

1 H.13

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

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

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

6 § 900. DEFINITIONS

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

9 * * *

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

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

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

18 (C) short- and long-term services and supports provided to
19 individuals with mental conditions, individuals with substance use disorders,
20 individuals with developmental or intellectual disabilities, and individuals with
21 a brain injury, in a home or community setting ~~for which the Medicaid rates~~

1 ~~are not otherwise established pursuant to statute or rule~~ **that is not a clinical**
2 **residential 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 ~~HOME-AND~~
5 COMMUNITY-BASED SERVICES

6 (a) The Secretary of Human Services shall ~~determine~~ **calculate** payment
7 rates for providers of ~~home-and~~ community-based services that are reasonable
8 and adequate to achieve the required outcomes for the populations they serve.

9 When ~~determining~~ **calculating** these payment rates, the Secretary:

10 **(1) for informational purposes,** shall ~~adjust the rate amounts to~~ **ensure**
11 **that the calculations** take into account factors that include:

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

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

17 ~~(b) When determining reasonable and adequate rates of payment for~~
18 ~~providers of home-and community-based services, the Secretary~~

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

1 (c) The Secretary shall establish a methodology for **determining**
2 **calculating** payment rates for providers of **home** ~~and~~ community-based
3 services in accordance with this section. The methodology shall:

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

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

10 (3) include a process for **determining calculating** an annual inflationary
11 rate adjustment;

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

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

16 (d) The Secretary shall establish a process by which a provider **of**
17 **community-based services** whose financial condition places it at imminent
18 risk of closure may **seek extraordinary financial relief request provider**
19 **stabilization** from the Agency.

20 (e) The Secretary shall **redetermine recalculate** the payment rates for
21 providers of **home** ~~and~~ community-based services in accordance with this

1 section at least annually and shall report those rates, and the amounts necessary
2 to fund them, to the House Committees on Appropriations, on Human
3 Services, and on Health Care and the Senate Committees on Appropriations
4 and on Health and Welfare annually as part of the Agency's budget
5 presentation.

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

7 § 8914. RATES OF PAYMENTS TO DESIGNATED AND SPECIALIZED
8 SERVICE AGENCIES

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

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

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

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

4 Sec. 4. PAYMENT RATES FOR PROVIDERS OF **HOME AND**
5 COMMUNITY-BASED SERVICES; UPDATE ON
6 IMPLEMENTATION; REPORT

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

14 Sec. 5. EFFECTIVE DATE

15 This act shall take effect on passage.
16 **and after passage the title of the bill would be amended to read: "An act**
17 **relating to Medicaid payment rates for community-based service providers"**