

MEMORANDUM

TO: Chair Alyssa Black, House Committee on Health Care

FROM: Alex McCracken, Director of Communications and Legislative Affairs
Department of Vermont Health Access

DATE: March 28, 2025

SUBJECT: DVHA Testimony Regarding S.18

Thank you, Madam Chair, members of the Committee, for having me this afternoon to discuss S.18. For the record, my name is Alex McCracken, Director of Communications and Legislative Affairs for the Department of Vermont Health Access, or DVHA.

I will keep my remarks brief, as the committee has already heard valuable testimony from other witnesses over the last two days, and I'll endeavor not to be redundant, Madam Chair.

This is new territory for DVHA; as others have noted, Vermont one of only a few states that has not previously had free-standing birth facilities. As such, our department's work in this area is quite recent and limited. However, there is significant precedent and expertise nationally from which Vermont can draw.

DVHA appreciates the evidence presented by the committee's witnesses that the creation of these facilities would likely result in lower overall costs for VT Medicaid. Medicaid already covers labor and delivery for home births and hospital births. In 2023, Vermont Medicaid covered nearly two thousand deliveries, or about 37% of all births in the state.¹ Instituting birth centers in Vermont would not increase the number of deliveries, but would provide an additional, potentially lower cost, facility for those deliveries. The intention of this bill fits squarely within the Department's mission to provide high-quality, affordable health care access to all Vermonters.

¹ <https://www.kff.org/8140f64/>



DVHA also acknowledges the evidence presented that these centers improve health outcomes and may lead to increased health equity for Medicaid members. This, again, is directly aligned with our mission.

I would like to provide two caveats, and one language request, on behalf of the Department:

- First, that much of the implementation of this bill would fall to VDH, with DVHA acting only in the role of the payor. We would yield to VDH regarding policy and implementation, and encourage the Committee to continue to work with VDH on S.18.
- Second, Medicaid coverage of services in free standing birth centers would require a State Plan Amendment to reimburse providers. VT does not currently have federal authority to reimburse for services in free standing birth centers, so the Agency would need to approach CMS (Centers for Medicare and Medicaid Services) to obtain that authorization. DVHA recommends general caution when approaching CMS for additional authorizations, given the current federal context.
- DVHA would request that S.18 be amended to remove the 7/1/25 deadline to submit a SPA request to CMS. That date does not afford DVHA and AHS enough time to conduct this work. Additionally, the Department does not believe that language requiring AHS to submit a SPA by a certain date would be helpful in the complicated timing process of approaching CMS for approval. The Department would respectfully request that the effective date in Sec 5(d) be changed to read:
 - Medicaid coverage shall begin on 1/1/26, or upon both CMS approval and the effective date of the birth center rules adopted by the Department of Health, whichever is later.

This will allow the Agency adequate time to pursue the requested State Plan Amendment and align with the Committee's intended effective date for Medicaid coverage.

With those points in mind, DVHA is excited by the prospect of this bill and the Department would be happy to support S.18 with the requested change to the effective date language in Sec. 5(d).

Thank you, Representatives, Chair Black. I am happy to provide any additional information I can on behalf of the department.