

S.36

Introduced by Senators Lyons and Gulick

Referred to Committee on Health and Welfare

Date: January 30, 2025

Subject: Human services; Medicaid, substance use disorder; mental health;
long-term residential treatment

Statement of purpose of bill as introduced: This bill proposes to require the
Agency of Human Services to provide coverage for long-term residential
treatment to Medicaid beneficiaries with substance use disorder and a co-
occurring mental health condition.

~~An act relating to Medicaid coverage of long-term residential treatment for
co-occurring substance use disorder and mental health condition. An act
relating to the Medicaid payment model for residential substance use
disorder treatment services.~~ *An act relating to the delivery and payment of
certain services provided through the Agency of Human Services, services
for persons who are incapacitated, and Human Services Board proceedings*

It is hereby enacted by the General Assembly of the State of Vermont:

~~Sec. 1. 33 V.S.A. § 1901m is added to read:~~

~~§ 1901m. LONG TERM RESIDENTIAL TREATMENT FOR SUBSTANCE~~

~~USE DISORDER AND CO-OCCURRING MENTAL HEALTH~~

~~CONDITION~~

~~(a) The Agency of Human Services shall provide coverage for medically necessary long-term residential treatment to Medicaid beneficiaries with substance use disorder and a co-occurring mental health condition when long-term residential treatment is prescribed by a health care professional practicing within the scope of the professional's license and the residential treatment program is participating in Vermont's Medicaid program.~~

~~(b) Coverage provided under this section shall not be for less than:~~

~~(1) 30 days if the beneficiary's substance use disorder can be successfully addressed by medication for opioid use disorder; and~~

~~(2) 60 days if the beneficiary's substance use disorder cannot be successfully addressed by medication for opioid use disorder.~~

Sec. 2. 33 V.S.A. § 1901m is redesignated to read:

§ ~~1901m~~ 1901n. REIMBURSEMENT FOR EMERGENCY MEDICAL

SERVICES

Sec. 3. EFFECTIVE DATE

~~This act shall take effect on July 1, 2025.~~

Sec. 1. 33 V.S.A. § 1901n is added to read:

§ 1901n. HIGH-INTENSITY RESIDENTIAL TREATMENT FOR
SUBSTANCE USE DISORDER AND CO-OCCURRING
MENTAL CONDITIONS

(a) The Agency of Human Services shall provide coverage for medically necessary high-intensity, medically monitored residential treatment episodes to Medicaid beneficiaries with substance use disorder and a co-occurring mental health condition when medically necessary high-intensity, medically monitored residential treatment episodes are prescribed by a health care professional employed by a residential treatment program who is practicing within the scope of the health professional's license and the residential treatment program is participating in Vermont's Medicaid program.

(b) Coverage provided under this section shall be for the entire length of stay prescribed by a health care professional employed by a residential treatment program, who shall take into account current best practices for each level of care within the substance use continuum of care.

Sec. 2. 33 V.S.A. § 1901o is added to read:

§ 1901o. LOW-INTENSITY RESIDENTIAL TREATMENT FOR
SUBSTANCE USE DISORDER AND CO-OCCURRING
MENTAL CONDITIONS

(a) The Agency of Human Services shall provide coverage for medically necessary low-intensity, clinically managed residential treatment episodes to Medicaid beneficiaries with substance use disorder and a co-occurring mental health condition when medically necessary low-intensity, clinically managed residential treatment episodes are prescribed by a health care professional employed by a residential treatment program who is practicing within the scope of the health care professional's license and the residential treatment program is participating in Vermont's Medicaid program.

(b) Coverage provided under this section shall be for the entire length of stay prescribed by a health care professional employed by a residential treatment program, who shall take into account current best practices for levels of care within the substance use continuum of care.

Sec. 3. REPORT; MEDICAID PAYMENT MODEL FOR RESIDENTIAL
SUBSTANCE USE DISORDER TREATMENT SERVICES

The Agency of Human Services shall conduct a review of the Medicaid payment model for residential substance use disorder treatment services with special consideration given to the actual cost of providing residential treatment services, commensurate with length of stay, co-occurring physical and mental health needs, and postresidential treatment service needs. The results of the review shall be submitted to the House Committee on Human Services and the Senate Committee on Health and Welfare on or before December 1, 2025. The review shall include recommendations and proposed legislation to:

- (1) align the Medicaid payment model with the clinical needs of individuals receiving residential substance use disorder treatment services; and
- (2) ensure coordinated transitions between residential substance use disorder treatment providers offering varying acuity of care.

Sec. 4. REPEAL

2019 Acts and Resolves No. 6, Secs. 99 and 100 (amendments to 18 V.S.A. §§ 4810(d)–(j) and 4811 that prohibited ~~public inebriates~~ persons who are incapacitated from being incarcerated in a Department of Corrections' facility) are repealed.

Sec. 5. 2019 Acts and Resolves No. 6, Sec. 105 is amended to read:

Sec. 105. EFFECTIVE DATES

* * *

(c) Secs. 99 and 100 (amending 18 V.S.A. §§ 4910 and 4811) shall take effect on July 1, 2025. [Deleted.]

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Sec. 6. REPORTS; SERVICES AND PROGRAMMING FOR PERSONS WHO ARE INCAPACITATED

(a)(1) The Departments of Health and of Mental Health's existing plan to expand services and programming for persons who are incapacitated pursuant to 18 V.S.A. § 4810 shall prioritize Chittenden County.

(2) On or before February 15, 2026, the Departments of Health and of Mental Health shall jointly provide a presentation to the House Committees on Health Care and on Human Services and to the Senate Committee on Health and Welfare describing efforts to expand services and programming for persons who are incapacitated pursuant to subdivision (1) of this subsection.

(b) On or before February 15, 2026, the Department of Corrections shall provide a presentation to the House Committees on Corrections and Institutions, on Health Care, and on Human Services and to the Senate Committees on Institutions and on Health and Welfare describing efforts to reinstate the practice of connecting persons who are in a correctional facility due to incapacitation pursuant to 18 V.S.A. § 4810 with appropriate community-based substance use recovery providers.

Sec. 7. REPORTS; HUMAN SERVICES BOARD PROCEEDINGS

(a) On or before December 15, 2025, the Agency of Human Services, in consultation with the Human Services Board, Office of the Attorney General, each of the Agency's departments with cases before the Human Services

Board, community partners, and individuals with lived experience as appellants before the Board, shall submit a written report to the House Committees on Health Care and on Human Services and to the Senate Committee on Health and Welfare providing the following information and recommendations regarding proceedings before the Board:

(1) a proposal that attorneys representing the Agency or departments participate in training that balances the attorney's ethical obligation to zealously represent the attorney's client with the respectful, trauma-informed treatment of appellants;

(2) an analysis of varying appeals processes specific to the Agency and each department with cases before the Board, including proposals and any legislative action necessary to improve consistency;

(3) a proposal to identify and collect currently unavailable data in a manner that ensures uniform data collection across the Agency and departments with cases before the Board, including data regarding cases resolved prior to reaching the stage of hearing officer or full Board involvement;

(4) recommendations for resolving potential appeals prior to reaching the Board; and

(5) any other recommendation requiring legislative action.

(b) On or before December 15, 2025, the Human Services Board, in collaboration with the Agency of Human Services, each of the Agency's departments with cases before the Board, the Office of the Attorney General, community partners, and individuals with lived experience as appellants before the Board, shall submit a written report to the House Committees on Health Care and on Human Services and to the Senate Committee on Health and Welfare providing the following information and recommendations regarding proceedings before the Board:

(1) a proposal to improve understanding of Board processes and accessibility to appellants, including the use of media and graphics to explain what the Board is and how it operates;

(2) a proposal for the exchange of periodic feedback as part of a continual quality improvement process between the Board, Agency, departments appearing before the Board, Office of the Attorney General, Vermont Legal Aid, and other relevant stakeholders;

(3) an analysis of how to enable an appellant to present a personal narrative without jeopardizing the appellant's case or disrupting the legal

obligations of the Board and the attorneys representing the Agency or departments appearing before the Board; and

(4) recommendations to improve the reporting and analysis of data to the General Assembly, including information related to appeal requests resolved prior to reaching the stage of hearing officer or full Board involvement.

Sec. 68. EFFECTIVE DATE

This act shall take effect on July 1, 2025.