

1 H.13

2 An act relating to Medicaid payment rates for home- and community-based  
3 service providers

4 The Senate proposes to the House to amend the bill by striking out all after  
5 the enacting clause and inserting in lieu thereof the following:

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

7 § 900. DEFINITIONS

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

10 \* \* \*

11 (7) “Community-based services” means the following services provided  
12 pursuant to Vermont’s Global Commitment to Health Section 1115 Medicaid  
13 demonstration or a successor program:

14 (A) long-term services and supports provided to older adults and  
15 adults with disabilities in a home or community setting other than a nursing  
16 home, including enhanced residential care services;

17 (B) home health and hospice services, adult day rehabilitation  
18 services, and assistive community care services; and

19 (C) short- and long-term services and supports provided to  
20 individuals with mental conditions, individuals with substance use disorders,  
21 individuals with developmental or intellectual disabilities, and individuals with

1 a brain injury, in a home or community setting that is not a clinical residential  
2 setting or a private nonmedical residential setting.

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

4 § 911. PAYMENT RATES FOR PROVIDERS OF COMMUNITY-BASED  
5 SERVICES

6 (a) The Secretary of Human Services shall calculate payment rates for  
7 providers of community-based services that are reasonable and adequate to  
8 achieve the required outcomes for the populations they serve. When  
9 calculating these payment rates, the Secretary:

10 (1) for informational purposes, shall ensure that the calculations take  
11 into account factors that include:

12 (A) the reasonable cost of any governmental mandate that has been  
13 enacted, adopted, or imposed by any State or federal authority; and

14 (B) a cost adjustment factor to reflect changes in reasonable costs of  
15 goods to and services of providers of community-based services, including  
16 those attributed to inflation and labor market dynamics; and

17 (2) may consider geographic differences in wages, benefits, housing,  
18 and real estate costs in each region of the State.

19 (b) The Secretary shall establish a methodology for calculating payment  
20 rates for providers of community-based services in accordance with this  
21 section. The methodology shall:

1       (1) provide a schedule for conducting studies of the Medicaid  
2       reimbursement rates paid to the providers of community-based services,  
3       including the rates' adequacy and their underlying methodologies, that  
4       includes studying the rates paid to providers for each type of service at least  
5       once every five years;

6       (2) set forth a predictable timeline for redetermination of base rates;

7       (3) include a process for calculating an annual inflationary rate  
8       adjustment;

9       (4) to the extent permitted by the Centers for Medicare and Medicaid  
10      Services, take into account the financial needs of providers whose  
11      reimbursements may be negatively affected by client absences; and

12      (5) use Vermont labor market rates and Vermont costs of operation.

13      (c) The Secretary shall establish a process by which a provider of  
14      community-based services whose financial condition places it at imminent risk  
15      of closure may request provider stabilization from the Agency.

16      (d) The Secretary shall recalculate the payment rates for providers of  
17      community-based services in accordance with this section at least annually and  
18      shall report those rates, and the amounts necessary to fund them, to the House  
19      Committees on Appropriations, on Human Services, and on Health Care and  
20      the Senate Committees on Appropriations and on Health and Welfare annually  
21      as part of the Agency's budget presentation.

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

2   § 8914. RATES OF PAYMENTS TO DESIGNATED AND SPECIALIZED  
3           SERVICE AGENCIES

4       (a) The Secretary of Human Services shall ~~have sole responsibility for~~  
5   ~~establishing~~ calculate the Departments of Health's, of Mental Health's, and of  
6   Disabilities, Aging, and Independent Living's rates of payments for designated  
7   and specialized service agencies ~~that are reasonable and adequate to achieve~~  
8   ~~the required outcomes for designated populations~~ in accordance with 33 V.S.A.  
9   § 911. ~~When establishing rates of payment for designated and specialized~~  
10   ~~service agencies, the Secretary shall adjust rates to take into account factors~~  
11   ~~that include:~~

12           (1) ~~the reasonable cost of any governmental mandate that has been~~  
13   ~~enacted, adopted, or imposed by any State or federal authority; and~~

14           (2) ~~a cost adjustment factor to reflect changes in reasonable costs of~~  
15   ~~goods and services of designated and specialized service agencies, including~~  
16   ~~those attributed to inflation and labor market dynamics.~~

17       (b) ~~When establishing rates of payment for designated and specialized~~  
18   ~~service agencies, the Secretary may consider geographic differences in wages,~~  
19   ~~benefits, housing, and real estate costs in each region of the State.~~

1   Sec. 4. PAYMENT RATES FOR PROVIDERS OF COMMUNITY-BASED  
2                   SERVICES; UPDATE ON IMPLEMENTATION; REPORT

3       On or before January 15, 2026, the Agency of Human Services shall report  
4   to the House Committees on Human Services and on Health Care and the  
5   Senate Committee on Health and Welfare with an update on the Agency's  
6   implementation of 33 V.S.A. § 911, as added by Sec. 2 of this act, including  
7   the Agency's proposed schedule for Medicaid rate studies and the  
8   methodology the Agency developed for calculating payment rates for providers  
9   of community-based services.

10   Sec. 5. EFFECTIVE DATE

11       This act shall take effect on passage.  
12   and that after passage the title of the bill be amended to read: "An act relating  
13   to Medicaid payment rates for community-based service providers"