



House Ways and Means



January 25, 2023

Care at Home, Across the Continuum

Health Care	Prevention	Long-Term Care	End-of-Life and Palliative Care
Nursing and Therapy	Health Screenings and Vaccinations	Pediatric and Adult High-tech	Palliative Care
Telemonitoring	Maternal/Child Health	Personal Care	Hospice Care
Wound Care		Homemaker services	Bereavement Services
Care Coordination		Case Management	Respite House

Pressures

- IRS mileage reimbursement rate (58 cents to 65.5 cents a mile in 1 year)
- Wages, salaries and benefits/steep competition
- Travelers to preserve access to nursing and therapy services; critical for timely hospital discharge
 - \$300/visit compared to \$154.48 (Medicare) and \$122.58 (Medicaid)
- Medicaid: below-cost reimbursement/inconsistent rate increases

Pressures

- 61% Medicare, 17% Medicaid, 22% Other
 - Migration to Medicare Advantage
- Medicare value-based payment implementation (CY23 performance impacts CY25 payment)
- Medicare cuts
 - 3.925% implemented on January 1, 2023
 - 7.85% slated for January 1, 2024
 - Planned 3-year clawback
- Vermont provider tax (\$6.1M)

Provider Tax

- Home health provider taxes are rare – only two other states employ them at a much lower rate
- Many provider types in VT are not taxed including our designated agency system
- Home health and hospice agencies are nearly exclusively funded by government payers
 - No commercial cost shift opportunity
 - CMS driving to eliminate Medicare margins
 - All VNAs of Vermont members are operating at a loss

Provider Tax

- The home health provider tax hurts mostly older and disabled Vermonters – it directly threatens access
- Allowing the tax to sunset is the single most significant action the legislature can take to support access to at-home services
 - Medicaid rate increases amount to much less than the tax
 - The provider tax has the effect of adding a 4.25% cut to our Medicare rates