
State of Vermont

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Agency of Human Services

To: The House Committee on Human Services
From: Angela Smith-Dieng, Director of Adult Services, DAIL
Date: March 10, 2021
Re: Testimony on H.153, an act relating to Medicaid reimbursement rates for home- and community-based service providers

Thank you for the opportunity to speak today about H.153, an act relating to Medicaid reimbursement rates for home- and community-based service providers. The Department of Disabilities, Aging and Independent Living (DAIL) supports the establishment of methodologies for home- and community-based services payment rates, alignment of methodologies with those of other payers where possible, and a predictable schedule for Medicaid rate updates for these services. In addition to ensuring stable and predictable payments, this would prevent the need for seeking rate increases through the legislative process each year. It is important to note that rate-setting of the existing fee-for-service rates does not directly address payment reform or other alignment with the All-Payer Model, for example, value-based payments. Rate setting is essentially one part of the triple aim under payment reform, addressing costs, but it does not necessarily or directly address quality or access, although it may lead to improved quality and access over time.

The topic of Medicaid rates is clearly important to Vermont's providers of residential care and home- and community-based services. And this service system relies on these providers to care for Vermonters. We agree with stakeholders that it is important to have a fair and predictable Medicaid rate that adequately reimburses for services based on costs and allows providers to hire the right amount of quality staff and grow services as the demand increases with Vermont's aging population.

It is important to note that DAIL does not have any rate setting infrastructure, staff expertise or capacity. This work will need to be driven by the Department of Vermont Health Access (DVHA) where that skill and expertise lie, and so we defer to DVHA and support any request for additional time for this important project and resources, whether staffing and/or contractors, to

establish rate setting methodologies to ensure that it is comprehensive and inclusive of key stakeholder engagement. Depending on the results of establishing appropriate reimbursement, there may be a budgetary impact for DVHA and/or DAIL requiring an additional appropriation.

The bill's proposed definition of "home- and community-based services" in Section 1 is both too narrow (limited to Choices for Care, not including other HCBS programs in DAIL and DMH) and too broad (including home health and hospice services, for which rate setting methodologies are already under development at DVHA).

DAIL recommends that the bill address specific Choices for Care services and Choices for Care Enhanced Residential Care (ERC); the latter should be addressed along with Assistive Community Care Services (a Medicaid State Plan Service under DVHA) in a coordinated fashion, as 100% of ERC participants are supported by both ERC and ACCS; about half of ACCS participants also receive ERC.

Rather than a definition of HCBS, DAIL recommends that the bill outline the specific services in scope:

- Choices for Care personal care by Home Health Agencies (HHA)
- Choices for Care respite care by HHA
- Choices for Care companion care by HHA
- Choices for Care case management by HHA
- Choices for Care case management by Area Agencies on Aging
- Choices for Care Adult Day Services
- Choices for Care Adult Family Care
- Choices for Care Homemaker Services
- Choices for Care Enhanced Residential Care (aligned/coordinated with the next service)
- Assistive Community Care Services (aligned/coordinated with the previous service)

CFC also includes services provided by Independent Direct Support Workers under collective bargaining who are hired directly by participants. We recommend the bill specifically exclude these workers from this process due to collective bargaining, pursuant to a separate statute.

While at times it is valuable to consider home- and community-based services comprehensively across all types of providers and services, addressing such a diverse array of services and provider types within one rate setting project will be very challenging. The scope may be too large, complex and costly for the project to be successful within the timeframe currently proposed in this bill.



In addition, DAIL recommends that Developmental Disability Services not be included in scope, because there is already a payment reform project well underway for which there is rate setting, encounter data and payment methodologies already being developed. If the committee would like to include DDS in scope of the bill, we recommend that the language reference the existing DS payment reform project with a requirement that DVHA/DAIL include a methodology to adjust rates on a regular basis due to inflation and/or other costs.

If the committee does decide to expand the scope of services included, then DAIL would request that services under the Brain Injury Program also be included as well as Adult Day Health Rehab Services, a Medicaid State Plan service provided at Adult Day Centers.

Again, thank you for the opportunity to testify about H.153 today. I am happy to follow up with any questions and can be reached at angela.smith-dieng@vermont.gov.

