

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Human Services to which was referred House Bill
3 No. 153 entitled “An act relating to Medicaid reimbursement rates for home-
4 and community-based service providers” respectfully reports that it has
5 considered the same and recommends that the bill be amended by striking out
6 all after the enacting clause and inserting in lieu thereof the following:

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

8 § 900. DEFINITIONS

9 ~~Unless otherwise required by the context, the words and phrases in this~~
10 ~~chapter shall be defined as follows~~ As used in this chapter:

11 * * *

12 (7) “Home- and community-based services” means long-term services
13 and supports provided to older adults and adults with physical disabilities in a
14 home or community setting other than a nursing home, including enhanced
15 residential care services, pursuant to the Choices for Care component of
16 Vermont’s Global Commitment to Health Section 1115 Medicaid
17 demonstration or a successor program. “Home- and community-based
18 services” also includes non-Choices for Care home health and hospice
19 services, adult day rehabilitation services, assistive community care services,
20 and services for individuals with traumatic brain injury.

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

2 § 911. PAYMENT RATES FOR PROVIDERS OF HOME- AND
3 COMMUNITY-BASED SERVICES

4 (a) The Secretary of Human Services shall establish payment rates for
5 providers of home- and community-based services that are reasonable and
6 adequate to achieve the required outcomes for the populations they serve.
7 When establishing payment rates for home- and community-based service
8 providers, the Secretary shall adjust the rates to take into account factors that
9 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 providers of home- and community-based services,
14 including those attributed to inflation and labor market dynamics.

15 (b) When establishing rates of payment for providers of home- and
16 community-based services, the Secretary may consider geographic differences
17 in wages, benefits, housing, and real estate costs in each region of the State.

18 (c) The Secretary shall adopt rules setting forth the methodology for
19 establishing payment rates for providers of home- and community-based
20 services in accordance with this section. The rules shall include a process for
21 determining an annual inflationary rate adjustment, shall set forth a predictable

1 timeline for redetermination of base rates, and shall use Vermont labor market
2 rates and Vermont costs of operation.

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

4 § 8914. RATES OF PAYMENTS TO DESIGNATED AND SPECIALIZED
5 SERVICE AGENCIES

6 * * *

7 (c) The Secretary shall adopt rules setting forth the methodology for
8 establishing payment rates for services provided by designated and specialized
9 service agencies to individuals with mental conditions, individuals with
10 substance use disorders, and individuals with developmental or intellectual
11 disabilities in accordance with this section. The rules shall include a process
12 for determining an annual inflationary rate adjustment, shall set forth a
13 predictable timeline for redetermination of base rates, and shall use Vermont
14 labor market rates and Vermont costs of operation.

15 Sec. 4. HOME- AND COMMUNITY-BASED SERVICE PROVIDER

16 RATE STUDY; REPORT

17 (a) The Department of Vermont Health Access, in collaboration with the
18 Departments of Disabilities, Aging, and Independent Living, of Health,
19 and of Mental Health, shall conduct a rate study of the Medicaid
20 reimbursement rates paid to providers of home- and community-based
21 services, as defined in 33 V.S.A. § 900, and providers of substance use

1 **disorder treatment services**, including their adequacy and the methodologies
2 underlying the rates. As part of the rate study, the Department of Vermont
3 Health Access shall:

4 (1) delineate a reasonable and predictable schedule for Medicaid rates
5 and rate updates;

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

9 (3) determine ways to limit the number of methodological exceptions.

10 (b) On or before January 15, 2022, the **Department of Vermont Health**
11 **Access, in collaboration with the Departments of Disabilities, Aging, and**
12 **Independent Living, of Health, and of Mental Health**, shall report the
13 results of the rate study conducted pursuant to this section and their findings
14 and recommendations to the House Committees on Human Services and on
15 Appropriations, the Senate Committees on Health and Welfare and on
16 Appropriations, and the Secretary of Human Services.

17 Sec. 5. EFFECTIVE DATE

18 This act shall take effect on passage, with the rules adopted by the Secretary
19 of Human Services pursuant to Secs. 2 (33 V.S.A. § 911) and 3 (18 V.S.A.
20 § 8914) taking effect on July 1, 2022 **for rates effective beginning in fiscal**
21 **year 2023.**

1 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE