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*Agency of Human Services*

March 9, 2026

House Committee on Health Care  
The Honorable Alyssa Black, *Chair*  
Vermont House of Representatives  
115 State Street  
Montpelier, VT 05633-5301

RE: AHS written testimony regarding H. 583 (An act relating to health care financial transactions and clinical decision making)

Dear Chair Black and members of the House Committee on Health Care:

Thank you for the opportunity to provide written testimony on H. 583 (An act relating to health care financial transactions and clinical decision making). The Agency of Human Services (AHS) does not support H. 583. While we share the Committee's commitment to protecting clinical independence and ensuring high-quality patient care, H. 583's ownership-based prohibitions would create significant instability across Vermont's health care system—particularly in the nursing home sector, but also including independent, substance use disorder, and specialty providers—without a financing mechanism or realistic implementation pathway.

The bill would prohibit private equity, REIT, lease-back, and certain for-profit ownership structures and would restrict AHS from licensing or renewing facilities operating under such arrangements. The bill assumes alternative ownership models exist and are financially viable in Vermont; this may not be the case. In practice, this could require many facilities to refinance or unwind longstanding contractual agreements. Facilities unable to restructure may face closure rather than transfer to a non-prohibited structure. At a time when Vermont needs to expand long-term care capacity to meet growing demographic demand, H.583 risks reducing bed availability, delaying hospital discharges, increasing emergency department boarding, and driving up downstream system costs.

The bill also introduces prolonged uncertainty through its transition timeline. This uncertainty may discourage capital investment, impair workforce recruitment and retention, and destabilize already-fragile providers.

In addition, the broad ownership restrictions could unintentionally limit participation by national and multi-state organizations that deliver essential services such as telehealth therapy, medication-assisted



treatment, hospice, and home health—particularly in rural areas where alternatives are limited. Disallowing national or multi-state organizations from operating in Vermont could reduce availability of providers that supply critical expertise, workforce scale, and infrastructure that local entities may not be able to replicate.

H.583 reflects legitimate concerns about ownership practices in health care facilities and the need to protect clinical decision-making and care quality. However, as drafted, the bill presents a significant gap between policy intent and likely operational impact. The bill introduces substantial compliance, transition, and enforcement challenges without a corresponding financing or reimbursement mechanism, creating risk of facility closures, reduced bed capacity, workforce disruption, and resulting system costs.

For these reasons, while AHS appreciates the Committee's goal of ensuring quality health care, the combined effect of ownership prohibitions, licensing restrictions, and unfunded transition requirements risks destabilizing Vermont's health care continuum and presents a serious risk to the Vermonters we serve.

Sincerely,



Jill Bowen, Ph.D.  
Commissioner of Disabilities, Aging & Independent Living



Emily Hawes, LADC  
Commissioner of Mental Health



Rick Hildebrant, M.D.  
Commissioner of Health

