

1 TO THE HOUSE OF REPRESENTATIVES:

2 The Committee on Human Services to which was referred House Bill No.
3 13 entitled “An act relating to Medicaid payment rates for home- and
4 community-based service providers and designated and specialized service
5 agencies” respectfully reports that it has considered the same and recommends
6 that the bill be amended by striking out all after the enacting clause and
7 inserting in lieu thereof the following:

8 Sec. 1. 33 V.S.A. § 900 is amended to read:

9 § 900. DEFINITIONS

10 ~~Unless otherwise required by the context, the words and phrases in this~~
11 ~~chapter shall be defined as follows~~ As used in this chapter:

12 * * *

13 (7) “Home- and community-based services” means:

14 (A) long-term services and supports provided to older adults and
15 adults with physical disabilities in a home or community setting other than a
16 nursing home, including enhanced residential care services, pursuant to the
17 Choices for Care component of Vermont’s Global Commitment to Health
18 Section 1115 Medicaid demonstration or a successor program. “Home and
19 community based services” also includes;

1 **(B)** non-Choices for Care home health and hospice services, adult
2 day rehabilitation services, assistive community care services, and services for
3 individuals with traumatic brain injury; and

4 **(C)** services provided by designated and specialized service
5 agencies to individuals with mental conditions, individuals with substance
6 use disorders, and individuals with developmental or intellectual
7 disabilities.

8 Sec. 2. 33 V.S.A. § 911 is added to read:

9 § 911. PAYMENT RATES FOR PROVIDERS OF HOME- AND

10 COMMUNITY-BASED SERVICES

11 (a) The Secretary of Human Services shall determine payment rates for
12 providers of home- and community-based services that are reasonable and
13 adequate to achieve the required outcomes for the populations they serve.

14 When determining these payment rates, the Secretary shall adjust the rate
15 amounts to take into account factors that include:

16 (1) the reasonable cost of any governmental mandate that has been
17 enacted, adopted, or imposed by any State or federal authority; and

18 (2) a cost adjustment factor to reflect changes in reasonable costs of
19 goods to and services of providers of home- and community-based services,
20 including those attributed to inflation and labor market dynamics.

1 Disabilities, Aging, and Independent Living’s rates of payments for designated
2 and specialized service agencies in accordance with 33 V.S.A. § 911. ~~that are~~
3 ~~reasonable and adequate to achieve the required outcomes for designated~~
4 ~~populations. When establishing determining these rates of payment for~~
5 ~~designated and specialized service agencies, the Secretary shall adjust rates the~~
6 ~~rate amounts to take into account factors that include:~~

7 (1) ~~the reasonable cost of any governmental mandate that has been~~
8 ~~enacted, adopted, or imposed by any State or federal authority; and~~

9 (2) ~~a cost adjustment factor to reflect changes in reasonable costs of~~
10 ~~goods to and services of designated and specialized service agencies, including~~
11 ~~those attributed to inflation and labor market dynamics.~~

12 (b) ~~When establishing determining reasonable and adequate rates of~~
13 ~~payment for designated and specialized service agencies, the Secretary may~~
14 ~~consider geographic differences in wages, benefits, housing, and real estate~~
15 ~~costs in each region of the State.~~

16 (c) ~~The Secretary shall adopt rules setting forth the methodology for~~
17 ~~determining the payment rates for services provided by designated and~~
18 ~~specialized service agencies to individuals with mental conditions, individuals~~
19 ~~with substance use disorders, and individuals with developmental or~~
20 ~~intellectual disabilities in accordance with this section. The rules shall include~~
21 ~~a process for determining an annual inflationary rate adjustment, shall set forth~~

1 ~~a predictable timeline for redetermination of base rates, and shall use Vermont~~
2 ~~labor market rates and Vermont costs of operation.~~

3 ~~(d) The Secretary shall redetermine the payment rates for designated and~~
4 ~~specialized service agencies in accordance with this section at least annually~~
5 ~~and shall report those rates, and the amounts necessary to fund them, to the~~
6 ~~House Committees on Appropriations, on Human Services, and on Health Care~~
7 ~~and the Senate Committees on Appropriations and on Health and Welfare~~
8 ~~annually as part of the Agency's budget presentation.~~

9 Sec. 4. HOME- AND COMMUNITY-BASED SERVICE PROVIDER

10 RATE STUDY; REPORT

11 (a) The Department of Vermont Health Access, in collaboration with the
12 Departments of Disabilities, Aging, and Independent Living, of Health, and of
13 Mental Health, shall conduct a rate study of the Medicaid reimbursement rates
14 paid to providers of home- and community-based services, as defined in
15 33 V.S.A. § 900, and providers of substance use disorder treatment services,
16 including their adequacy and the methodologies underlying the rates. As part
17 of the rate study, the Department of Vermont Health Access shall:

18 (1) delineate a reasonable and predictable schedule for Medicaid rates
19 and rate updates;

1 (2) identify ways to align Medicaid reimbursement methodologies and
2 rates for providers of home- and community-based services with those of other
3 payers, to the extent such other methodologies and rates exist; and

4 (3) determine ways to limit the number of methodological exceptions.

5 (b) On or before January 15, 2026, the Department of Vermont Health
6 Access, in collaboration with the Departments of Disabilities, Aging, and
7 Independent Living, of Health, and of Mental Health, shall report the results of
8 the rate study conducted pursuant to this section and their findings and
9 recommendations to the House Committees on Human Services and on
10 Appropriations, the Senate Committees on Health and Welfare and on
11 Appropriations, and the Secretary of Human Services.

12 Sec. 5. EFFECTIVE DATE

13 This act shall take effect on passage, with the rules adopted by the Secretary
14 of Human Services pursuant to Secs. 2 (33 V.S.A. § 911) and 3 (18 V.S.A.
15 § 8914) taking effect on or before July 1, 2026.

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18 (Committee vote: _____)

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Representative _____

FOR THE COMMITTEE