

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Appropriations to which was referred House Bill No.
3 153 entitled “An act relating to Medicaid reimbursement rates for home- and
4 community-based service providers” respectfully reports that it has considered
5 the same and recommends that the report of the Committee on Human Services
6 be amended as follows:

7 First: By striking out Secs. 2, 33 V.S.A. § 911, and 3, 18 V.S.A. § 8914, in
8 their entireties and inserting in lieu thereof new Secs. 2 and 3 to read as
9 follows:

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

11 § 911. PAYMENT RATES FOR PROVIDERS OF HOME- AND
12 COMMUNITY-BASED SERVICES

13 (a) The Secretary of Human Services shall determine payment rates for
14 providers of home- and community-based services that are reasonable and
15 adequate to achieve the required outcomes for the populations they serve.
16 When determining these payment rates, the Secretary shall adjust the rate
17 amounts to take into account factors that include:

18 (1) the reasonable cost of any governmental mandate that has been
19 enacted, adopted, or imposed by any State or federal authority; and

1 (2) a cost adjustment factor to reflect changes in reasonable costs of
2 goods to and services of providers of home- and community-based services,
3 including those attributed to inflation and labor market dynamics.

4 (b) When determining reasonable and adequate rates of payment for
5 providers of home- and community-based services, the Secretary may consider
6 geographic differences in wages, benefits, housing, and real estate costs in
7 each region of the State.

8 (c) The Secretary shall adopt rules setting forth the methodology for
9 determining payment rates for providers of home- and community-based
10 services in accordance with this section. The rules shall include a process for
11 determining an annual inflationary rate adjustment, shall set forth a predictable
12 timeline for redetermination of base rates, and shall use Vermont labor market
13 rates and Vermont costs of operation.

14 (d) The Secretary shall redetermine the payment rates for providers of
15 home- and community-based services in accordance with this section at least
16 annually and shall report those rates, and the amounts necessary to fund them,
17 to the House Committees on Appropriations, on Human Services, and on
18 Health Care and the Senate Committees on Appropriations and on Health and
19 Welfare annually as part of the Agency’s budget presentation.

20 Sec. 3. 18 V.S.A. § 8914 is amended to read:

21 § 8914. RATES OF PAYMENTS TO DESIGNATED AND SPECIALIZED

1 SERVICE AGENCIES

2 (a) The Secretary of Human Services shall ~~have sole responsibility for~~
3 ~~establishing~~ determine the Departments of Health's, of Mental Health's, and of
4 Disabilities, Aging, and Independent Living's rates of payments for designated
5 and specialized service agencies that are reasonable and adequate to achieve
6 the required outcomes for designated populations. When ~~establishing~~
7 determining these rates of payment for designated and specialized service
8 agencies, the Secretary shall adjust ~~rates~~ the rate amounts to take into account
9 factors that include:

10 (1) the reasonable cost of any governmental mandate that has been
11 enacted, adopted, or imposed by any State or federal authority; and

12 (2) a cost adjustment factor to reflect changes in reasonable costs of
13 goods to and services of designated and specialized service agencies, including
14 those attributed to inflation and labor market dynamics.

15 (b) When ~~establishing~~ determining reasonable and adequate rates of
16 payment for designated and specialized service agencies, the Secretary may
17 consider geographic differences in wages, benefits, housing, and real estate
18 costs in each region of the State.

19 (c) The Secretary shall adopt rules setting forth the methodology for
20 determining the payment rates for services provided by designated and
21 specialized service agencies to individuals with mental conditions, individuals

1 with substance use disorders, and individuals with developmental or
2 intellectual disabilities in accordance with this section. The rules shall include
3 a process for determining an annual inflationary rate adjustment, shall set forth
4 a predictable timeline for redetermination of base rates, and shall use Vermont
5 labor market rates and Vermont costs of operation.

6 (d) The Secretary shall redetermine the payment rates for designated and
7 specialized agencies in accordance with this section at least annually and shall
8 report those rates, and the amounts necessary to fund them, to the House
9 Committees on Appropriations, on Human Services, and on Health Care and
10 the Senate Committees on Appropriations and on Health and Welfare annually
11 as part of the Agency’s budget presentation.

12 Second: By striking out Sec. 5, effective date, in its entirety and inserting in
13 lieu thereof a new Sec. 5 to read as follows:

14 Sec. 5. EFFECTIVE DATE

15 This act shall take effect on passage, with the rules adopted by the Secretary
16 of Human Services pursuant to Secs. 2 (33 V.S.A. § 911) and 3 (18 V.S.A.
17 § 8914) taking effect on or before July 1, 2022.

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20 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE