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HOUSE COMMITTEE ON HEALTH CARE

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**MEMORANDUM**

To: Representative Mary Hooper, Chair, House Committee on Appropriations  
From: Representative Bill Lippert, Chair, House Committee on Health Care  
Date: February 24, 2021  
Subject: FY 2022 budget recommendations from House Committee on Health Care

The House Committee on Health Care appreciates the opportunity to provide our recommendations on the Governor's FY 2022 budget proposals and to present our committee's budget priorities, as set forth below.

**Funding for Designated Agency and Specialized Service Agency Staff and Others**

The House Committee on Health Care recommends appropriating \$2.6 million from the General Fund to provide a much-needed 3% cost-of-living adjustment (COLA) for employees of the designated and specialized service agencies and employees of Department of Mental Health-contracted community mental health and developmental disability peer agencies, including Alyssum and Another Way. It is our understanding that this General Fund investment may be eligible for federal match under Vermont's Global Commitment to Health Section 1115 Medicaid demonstration, which means that the \$2.6 million in General Fund dollars could be leveraged to direct almost \$6 million for these increases.

If it is not feasible to provide a COLA to these dedicated employees, the Committee recommends providing them with a one-time payment from one-time funds, like the \$1,400 payment provided to State employees in fiscal year 2021 through the collective bargaining agreement and [2020 Acts and Resolves No. 120, Sec. B1](#). We recommend the amount of the payment not be less than \$1,000 per eligible employee, ideally leveraging available federal matching funds. We also encourage the House Committee on Appropriations to consider limiting eligibility for these payments based on individual employee income to ensure that the payments have a meaningful effect on the income of the employees who receive it, which would not necessarily be the case for some of the highest-paid employees.

**Pathways Vermont: Maintaining 24/7 Peer Warm Line**

The House Committee on Health Care recommends appropriating \$289,000 to Pathways Vermont to continue operating its warm line 24 hour per day, seven days per week for another year. Pathways' current funding is only sufficient to keep the warm line going through June 30, 2021. Ideally, we would like to see the funding for the warm line built into base funding so that

Vermonters in need of connection and support will continue to have full-time access to the employees with lived experience who answer their calls. This essential service, which is available to callers at no charge, has become an even more vital lifeline for Vermonters during the COVID-19 pandemic. Call volume to the warm line has risen significantly during the recent public health crisis, increasing from 9,200 calls in fiscal year 2019 to 10,823 calls in fiscal year 2020, and then spiking to 7,736 calls during the first six months of fiscal year 2021 alone. These numbers reflect the dramatic increase in the average number of calls to the support line each month, which has grown from an average of 772 calls per month in fiscal year 2019 to an average of 1,289 calls per month during the first six months of fiscal year 2021. The warm line not only provides connection and support to the individuals seeking it, but it has also helped to avoid costs to the health care system: 141 of the callers in the last two quarters said they would have called for emergency services if they had not been able to connect with Pathways' support line. The House Committee on Health Care strongly supports the request for funding keep the support line available 24 hours per day, seven days per week, for fiscal year 2022, and we encourage the House Committee on Appropriations to build this expenditure into the base budget for future years.

### **Office of Racial Equity: Developing Office of Health Equity**

[H.210](#), An act relating to addressing disparities and promoting equity in the health care system, calls for creating the Office of Health Equity in the Department of Health to advise the Commissioner, the Governor, and the General Assembly on matters of health equity affecting Vermonters. The bill would also establish the Health Equity Advisory Commission to monitor health equity issues throughout Vermont and provide the Office of Health Equity with recommendations and guidance. The House Committee on Health Care supports creation of both the Office and the Commission, but also recognizes that the Department of Health already has its hands more than full as it attends to the continuing COVID-19 pandemic.

In order to keep making process toward greater health equity in Vermont, the House Committee on Health Care recommends fully funding the additional positions within the Office of Racial Equity as proposed in the Governor's recommended budget, as well as requesting the assistance of the Director of Racial Equity in initial planning and transition to a full Office of Health Equity in the Department of Health and the start-up of the Health Equity Advisory Commission. Initial planning and transition planning must occur in consultation with the Department of Health while also taking into consideration the tremendous pandemic pressures within that Department. For these planning and transition purposes, the House Committee on Health Care recommends a one-time planning and implementation appropriation of \$100,000 to the Office of Racial Equity, to also include Commission stipends as necessary.

Please note that while a majority of the House Committee on Health Care strongly supports this section of our recommendation, some members of the Committee are not in support.

### **Expanding the Health Care Workforce**

The House Committee on Health Care continues to strongly support investments in expanding the health care workforce. In response to the House Committee on Appropriations' decision to

consider workforce spending in the budget instead of the COVID relief bill, we are reiterating our workforce recommendations here.

### *Nursing and Primary Care Physician Scholarships*

The Committee recommends appropriating \$3,000,000, to be spent over three years and matched with federal dollars under Vermont's Global Commitment to Health Medicaid Section 1115 demonstration, on the nursing and primary care physician scholarship programs established in 2020 Acts and Resolves No. 155. Specifically, the Committee recommends appropriating \$608,419 in Global Commitment investment funds to the Department of Health in each of the three years for scholarships for third- and fourth-year medical students who commit to practicing primary care in this State after graduation in accordance with 18 V.S.A. § 33 and appropriating \$1,035,957 in Global Commitment investment funds to the Department of Health in each of the three years for additional scholarships for nursing students in accordance with the provisions set forth in Act 155, Sec. 5. The Department should administer the primary care physician scholarships in collaboration with the Office of Primary Care and Area Health Education Centers Program at the University of Vermont College of Medicine and provide the funds for the nursing scholarships to the Vermont Student Assistance Corporation (VSAC) for administration in accordance with 18 V.S.A. § 31.

Vermont has a primary care physician shortage, and the data do not suggest it is likely to end anytime soon. In 2018, more than 40 percent of the primary care physicians in seven of Vermont's 14 counties were 60 years of age or older, and it is critical to recruit additional primary care physicians to Vermont. Under the primary care physician scholarship program, award recipients incur a two-year service obligation for each year of tuition covered by the scholarship. In addition to providing funds to support the next three years of the scholarship program, the Committee recommends repealing the July 1, 2022 sunset placed on the program in Act 155, Sec. 7a to enable the program to continue to attract primary care physicians to practice in this State.

Vermont also continues to experience a critical nursing shortage; the State currently needs more than 5,000 nurses at all levels to fill new positions and to fill vacancies resulting from expected retirements. The nursing scholarship program established in Act 155, Sec. 5 gives first priority to students pursuing a practical nursing certificate to become a licensed practice nurse (LPN), second priority to students pursuing an associate's degree in nursing to become a registered nurse (RN), and third priority to students pursuing a bachelor of science degree in nursing. Recipients incur a one-year service obligation following licensure for each year of scholarship awarded. From the funds appropriated for nursing scholarships in the Act 155 program for fiscal year 2021, VSAC was able to award 69 scholarships for the second half of the 2021 academic year. This success rate is particularly encouraging when compared with only five scholarships awarded under the existing nursing scholarship program under 18 V.S.A. § 31 for all of fiscal year 2021, six scholarships for fiscal year 2020, seven scholarships for fiscal year 2019, and five scholarships for fiscal year 2018.

### *Long-Term Care/LPN Partnership Program*

In addition to the funds for the existing primary care physician and nursing scholarship programs, the Committee recommends appropriating \$2,000,000 to the Department of Health to establish a partnership program between skilled nursing facilities and Vermont Technical College (VTC) that would bring VTC's LPN program to the skilled nursing facilities to train current employees, such as nursing assistants, to become higher level providers. The funds would cover the trainees' tuition and fees and provide a stipend to help meet their living costs, such as housing and child care, while attending the program. The funds would also support VTC's instructional, program, and administrative costs. While additional nurses are needed in all practice settings, the need is especially great in Vermont's long-term care facilities, and LPNs serve a critical role in delivering care directly to the residents in these facilities. Helping existing employees, such as nursing assistants, to become LPNs would enhance Vermont's health care workforce and advance these individuals' career and economic well-being.

### **Governor's Proposals**

#### *House Committee on Health Care does not support*

The House Committee on Health Care does not support the following proposals from the Governor's recommended budget:

- \$600,000.00 to Department of Mental Health for mobile response: The House Committee on Health Care does not support appropriating \$600,000.00 to the Department of Mental Health for a mobile response demonstration site in Rutland. The proposal would create a new program that would require additional funding to operate in future years. In addition, the designated agencies already operate mobile response teams, so the Committee would recommend funding those instead of creating a new program.
- Nurse tax incentive: The House Committee on Health Care does not support the proposal to provide an income tax exemption for new nurses in Vermont, which would cause an estimated \$3 million in revenue loss to the State over three years. The Committee instead recommends using that \$3 million to make strategic investments in Vermont's nursing workforce through avenues such as scholarships and loan repayment.

#### *House Committee on Health Care recommends further review*

Justice reinvestment: The House Committee on Health Care has concerns that the Justice Reinvestment II initiative relies on \$400,000 in General Fund dollars from the Department of Mental Health's budget. If the rationale behind implementing the CSG Justice Reinvestment II initiative is, at least in part, to generate savings to the Department of Corrections, we recommend that the House Committee on Appropriations explore whether it would be more appropriate for these funds to come from the Department of Corrections' General Fund budget instead of the Department of Mental Health's or from one-time funds that could serve as a "bridge" to support this initiative until the Department of Corrections savings are realized.