



**STATE OF VERMONT**  
GENERAL ASSEMBLY  
SENATE COMMITTEE ON HEALTH AND  
WELFARE

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**MEMORANDUM**

To: Senator Jane Kitchel, Chair, Senate Committee on Appropriations

From: Senator Ginny Lyons, Chair, Senate Committee on Health and Welfare

Date: April 21, 2021

Subject: FY 2022 budget recommendations

The Senate Committee on Health and Welfare supports the health care- and human services-related provisions of H.439 as passed by the House, with the revisions and additional appropriations recommended in this memorandum.

**Appropriations for bills soon to be voted out of Committee on Health and Welfare**

The Committee on Health and Welfare plans to vote out several bills this week that will require appropriations. We request that funding for the following bills be included in the Senate's proposal of amendment to the fiscal year 2022 budget:

- **H.171**, "An act relating to the governance and financing of Vermont's child care system": \$8,229,000, of which \$5,529,000 (General Fund) is for changes to CCFAP, \$2,500,000 is for provider scholarships and student loan repayments, and \$200,000 is for the child care and early childhood education systems analysis study (Note: Sec. 5 of the bill also specifies that funds for modernizing the Bright Futures Information System are located in the Technology Modernization Reserve).
- **H.210**, "An act relating to addressing disparities and promoting equity in the health care system": \$180,000 (included in H.439 as passed by the House).
- **H.430**, "An act relating to expanding eligibility for Dr. Dynasaur to all income-eligible children and pregnant individuals regardless of immigration status": \$1,400,000 (General Fund).
- **S.120**, "An act relating to the Joint Legislative Health Care Affordability Study Committee": \$175,000 as introduced; there may be additional language and funding needs once the Committee on Health and Welfare finalizes our work on the bill this week.

**Changes to specific provisions of H.439**

**Sec. E.311: Designated and specialized service agency workforce**

The Committee on Health and Welfare recommends specifying that the strategic investments to “expand the supply of high-quality mental health and substance use disorder professionals” include scholarships and student loan repayment as follows (new language in bold and yellow highlight):

Sec. E.311 AGENCY OF HUMAN SERVICES; DESIGNATED AND  
SPECIALIZED SERVICE AGENCIES; WORKFORCE  
DEVELOPMENT

(a) On or before August 1, 2021, the Agency of Human Services shall determine the amount of funds remaining from the \$5,000,000 appropriated to the Agency to make strategic investments in order to expand the supply of high-quality mental health and substance use disorder treatment professionals in 2018 (Sp. Sess.) Acts and Resolves No. 11, Sec. 106.1 and shall inform the House Committees on Health Care and on Human Services, the Senate Committee on Health and Welfare, the Joint Fiscal Committee, and the chief executive officer of each designated and specialized service agency of the amount of funds that remain. Notwithstanding any provision of 2018 (Sp. Sess.) Acts and Resolves No. 11, Sec. 106.1 to the contrary, the Agency shall direct the chief executive officers to agree on an appropriate allocation of the funds for strategic investments in order to expand the supply of high-quality mental health and substance use disorder treatment professionals available to Vermont residents in need of their services, which the officers shall report to the Agency, at which time the Agency shall distribute the funds to the designated and specialized service agencies according to the agreed-upon allocation. **The strategic investments to be made pursuant to this section may include scholarships, tuition assistance, and student loan repayments.**

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### **Secs. E.311.1–E.311.3: Nursing and primary care scholarship programs**

The Committee recommends increasing the funding and scope of the health care workforce provisions in H.439. We recommend that the nursing and primary care physician scholarship programs should be expanded to include similar scholarship opportunities for physician assistant and advance practice registered nurse (APRN) students who commit to practicing primary care in Vermont, with an additional \$1,227,273 added to the \$2,272,727 for a total of \$3,500,000 in Global Commitment funds. The Committee also recommends appropriating \$1,500,000 for a loan repayment assistance program for primary care physicians, physician assistants, and APRNs that would award grants equal to one-half of the recipient's outstanding educational debt, paid over five years, in exchange for a minimum 10-year service obligation to practice primary care in Vermont. These programs should be administered by the Department of Health, in collaboration with the Office of Primary Care and Area Health Education Centers Program at the University of Vermont College of Medicine (AHEC) and the Vermont Student Assistance Corporation (VSAC).

### **Sec. E.318.1: Specialized child care transportation**

The Committee recommends that Sec. E.318.1 be deleted in its entirety and that funding for the full Family Services Division and Child Development Division transportation budgets remain level-funded and in their respective divisions. The Committee understands that this change would mean that the Administration's proposed savings of \$647,000 would not be realized in the fiscal year 2022 budget, but we have significant concerns about this proposal and do not believe it is necessary or appropriate at this time.

### **Additional provisions for inclusion in the budget**

#### **Reach Up grant increases**

The Committee recommends appropriating \$2,770,000 from the General Fund for additional Reach Up base funding. These additional dollars would be used to increase Reach Up grant amounts for participating families by increasing the basic needs standard from the 2008 to 2021 level, while maintaining the current ratable reduction at 49.6 percent. We further recommend the inclusion of the language below to ensure that any unspent funds within the Reach Up program will be reinvested in the program:

#### **Sec. X. REACH UP; REINVESTMENT**

In fiscal year 2022, any underutilization of funds in the Reach Up program shall be redistributed as one-time payments to participating families or allocated to the supportive services matrix.

**Parent-child centers funding increase**

The Committee recommends appropriating up to \$3,750,000 in one-time funds to increase the funding for parent-child centers for fiscal year 2022.

**All-Payer ACO Model; delivery system reform and health information technology**

The Committee supports a request from the Agency of Human Services to appropriate the State share of funds for initiatives related to the All-Payer Accountable Care Organization Model, including delivery system reform and health information technology projects, as follows:

Sec. X. AGENCY OF HUMAN SERVICES; ALL-PAYER ACO MODEL; DELIVERY SYSTEM REFORM; HEALTH INFORMATION TECHNOLOGY

The Agency of Human Services is authorized to carry forward the sum of \$3,900,000 in Global Commitment funds to fiscal year 2022 for the following purposes related to implementation of the All-Payer Accountable Care Organization (ACO) Model:

(1) health information technology projects, including:

(A) a hypertension and diabetes identification and management tool to support clinical decision making; and

(B) just-in-time clinical data reporting for quality improvement to support clinical decision making; and

(2) delivery system reform projects focused on implementation of the care model, including expanding trainings and performance improvement activities, and continuation of the Longitudinal Care Home Health Program and the DULCE program.

**Department of Financial Regulation benchmark plan review**

The Department of Financial Regulation (DFR) has applied for a federal grant that would support an in-depth review of Vermont’s benchmark health insurance plan, which establishes the essential health benefit package that must be included in all of the health insurance plans offered in Vermont’s individual and small group markets. The federal government recently began allowing states to make certain changes to their benchmark plans, and DFR intends to evaluate the extent to which the current benchmark plan is meeting Vermonters’ needs and whether modifications are appropriate. The Committee

on Health and Welfare recommends adding some language to the budget to direct that DFR's analysis focus on the potential impact of requiring coverage for certain benefits:

Sec. X. DEPARTMENT OF FINANCIAL REGULATION; ESSENTIAL HEALTH  
BENEFITS; BENCHMARK PLAN REVIEW

(a) The Department of Financial Regulation, in consultation with the Department of Vermont Health Access; the Director of Health Care Reform in the Agency of Human Services; the Green Mountain Care Board; representatives of health care consumers, health care providers, and health insurers; and other interested stakeholders, shall review Vermont's benchmark plan establishing the State's essential health benefits to determine whether to recommend requesting approval from the Centers for Medicare and Medicaid Services to modify the benchmark plan. As part of its review, the Department shall determine the potential impacts of modifying the benchmark plan to include coverage of each of the following:

- (1) hearing aids;
- (2) dentures;
- (3) vision care;
- (4) durable medical equipment; and
- (5) fertility services.

(b) On or before January 15, 2022, the Department of Financial Regulation shall provide the results of its benchmark plan review, including the impacts of adding coverage for each of the items listed in subdivisions (a)(1)–(5) of this section, and any recommendations for modifications to Vermont's benchmark plan, to the House Committees on Health Care and on Human Services and the Senate Committees on Health and Welfare and on Finance.

## **Agency of Human Services; Global Commitment to Health**

The Committee recommends including language in the budget directing the Agency of Human Services, in its negotiations with the Centers for Medicare and Medicaid Services to extend or renew Vermont's Global Commitment to Health Section 1115 demonstration, to strive to maintain or increase the State's flexibility to use Global Commitment investment dollars to increase access to care and coverage, improve health outcomes, strengthen health care delivery, and promote transformation to value-based and integrated models of care.

## **Higher education; expanding capacity in health care professional education programs**

The Committee recommends including language in the budget directing the University of Vermont and the Vermont State Colleges, in consultation with AHEC and VSAC, to explore ways to expand capacity in their health care professional education programs in order to increase the numbers of graduates entering Vermont's health care and social services workforce as follows:

### **Sec. X. HIGHER EDUCATION; UNIVERSITY OF VERMONT; VERMONT STATE COLLEGES; HEALTH CARE PROFESSIONAL PROGRAMS**

(a) The University of Vermont and Vermont State Colleges, in consultation with the Office of Primary Care and Area Health Education Centers Program at the University of Vermont College of Medicine (AHEC) and the Vermont Student Assistance Corporation (VSAC), shall explore opportunities to expand capacity in their institutions' health care and social service professional education programs in order to increase the numbers of graduates entering Vermont's health care and social services workforce, particularly in nursing, primary care, psychiatry, and clinical mental health professions.

(b) On or before January 15, 2022, the University of Vermont and Vermont State Colleges shall report their findings and recommendations, including proposals to address any identified barriers to expansion, to the House Committees on Health Care, on Human Services, and on Education and the Senate Committees on Health and Welfare and on Education.

### **Additional one-time appropriations**

The Committee recommends appropriating the following amounts in one-time funds:

- \$1,500,000 to the Vermont Food Bank for Vermonters Feeding Vermonters and general food purchase and delivery.
- \$25,000 to the Vermont Donor Milk Center to provide Vermont infants and their families with access to pasteurized donor human milk.
- \$1,000,000 to the Vermont Association of Area Agencies on Aging to support nutrition programming.
- \$250,000 to the Tobacco Control Program to address increased tobacco use and vaping related to the COVID-19 pandemic.
- \$385,000 to be distributed among the Association of Africans Living in Vermont, Connecting Cultures, the Howard Center, and the U.S. Committee for Refugees and Immigrants' Vermont Refugee Resettlement Program.

### **Additional proposals for consideration**

The Committee on Health and Welfare has identified certain additional proposals that we believe warrant further consideration by the Committee on Appropriations:

- Creation of a provider innovation grant program through the Agency of Human Services to award grants to primary care providers, mental health providers, and long-term care providers to address their care management, delivery redesign, technology, and infrastructure needs as they recover from the economic effects of the COVID-19 pandemic.
- Creation of a dental assistance program to help Vermonters with the costs of dental care that was delayed, in some cases with detrimental effects, as a result of the COVID-19 pandemic.
- Consider increasing Medicaid reimbursement rates to 105% of the Medicare rate for primary care providers who participate in the Medicaid Enhanced Primary Care program. The estimated cost is approximately \$1,000,000 gross/\$440,000 State based on 2020 Medicare rates.
- Consider setting aside ARPA funds or future federal infrastructure monies to address the needs of mental health and substance use disorder treatment facilities throughout the State, including the designated and specialized service agencies.