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2 Introduced by Senator Lyons
3 Referred to Committee on
4 Date:
5 Subject: Human services; designated and specialized service agencies;
6 payment methodology
7 Statement of purpose of bill as introduced: This bill proposes to implement a
8 monthly prospective payment methodology for designated and specialized
9 service agencies.

10 An act relating to designated and specialized service agency payment
11 methodology

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

13 Sec. 1. 33 V.S.A. § 911 is amended to read:

14 **§ 911. PAYMENT RATES FOR PROVIDERS OF COMMUNITY-BASED**

15 **SERVICES**

16 (a) The Secretary of Human Services shall calculate payment rates for

17 providers of community-based services that are reasonable and adequate to

18 achieve the required outcomes for the populations they serve. When

19 calculating these payment rates, the Secretary:

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

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

13 (1) provide a schedule for conducting studies of the Medicaid
14 reimbursement rates paid to the providers of community-based services,
15 including the rates' adequacy and their underlying methodologies, that
16 includes studying the rates paid to providers for each type of service at least
17 once every five years require a monthly prospective payment issued to each
18 community-based service provider on the first day of the month on which a
19 service is to be provided, reflecting:

1 (B) the number of individuals with approved individual budgets;

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

3 (3) include a process for calculating an annual inflationary rate

4 adjustment;

5 (4)(3) to the extent permitted by the Centers for Medicare and Medicaid
6 Services, take into account the financial needs of providers whose
7 reimbursements may be negatively affected by client absences; and
8 (5)(4) use Vermont labor market rates and Vermont costs of operation.

9 (c) The Secretary shall establish a process by which a provider of

10 community-based services whose financial condition places it at imminent risk
11 of closure may request provider stabilization from the Agency.

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

18 (e) Community-based service providers shall submit monthly encounter
19 data and invoices to the Agency, which shall inform subsequent monthly
20 payments. The Agency shall conduct a reconciliation process at least annually
21 to ensure alignment between authorized services and actual delivery of

1 services. The reconciliation process shall include census validation, funding
2 accuracy, and value-based performance metrics.

3 Sec. 2. EFFECTIVE DATE

4 This act shall take effect on July 1, 2026.