House Committee on Health Care FY24 Budget Recommendations

The House Committee on Health Care appreciates the opportunity to provide our fiscal year 2024 budget recommendations to the House Committee on Appropriations. Our approach to the budget process is guided by our commitment to improving circumstances for all who are involved with the health care system. This includes funding our health care providers in amounts sufficient to enable them to deliver high-quality care to their patients. The State cannot continue the underfunding of our community-based providers through unfairly low Medicaid reimbursement rates. When we pay providers less for their services than they incur in costs to deliver the care, we discourage them from providing services to our most vulnerable residents. Insufficient resourcing in the Medicaid program reduces access to care, increases the costs borne by other payers, and leads to higher health care costs throughout the system of care. The Committee on Health Care supports increasing Medicaid funding, stabilizing our health care delivery system, and encouraging a greater focus on preventive care in our communities to keep Vermonters healthy and to improve health outcomes when individuals need care.

The Committee on Health Care's proposals that were not in the Governor's recommended budget require **$9.5 million in State funding** and would draw down an additional **$10 million in federal funds.** While we ranked some of our highest priorities, we strongly urge the Committee on Appropriations to support all of our priorities. By doing so, we will be supporting a continuum of care that is vital to the sustainability of our health care system and, most importantly, to the health of Vermonters.

Where the "HHC Position" column in the chart on the following pages is left blank, the Committee on Health Care does not object to the proposal. We have also included some additional priority language proposals following the chart, including revised language for the extension of the health care claims tax sunset to replace Secs. E.306.1 and E.306.2 in the Governor's recommended budget language (Secs. A and B), language on hospital system transformation planning (Sec. C), a regional EMS coordination study (Sec. D), language on Blueprint for Health payments to providers (Sec. E), an increase to the annual cap on Medicaid adult dental coverage from $1,000 to $1,500, as proposed by DVHA in its budget presentation (Sec. F), and language requesting cost projections for elimination of the cap on Medicaid adult dental coverage (Sec. G). The Committee on Health Care also continues to strongly support appropriating $9,225,000 in one-time funds to the Department of Mental Health to continue construction of the Southwest Vermont Medical Center youth inpatient facility, as proposed in the Governor's recommended FY 2023 budget adjustment act language.

Section	Agency/Dept	Appropriation	Proposal	Amount (all funds)	HHC Position	Priority	Notes
HHC PROPOSALS NOT IN GOVERNOR'S RECOMMEND:							
	Department of Vermont Health Access (DVHA) (Vermont Medical Society and HealthFirst)		Increase Medicaid rates in FY24 RBRVS fee schedule to 110% of Medicare for primary care providers and give 3.8% inflation increase to specialty care providers	$1,755,041 (primary care) $3,804,600 (specialty care)	Support	#1 highest priority	Access to primary care is vital to Vermonters' health by focusing upstream on keeping them healthy and avoiding downstream costs, yet this year primary care is facing a 2% Medicare rate reduction, high inflation costs, and an expected $600,000 loss from BCBSVT leaving OneCare Vermont.
	DVHA (EMS)		Increase Medicaid reimbursement rates to 100% of Medicare for EMS providers	$3,119,640	Support	#2 highest priority	We all expect an ambulance to come when we call 911, but unfortunately, due to underfunding the system, EMS providers are struggling to meet Vermonters' needs and EMS workers themselves are experiencing high levels of burnout. Medicaid rates for EMS have not increased since 2019.

Section	Agency/Dept	Appropriation	Proposal	Amount (all funds)	HHC Position	Priority	Notes
	DVHA (VNAs of Vermont – home health		Increase Medicaid reimbursement rates to 90% of Medicare for home health agencies and independently enrolled nursing services for the first half of FY24	$1,275,192	Support	#3 highest priority	The story of underfunding our system of care continues with our home health agencies. It is more cost-effective to have skilled nurses caring for Vermonters in their homes than in hospitals, and it opens up hospital beds for those who need a hospital level of care. HHC also supports allowing home health provider tax to sunset
B.313 & B.314	VDH & DMH (only) (Vermont Care Partners)		Increase Medicaid reimbursement rates to DAs and SSAs by 4%	$6,243,992	Support	High priority	This is consistent with the Human Services Committee's 4% rate increase request. Priority for use of funds should be for staff recruitment and retention.
	DVHA (Bi-State/ FQHCs)		Increase Medicaid reimbursement rates to FQHCs by 4%	$2,021,521	Support	High priority	FQHCs are required to provide services to all Vermonters and address many of the social determinants of health. These requested funds help support lower acuity primary care and preventive services that avoid the higher costs

Section	Agency/Dept	Appropriation	Proposal	Amount (all funds)	HHC Position	Priority	Notes
							associated with hospitals treating sicker patients who delayed seeking care.
	Department of Health (Free clinics)		Increase funding for free clinics to provide care	$453,451	Support	High priority	Vermont's free clinics provide care to our uninsured and underinsured residents. Most of the staff are volunteers, and supporting our free clinics promotes primary care and preventive services that avoid the higher costs associated with hospitals treating sicker patients who delayed seeking care.
	Department of Health (EMS study)	One-time	Support for Regional EMS Coordination Study Committee	$100,000	Support	High priority	***See language proposal – Sec. D below*** ***(also in H.263)***
	DMH (Soteria)	One-time	Funds to purchase and renovate building to expand from 5-person to 9-person capacity	$995,000	Support	High priority	Soteria House is a model for community-based care in Vermont. It keeps Vermonters out of the hospital and provides a setting that supports treatment and healing. It always has a waiting list.

Section	Agency/Dept	Appropriation	Proposal	Amount (all funds)	HHC Position	Priority	Notes
$ SECTIONS:							
B.306	DVHA	Admin	Reduction in office rents & operational reductions	($655,551)			
B.307	DVHA	Global Commitment	Caseload & utilization	$3,945,546			
B.307	DVHA	Global Commitment	Buy-in caseload	$1,156,696			
B.307	DVHA	Global Commitment	Dental rate increase	$13,109,475	Support	#1 highest priority	Vermonters are struggling to find dentists who accept Medicaid, and studies in other states have shown marked increases in access when dental reimbursement rates increase. Oral health needs to be available to all Vermonters in a dentist's office, not in an emergency department. HHC supports DVHA's proposal in this appropriation to increase the annual cap on adult dental services from $1,000 to $1,500 ***See language proposal – Sec. F below***

Section	Agency/Dept	Appropriation	Proposal	Amount (all funds)	HHC Position	Priority	Notes
B.307	DVHA	Global Commitment	Dental rates for DS & CRT clients	$198,821	Support	#1 highest priority	According to DVHA, this is budget neutral in that money was moved from elsewhere within AHS (DMH and DCF) as per their proposed budget construct
B.307	DVHA	Global Commitment	Drug coverage changes with pharmacy benefit	($1,745,903)	**DO NOT support**	Medium priority NOT to support	If this Medicaid benefit goes away, Vermonters will either be moved to costlier prescription drugs or will not be able to afford drugs to treat allergies and other ailments. This "cost-saving" measure will only cause Vermonters to seek higher-cost care.
B.309	DVHA	State Only	Drug coverage changes with pharmacy benefit	($37,890)	**DO NOT support**	Medium priority NOT to support	
B.310	DVHA	Matched Non-waiver	Drug coverage changes with pharmacy benefit	($16,208)	**DO NOT support**	Medium priority NOT to support	
B.309	DVHA	State Only	Caseload & utilization	$1,231,370			
B.309	DVHA	State Only	Clawback	$2,364,110			

Section	Agency/Dept	Appropriation	Proposal	Amount (all funds)	HHC Position	Priority	Notes
B.309	DVHA	State Only	Eliminate VT Cost-Sharing Reduction program – 1/1/2024	($500,000)	**DO NOT support**	High priority NOT to support	Our commitment to DVHA over the next 14 months must be to support their redetermination efforts. The cost savings from this proposal are small and the work required to eliminate the program will take staffing away from redeterminations.
B.310	DVHA	Matched Non-waiver	Caseload & utilization	($662,780)			
B.310	DVHA	Matched Non-waiver	Buy-in caseload	$159,308			
B.310	DVHA	Matched Non-waiver	CHIP FMAP Change	$0			
B.314	DMH	Mental Health	Overtime for VPCH/River Valley	$1,251,572			
B.314	DMH	Mental Health	Increase in vacancy savings	($3,574,015)			
B.314	DMH	Mental Health	IMD Investment Phasedown	$0 – swap GC to GF			
B.314	DMH	Mental Health	Convert Eldercare Outreach to investment	$0 – swap GF tor GC			
B.314	DMH	Mental Health	Mobile Crisis Response (positions & grant)	$3,357,655	Support	#3 highest priority	Establishing this program continues HHC's goal of moving costs away from higher levels of care. Meeting people where they are when they are in

Section	Agency/Dept	Appropriation	Proposal	Amount (all funds)	HHC Position	Priority	Notes
							crisis is the best value of care we can provide.
B.314	DMH	Mental Health	Secure residential operating increases – River Valley	$112,732			
B.314	DMH	Mental Health	Maintain 988 Suicide Prevention Line	$275,200	Support	High priority	Although this was not ranked a priority #1, 2, or 3, it is still a high priority. On average, Vermonters' calls to the 988 line are answered by other Vermonters 86% of the time. We need to fully fund this line.
B.314	DMH	Mental Health	CMC ServicePoint license for housing	$34,000			
B.314	DMH	Mental Health	Convert Suicide prevention grant to investment	$0 – swap GF tor GC			
B.314	DMH	Mental Health	Convert pathways support line to investment	$0 – swap GF tor GC			
B.314	DMH	Mental Health	Peer support credentialing	$375,000	Support	High priority	
B.314	DMH	Mental Health	Therapeutic Alternatives to EDs in the Northeast Kingdom	$1,588,229	Support	#2 highest priority	It is well known that the Northeast Kingdom lacks mental health services. The proposed Front Porch Programming is a collaborative, community-based approach to help those needing treatment.

Section	Agency/Dept	Appropriation	Proposal	Amount (all funds)	HHC Position	Priority	Notes
ONE-TIME APPROPRIATIONS:							
B.1100(a)(14)	DMH	One-time approp – DMH	Expediting competency and sanity evaluations	$105,000			
B.1100(a)(15)(A)	GMCB	One-time approp – VHCURES	Implementation of VT Health Care Uniform & Evaluation System (VHCURES)	$620,000			
B.1100(a)(15)(B)	GMCB	One-time approp – fin database	Financial database solution	$120,500			
B.1100(a)(15)(C)	GMCB	One-time approp – HRAP	Health Resources Allocation Plan	$50,000			
B.1100(a)(16)(B)	AHS	One-time approp – Secretary's Office	Health Care Workforce Position – Act 183 Sec. 34 (a)	$170,000			
B.1100(a)(16)(D)	AHS	One-time approp – Secretary's Office	To address emergent and exigent circumstances impacting healthcare providers	$10,000,000	Support	Medium priority	HHC would like AHS to report back on the use of these funds
B.1100(a)(16)(E)	AHS	One-time approp – Secretary's Office	Matching funds for one-time caseload pressures due to the suspension of Medicaid redeterminations	$10,534,603			
B.1101(a)(7)(B)	AHS	One-time approp - Secretary's Office	Public Health Emergency tail one-time time matching funds	$13,693,231 FF			

Section	Agency/Dept	Appropriation	Proposal	Amount (all funds)	HHC Position	Priority	Notes
B.1100(a)(18)	VDH	One-time approp - Substance Use Program	Substance Misuse Prevention Coalition	$1,590,000			House Human Services
B.1100(a)(16)(C)	AHS	One-time approp - Secretary's Office	Blueprint for Health Hub & Spoke Program	$8,833,934	Support all Blueprint Hub & Spoke expansion proposals	High priority	Community health teams and DULCE are integral to the whole health of Vermonters and to our primary care providers. This proposal is for an exciting pilot that integrates mental health, substance use disorder, and primary care services within both primary care settings and in our Hubs.
B.1101(a)(7)(A)	AHS	One-time approp - Secretary's Office	Blueprint for Health Hub & Spoke Program	$11,405,058 FF			
B.1101(a)(1)(A)	DVHA	One-time approp - Substance Use Program	Blueprint for Health Hub & Spoke Program	$15,583,352 GC			
B.1101(a)(1)(B)	VDH	One-time approp - Substance Use Program	Blueprint for Health Hub & Spoke Program	$4,595,448 GC			
B.1100(a)(17)	DVHA	One-time approp – DVHA	Blueprint for Health Hub & Spoke program	$366,066			
B.1101(a)(7)(C)	DVHA	One-time approp - DVHA	Blueprint for Health Hub & Spoke Program	$372,048 FF			

Section	Agency/Dept	Appropriation	Proposal	Amount (all funds)	HHC Position	Priority	Notes
LANGUAGE SECTIONS:							
C.100	AHS	Secretary's Office – GC	Updated Medicaid appropriations in line with Emergency Board for FY23				
D.102	AHS	27/53 Reserve	Transfer amounts to the 27/53 reserve				
E.100(a)(1)(H)	DMH	Executive Branch Positions	DMH – multiple permanent positions				
E.100(b)(2) – (5)	DVHA	Executive Branch Positions	Convert DVHA positions from limited service to permanent				
E.300	AHS	Funding for HCA	Annual language on funding for the Office of the Health Care Advocate				
E.301	AHS	SO – Global Commitment	Annual language to clarify source of IGT funds and certified state match				
E.301.1	AHS	SO – Global Commitment	GC Transfer authority				
E.301.2	AHS	AHS	Medicaid Home & Community Based Services Plan – extend to FY2025				
E.306	DVHA	DVHA	VT Health Benefit Exchange Rules				
E.306.1	DVHA	DVHA	Health IT-Fund Revenue Sunset				
E.306.2	DVHA	DVHA	Health Care Claims Tax				

Section	Agency/Dept	Appropriation	Proposal	Amount (all funds)	HHC Position	Priority	Notes
E.307	DAIL/DVHA	Long-term Care PNA	Personal Needs Allowance				This is in the jurisdiction of the Human Services Committee.
E.309	DVHA	DVHA	VT Cost Sharing Reductions elimination				
E.312	VDH	Public Health	AIDS/HIV Funding Language				

ADDITIONAL LANGUAGE PROPOSALS:

Health care claims tax sunset extension – LC *revised* language

Sec. A. 2019 Acts and Resolves No. 6, Sec. 105, as amended by 2019 Acts and Resolves No. 71, Sec. 19 and 2022 Acts and Resolves No. 83, Sec. 75, is further amended to read:

Sec. 105. EFFECTIVE DATES

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(b) Sec. 73 (further amending 32 V.S.A. § 10402) shall take effect on July 1, ~~2023~~ 2025.

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Sec. B. 2013 Acts and Resolves No. 73, Sec. 60(10), as amended by 2017 Acts and Resolves No. 73, Sec. 14, 2018 Acts and Resolves No. 187, Sec. 5, 2019 Acts and Resolves No. 71, Sec. 21, and 2021 Acts and Resolves No. 73, Sec. 14, is further amended to read:

(10) Secs. 48–51 (health claims tax) shall take effect on July 1, 2013 and Sec. 52 (Health IT-Fund; sunset) shall take effect on July 1, ~~2023~~ 2025.

Hospital system transformation planning

Sec. C. HOSPITAL SYSTEM TRANSFORMATION PLANNING; PILOT PROJECTS; REPORT

(a) The Agency of Human Services, in consultation with the Green Mountain Care Board, shall engage in transformation planning with up to four hospitals, or more than four hospitals to the extent funding is available, to reduce inefficiencies, lower costs, improve population health outcomes, reduce health inequities, and increase access to essential services while maintaining sufficient capacity for emergency management. The transformation planning shall be informed by the data analysis and community engagement process set forth in 2022 Acts and Resolves No. 167, Sec. 2.

(b) In order to ensure alignment across hospital system transformation efforts, the Secretary of Human Services or designee and the Chair and staff of the Green Mountain Care Board shall consult regarding the planning activities set forth in this section and the data analysis and community engagement process set forth in 2022 Acts and Resolves No. 167, Sec. 2.

(c) On or before February 15, 2024, the Agency, in consultation with the Board, shall provide an update to the House Committee on Health Care and the Senate Committee on Health and Welfare regarding the progress of the hospital system transformation planning activities described in subsection (a) of this section.

EMS study

Sec. D. REGIONAL EMERGENCY MEDICAL SERVICES COORDINATION; STUDY COMMITTEE; REPORT

(a) Creation. There is created the Regional Emergency Medical Services (EMS) Coordination Study Committee to assess the current EMS District structure and the current level and cost of service in each district.

(b) Membership. The Committee shall be composed of the following members:

(1) a member of the House of Representatives, appointed by the Speaker of the House;

(2) a member of the Senate, appointed by the Committee on Committees;

(3) the EMS Chief of the EMS Office in the Department of Health;

(4) the Commissioner of the Department of Health or designee;

(5) the Commissioner of the Department of Public Safety or designee;

(6) one member, appointed by the Vermont League of Cities and Towns;

(7) one member who is a volunteer emergency medical technician or paramedic, appointed by the Vermont Ambulance Association;

(8) one member, appointed by the Vermont Association of Hospitals and Health Systems;

(9) one member, appointed by the Vermont State Firefighters' Association;

(10) one member, appointed by Professional Fire Fighters of Vermont;

(11) one member, appointed by the Statewide EMS Medical Director;

(12) one member, appointed by the EMS Education Council;

(13) three members representing three separate EMS Districts, with at least one selected District primarily covering small, rural communities, appointed by the EMS Chief at the Department of Health; and

(14) two members of the public, appointed by the Governor.

(c) Powers and duties. The Committee shall study the provision of emergency medical services in the State, including the following issues:

(1) ways to decrease costs;

(2) ways to improve EMS coordination;

(3) ways to increase access to emergency services within each district; and

(4) ways to optimize the EMS District structure and authority, including consideration of recommendations on the number and configuration of EMS Districts and their powers, duties, and authority.

(d) Assistance. The Committee shall have the administrative, technical, and legal assistance of the Department of Health.

(e) Report. On or before December 31, 2023, the Committee shall submit a written report to the House Committees on Government Operations and Military Affairs and on Health Care and the Senate Committees on Government Operations and on Health and Welfare with its findings and any recommendations for legislative action.

(f) Meetings.

(1) The EMS Chief of the EMS Office in the Department of Health shall call the first meeting of the Committee to occur on or before July 15, 2023.

(2) The Committee shall select a chair from among its members at the first meeting.

(3) A majority of the membership shall constitute a quorum.

(4) The Committee shall cease to exist on December 31, 2023.

(g) Compensation and reimbursement.

(1) For attendance at meetings during adjournment of the General Assembly, a legislative member of the Committee serving in the member's capacity as a legislator shall be entitled to per diem compensation and reimbursement of expenses pursuant to 2 V.S.A. § 23 for not more than eight meetings. These payments shall be made from monies appropriated to the General Assembly.

(2) Other members of the Committee shall be entitled to per diem compensation and reimbursement of expenses as permitted under 32 V.S.A. § 1010 for not more than eight meetings. These payments shall be made from monies appropriated to the Department of Health.

(h) Appropriation. The sum of $100,000.00 is appropriated to the Department of Health from the General Fund in fiscal year 2024 to support the work of the Committee as set forth in this section, including hiring a consultant to assist the Committee in conducting its study and writing a report on its findings and recommendations.

Blueprint for Health payments to providers

Sec. E. BLUEPRINT FOR HEALTH; PAYMENTS TO PATIENT-CENTERED MEDICAL HOMES; REPORT

On or before January 15, 2024, the Director of Health Care Reform in the Agency of Human Services shall recommend to the House Committees on Health Care and on Appropriations and the Senate Committees on Health and Welfare, on Appropriations, and on Finance the amounts by which health insurers and Vermont Medicaid should increase the amount of the per person, per month payments they make to Blueprint for Health patient-centered medical homes in furtherance of the goal of providing the additional resources necessary for delivery of comprehensive primary care services to Vermonters and in order to sustain access to primary care services in Vermont. The Agency shall provide an estimate of the State funding that would be needed to support the increase for Medicaid, both with and without federal financial participation. The Agency shall also evaluate and report on potential mechanisms for ensuring that all payers are contributing equitably to the Blueprint on behalf of their covered lives in Vermont, including a consideration of supporting Blueprint initiatives through the health care claims tax established in 32 V.S.A. chapter 243.

Increase to Medicaid dental cap

Sec. F. 33 V.S.A. § 1992 is amended to read:

§ 1992. MEDICAID COVERAGE FOR ADULT DENTAL SERVICES

(a) Vermont Medicaid shall provide coverage for medically necessary dental services provided by a dentist, dental therapist, or dental hygienist working within the scope of the provider's license as follows:

* * *

(2) Diagnostic, restorative, and endodontic procedures, to a maximum of ~~$1,000.00~~ $1,500.00 per calendar year, provided that the Department of Vermont Health Access may approve expenditures in excess of that amount when exceptional medical circumstances so require.

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Medicaid dental cap removal report

Sec. G. MEDICAID DENTAL COVERAGE; ESTIMATED COST OF REMOVING COVERAGE LIMIT; REPORT

It is the intent of the General Assembly to improve access to dental care for Vermont Medicaid beneficiaries by eliminating individual caps on dental spending. Following implementation of a proposed increase in the dental cap from $1,000 to $1,500 and evaluation of the financial impacts of the increase, the Department of Vermont Health Access shall project the potential costs of eliminating the dental cap entirely. The Department shall report its findings on the projected costs of lifting the dental cap as part of its fiscal year 2026 budget presentation.