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STATE OF VERMONT
HOUSE OF REPRESENTATIVES
HOUSE COMMITTEE ON HEALTH CARE

MEMORANDUM

To: Representative Robin Scheu, Chair, House Committee on Appropriations

From: Representative Alyssa Black, Chair, House Committee on Health Care

Date: February 19, 2026

Subject: House Committee on Health Care FY27 budget recommendations

The House Committee on Health Care appreciates the opportunity to provide our fiscal year 2027 budget recommendations to the House Committee on Appropriations. The Committee on Health Care recognizes that developing the budget for fiscal year 2027 is particularly challenging, and we understand that many difficult decisions went into the Governor's recommended budget. The Committee can accept most of the proposals in the Governor's recommended budget as presented, with certain exceptions as described in more detail below. The Committee also received several requests from advocates to fund proposals that were not included in the Governor's recommended budget, some of which we strongly encourage the Committee on Appropriations to include in the budget bill. In addition, while the Committee is not comfortable with the Department of Vermont Health Access's proposal in Sec. B.307 to increase prescription drug co-pays from the current $1.00 for preferred drugs and $3.00 for nonpreferred drugs to $4.00 for preferred drugs and $8.00 for nonpreferred drugs, if an increase is deemed to be necessary, the Committee can support an increase to not more than $2.00 for preferred drugs and $4.00 for nonpreferred drugs.

As in previous years, our Committee ranked our recommended funding priorities. Committee members chose their top five priorities, which were ranked by weight to arrive at a list of the Committee's top 10 priorities. These priorities represent a mix of new proposals from advocates and the Committee's requests to maintain monies that would be cut in the Governor's recommended budget. An additional request, which can be supported with monies available from the Health IT-Fund, is described in Sec. A of our language sections following the table. The Committee has attached a spreadsheet showing all of the funding requests we received, some of which are reflected in our top 10 priorities below.

House Committee on Health Care Priority Requests

Priority	Description	Agency/ Dept.	Gross amount	State/GF amount	Gov. Rec. section or new proposal
1	Home health: 3.5% increase to certain Medicaid home health rates	DVHA	$328,580.00*	$137,774.00*	New proposal
2	Vermont's Free and Referral Clinics: increase staff hours, fix/buy equipment and infrastructure, EMRs	VDH	$925,000.00	$462,500.00	New proposal
3	Support and Services at Home (SASH) – 6 months' funding		$2,552,441.50	$1,052,238.50	New proposal
4 (tie)	Maintain Area Health Education Centers (AHEC) Program support	VDH	$550,000.00	$230,615.00	B.311 (cut)
4 (tie)	Vermont Care Partners: increase to Medicaid rates to DAs and SSAs	DMH/ DVHA/ VDH/ DAIL	TBD	$5,800,000.00*	New proposal
6	Maintain Community Outreach for Chittenden County	DMH	$160,000.00	$160,000.00	B.314 (cut)
7	Bridges to Health transition to Vermont's Free and Referral Clinics	VDH	$500,000.00	$500,000.00	New proposal
8	Office of the Health Care Advocate (Vermont Legal Aid) increase	AHS Central Office	$450,000.00	$183,086.00	New proposal
9	Maintain Team Two mental health training for first responders	DMH	$109,671.00	$37,599.05	B.314 (cut)
10	Maintain VSAC education loan repayment	VDH	$4,388,334.00	$1,735,203.00	B.311 (cut)

*JFO has not yet verified these numbers.

In addition to our requests above, the Committee has four language requests for inclusion in the budget bill. Sec. A would maintain funding to Vermont 211 using monies from the Health IT-Fund to enable that resource to establish a closed loop referral pathway with University of Vermont Health to better connect Vermonters with appropriate health care services. Sec. B would eliminate the 2027 sunset on an existing scholarship program for medical students planning a career in primary care. There is no additional cost to this request, as 18 V.S.A. § 33(f) allows funds to be carried forward and $476,770.00 remains from prior appropriations. Removing the sunset would allow approximately 11 more

awards to be made to students in fiscal years 2027 and 2028. Sec. C expresses legislative intent that the Department of Vermont Health Access figure out how to implement a coding change that would enable the State to receive 90/10 federal matching funds for certain family planning services. And Sec. D would replace language in the Governor's recommended budget that requires pursuit of a federal Sec. 1332 waiver for reinsurance with language from H.585 as introduced (with a technical revision), which would authorize but not require pursuit of the waiver. The Committee does not want to mandate that the State devote time and resources to seeking a waiver if it does not make sense to do so.

Sec. A. INTEGRATION OF EPIC AND VERMONT 211 FOR DIRECT CLOSED LOOP REFERRAL PATHWAY

The sum of $332,000 is appropriated from the Health IT-Fund to the Department of Mental Health in fiscal year 2027 for a grant to Vermont 211 to establish a closed loop referral system between Vermont 211 and health care providers at University of Vermont Health.

Sec. B. 2020 Acts and Resolves No. 155, Sec. 7a, as amended by 2021 Acts and Resolves No. 74, Sec. E.311.2, is further amended to read:

Sec. 7a. ~~SUNSET~~

~~18 V.S.A. § 33 (medical students; primary care) is repealed on July 1, 2027.~~ [Deleted.]

Sec. C. DEPARTMENT OF VERMONT HEALTH ACCESS; FAMILY PLANNING CODE IMPLEMENTATION; REPORT

It is the intent of the General Assembly that the Department of Vermont Health Access determine the steps necessary to implement the family planning codes in Vermont Medicaid that are eligible for a 90 percent federal match, promptly take those steps, and deploy the appropriate codes. On or before October 1, 2026, the Department shall report to the Health Reform Oversight Committee and the Joint Fiscal Committee regarding the steps it determined were necessary, whether and how it implemented the codes, and the funding impacts that will need to be reflected in the fiscal year 2027 budget adjustment.

Sec. D. REINSURANCE; AUTHORIZATION TO PURSUE SECTION 1332 WAIVER

The Department of Vermont Health Access, in consultation with the Department of Financial Regulation, is authorized to submit a State Innovation Waiver pursuant to Section 1332 of the Patient Protection and Affordable Care Act of 2010, Pub. L. No. 111-148, as amended by the Health Care and Education Reconciliation Act of 2010, Pub. L. No. 111-152, to establish a program for reinsurance and seek federal pass-through funding of amounts attributable to premium tax credits under 26 U.S.C. § 36B.