



# SFY 2027 BUDGET HOUSE HEALTH CARE



February 10, 2026

# SFY 2027 Budget Request

- Modest 3.5% increase to Medicaid home health rates:
  - ▣ \$328,580.34 Gross
    - Includes commensurate increases to pediatric palliative care and high technology services
    - Does not address internal inconsistencies
  - ▣ New rate modeling compares per-visit Medicaid fee schedule to the episodic Medicare fee schedule
    - 3.5% achieves benchmark of bringing (most) Medicaid home health payments to at least 70% of Medicare
  - ▣ An increase for skilled home health was prioritized by the House Health Care Committee last year but was ultimately not included

# Care at Home, Across the Continuum

Care at Home, Across the Continuum			
Health Care	Prevention	Long-Term Care	End-of-Life and Palliative Care
Nursing and Therapy	Health Screenings and Vaccinations	Pediatric and Adult High-tech	Palliative Care
Telemonitoring	Maternal/Child Health	Personal Care	Hospice Care
Wound Care		Homemaker services	Bereavement Services
Care Coordination		Case Management	Respite House

# Critical Role in Health Care System

- Accepts 14% of discharges
  - ▣ Nursing homes accept about 18%
- Reduces pressure on hospitals and long-term care facilities
- Serves vulnerable population of frail, older and disabled people with numerous chronic conditions
  - ▣ 86% of Vermont Medicare beneficiaries who use home health have 3 or more chronic conditions vs. 8% of all Vermont Medicare beneficiaries

# Federal Pressures

- CY26 Medicare Cut: **~\$1,800,000 reduction**
- History of significant Medicare cuts
  - ▣ Nearly 10% in permanent Medicare cuts:
    - January 1, 2023: 3.925%
    - January 1, 2024: 2.890%
    - January 1, 2025: 1.975%
    - January 1, 2026: 1.023%
      - +3% Temporary Adjustment (cut)
  - ▣ 3% temporary adjustment marks implementation of phased-in rollout of clawback – authorized for total cut back to January 1, 2020

# Pressures

- Workforce shortages
- Cost of travelers
- IRS mileage rate
  - ▣ Up 15 cents per mile/26% since 2020)
- Wages, salaries and benefits
- Historically low Medicaid reimbursement and inconsistent rate increases

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# Questions?

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