information on the following:

(1) the specific designated and specialized service agencies that have received funds to date and the programs within each of those agencies in which the financial assistance recipients will deliver services;

(2) the amount of financial assistance funding provided to each recipient;

(3) the specific degrees or certificates toward which the tuition assistance recipients are working and those earned by loan repayment recipients; and

(4) the number of new employees attracted to the designated and specialized service agencies as a result of the financial assistance, their fields of study, and the programs in which they deliver services.

12. Certification of mental health peer support specialists. HHC supports the concepts set forth in S.195, An act relating to the certification of mental health peer support specialists, which would establish a mental health peer support specialist certification program and is currently under consideration in the Senate Committee on Health and Welfare.

13. Office of Professional Regulation review of barriers to mental health licensure. HHC supports Recommendation #27 from the [Health Care Workforce Development Strategic Plan](#), which would direct the Office of Professional Regulation to undertake a systematic review of the licensing processes for mental health and substance use disorder treatment professionals and make recommendations to address barriers to licensure, but with a shorter timeline than the five years proposed in the Plan. Proposed language is as follows:

Sec. K. OFFICE OF PROFESSIONAL REGULATION; BARRIERS TO MENTAL HEALTH LICENSURE; REPORT

The Office of Professional Regulation shall undertake a systematic review of the licensing processes for mental health and substance use disorder treatment professionals to identify barriers to licensure. On or before January 15, 2023, the Office shall provide its findings and recommendations to address any identified barriers to licensure to the House Committees on Health Care, on Human Services, on Commerce and Economic Development, and on Government Operations and the Senate Committees on Health and Welfare, on Economic Development, Housing and General Affairs, and on Government Operations.

14. Continued support for Medical Student Incentive Scholarship Program. HHC recommends continued financial support for the Medical Student Incentive Scholarship Program at the University of Vermont College of Medicine established in [18 V.S.A. § 33](#) to strengthen the primary care workforce pipeline and increase the number of new primary care physicians practicing in Vermont.

HHC understands that ongoing funding for these scholarships has been built into the Governor's proposed budget.

- 15. Health Care Workforce Coordinator position in Office of Health Care Reform.** HHC recommends creating and funding a limited-service Health Care Workforce Coordinator position in the Agency of Human Services, Office of Health Care Reform, to support the initiatives presented in the [Health Care Workforce Development Strategic Plan](#). The Coordinator should focus on building educational, clinical, and housing partnerships and support structures to increase health care workforce training, recruitment, and retention. HHC recommends providing start-up resources along with the position to ensure that funding is available to the Office of Health Care Reform for program development.
- 16. Green Mountain Care Board as workforce data hub.** HHC recommends directing the Green Mountain Care Board to assume the role of health care workforce data hub, as proposed in Recommendation #3 of the [Health Care Workforce Development Strategic Plan](#), as part of the Board's responsibility for the Health Resource Allocation Plan. Based on feedback that HHC has received from the Board, there is not consensus about which entity in State government should be responsible for the data hub, but HHC feels it is essential that the data hub be created. HHC encourages the Committee on Commerce and Economic Development to take testimony to determine where to place the data hub and the amount of funds necessary to establish and maintain it. As an initial proposal, HHC recommends appropriating \$1 million in one-time funds to begin a two-year workforce data hub development process at the Green Mountain Care Board, as follows:

Sec. L. GREEN MOUNTAIN CARE BOARD; HEALTH CARE WORKFORCE DATA HUB; HEALTH RESOURCE ALLOCATION PLAN

The sum of \$1,000,000.00 is appropriated to the Green Mountain Care Board from [source] in fiscal year 2023 to enable the Board to serve as the health care workforce data hub as part of the Board's responsibility to establish and maintain the Health Resource Allocation Plan pursuant to 18 V.S.A. § 9405. The Board shall collect health care workforce data, identify and propose solutions to address data gaps, and use the data in identifying the State's health resources available to meet Vermonters' health care needs and additional resources that may be necessary, as part of the Board's Health Resource Allocation Plan responsibilities. The Board shall use existing statewide information to

the extent practicable to avoid imposing administrative burdens on health care providers and to avoid duplication of efforts underway elsewhere in Vermont. The Board shall expand its data collection practices over two years to include all levels of the health care workforce, beginning with the highest-level licensed health care professionals.

- 17. Health care workforce supply and demand modeling.** HHC recommends directing the Green Mountain Care Board, in collaboration with the Department of Labor, to explore and recommend an ongoing process and necessary funds for health care workforce supply and demand modeling for use by health care employers, health care educators, and policymakers, as follows:

Sec. M. GREEN MOUNTAIN CARE BOARD; DEPARTMENT OF LABOR; SUPPLY
AND DEMAND MODELING

On or before January 15, 2023, the Green Mountain Care Board, in collaboration with the Department of Labor, shall explore and recommend to the House Committees on Health Care, on Human Services, and on Commerce and Economic Development and the Senate Committees on Health and Welfare and on Economic Development, Housing and General Affairs a process, methodology, and necessary funding amounts to establish and maintain the capacity to perform health care supply and demand modeling based on information in the health care workforce data hub, for use by health care employers, health care educators, and policymakers.

- 18. Continue critical occupations scholarship program.** HHC supports continuation of the scholarship program for students pursuing careers in critical occupations.
- 19. Reducing administrative costs by streamlining prior authorizations.** HHC recommends that the Department of Financial Regulation and the Green Mountain Care Board explore opportunities to reduce administrative costs by streamlining prior authorizations, as follows:

Sec. N. DEPARTMENT OF FINANCIAL REGULATION; GREEN MOUNTAIN
CARE BOARD; PRIOR AUTHORIZATIONS; ADMINISTRATIVE COST
REDUCTION; REPORT

(a) The Department of Financial Regulation shall explore the feasibility of requiring health insurers and their prior authorization vendors to request clinical data from the Vermont Health Information Exchange whenever possible to support prior authorization requests in situations in which a request cannot be automatically approved.

(b) The Department of Financial Regulation shall direct health insurers to provide prior authorization information to the Department in a format required by the Department in order to enable the Department to analyze opportunities to align and streamline prior authorization request processes. The Department shall share its findings and recommendations with the Green Mountain Care Board, and the Department and the Board shall collaborate to provide recommendations to the House Committee on Health Care and the Senate Committees on Health and Welfare and on Finance on or before January 15, 2023 regarding the statutory changes necessary to align and streamline prior authorization processes and requirements across health insurers.