

TO: Chair Black, House Committee on Health Care

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

DATE: May 8, 2025

SUBJECT: S.53: Medicaid Coverage for Vermont Doula Services

Madam Chair, Members of the Committee, thank you for the opportunity to testify on behalf of the Department of Vermont Health Access (DVHA) regarding S.53. While DVHA agrees with the intent of this bill, the Department is not able to recommend coverage of doula services at this time. DVHA has three primary concerns about the way S.53 is written and its implications for the Department's budget and processes.

### **1: Lack of funding for DVHA**

S.53 does not contain an appropriation for DVHA, which would be needed to reimburse newly added doula services and supports. With anticipated costs being approximately \$1.2M gross/annual, Vermont Medicaid cannot support an unfunded mandate with a significant fiscal impact. A new benefit with no additional funding would require a reduction of other Medicaid services.

### **2: Programmatic Lifts for DVHA**

Adding doulas as a new covered benefit would require changes to the Medicaid Management Information System (MMIS) to allow providers to be enrolled in Vermont Medicaid and be eligible to bill for services. These changes are significant and require time, resources, and prioritization. MMIS changes can take over a year to implement and require significant financial and administrative resources. The process for proposing MMIS changes and having those changes approved is arduous and requires the use of limited resources. Vermont Medicaid has limited capacity in the MMIS queue, and the addition of new provider types, provider specialties, and service codes needed for doulas will have to follow other required changes, making the implementation timeline of 7/1/26 difficult.

Additionally, Vermont Medicaid coverage of doula services would require a State Plan Amendment (SPA). State plan amendments are the formal process by which the Agency of



Human Services (AHS) requests approval from the Centers for Medicare and Medicaid Services (CMS) for any changes, additions, or removals of services or providers under the Vermont Medicaid program. DVHA has determined that a state plan amendment would be necessary for Vermont Medicaid to be able to reimburse for doula services. The SPA process opens up the Vermont Medicaid state plan for federal scrutiny. DVHA would highly encourage caution in any attempt to obtain a State Plan Amendment, given the current volatility and uncertainty in the federal environment.

Lastly, coverage of doula services would require a Health Care Administrative Rule to establish these services. Administrative Rules typically take up 18 months to be developed and implemented and require significant work and coordination within the department. Again, the currently proposed 7/1/26 deadline for Vermont Medicaid is problematic considering all of these programmatic considerations.

### **3: Voluntary Certification**

DVHA has lingering concerns that OPR's voluntary certification process, as outlined in the sunrise study, will be insufficient to meet federal requirements for reimbursement. DVHA must meet the minimum federal requirements related to education and licensure of enrolled providers. At this time, it is unclear if OPR certification will meet those minimum federal requirements. DVHA is happy to work with OPR and with providers to discuss this certification further, but Medicaid is bound by federal requirements. If ultimately DVHA requires more of providers than OPR requires for state certification, this will have significant implications for the workforce available to DVHA.

DVHA acknowledges the potentially significant benefits of providing Medicaid reimbursement for doula services in Vermont. However, S.53 as currently written poses significant financial challenges for the Department and results in a large financial and administrative lift. Although we agree with the intent of this bill and appreciate the potential positives in health outcomes, the Department is not able to recommend coverage of doula services at this time.

Thank you, Madam Chair, and I am happy to answer any questions.