

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 **the following**  
14 **services provided pursuant to Vermont’s Global Commitment to Health**  
15 **Section 1115 Medicaid demonstration or a successor program:**

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

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 in a home or community setting to**  
5           individuals with mental conditions, individuals with substance use disorders,  
6           and individuals with developmental or intellectual disabilities.

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

8           § 911. PAYMENT RATES FOR PROVIDERS OF HOME- AND  
9           COMMUNITY-BASED SERVICES

10           (a) The Secretary of Human Services shall determine payment rates for  
11           providers of home- and community-based services that are reasonable and  
12           adequate to achieve the required outcomes for the populations they serve.  
13           When determining these payment rates, the Secretary shall adjust the rate  
14           amounts to take into account factors that include:

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

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

20           (b) When determining reasonable and adequate rates of payment for  
21           providers of home- and community-based services, the Secretary may consider

1 geographic differences in wages, benefits, housing, and real estate costs in  
2 each region of the State.

3 (c) The Secretary shall adopt rules setting forth the methodology for  
4 determining payment rates for providers of home- and community-based  
5 services in accordance with this section. The rules shall include:

6 **(1) provide a schedule for conducting studies of the Medicaid**  
7 **reimbursement rates paid to the providers of home- and community-**  
8 **based services, including the rates' adequacy and their underlying**  
9 **methodologies, that includes studying the rates paid to providers for each**  
10 **type of service at least once every five years;**

11 ~~(3)(2)~~ **(2)** set forth a predictable timeline for redetermination of base rates;  
12 ~~(2)(3)~~ **(3) include** a process for determining an annual inflationary rate  
13 adjustment, shall; and

14 **(4) shall** use Vermont labor market rates and Vermont costs of  
15 operation.

16 (d) The Secretary shall redetermine the payment rates for providers of  
17 home- and community-based services in accordance with this section at least  
18 annually and shall report those rates, and the amounts necessary to fund them,  
19 to the House Committees on Appropriations, on Human Services, and on  
20 Health Care and the Senate Committees on Appropriations and on Health and  
21 Welfare annually as part of the Agency's budget presentation.

1       Sec. 3. 18 V.S.A. § 8914 is amended to read:

2       § 8914. RATES OF PAYMENTS TO DESIGNATED AND SPECIALIZED  
3               SERVICE AGENCIES

4       (a) The Secretary of Human Services shall ~~have sole responsibility for~~  
5       ~~establishing~~ determine the Departments of Health's, of Mental Health's, and of  
6       Disabilities, Aging, and Independent Living's rates of payments for designated  
7       and specialized service agencies in accordance with 33 V.S.A. § 911. ~~that are~~  
8       ~~reasonable and adequate to achieve the required outcomes for designated~~  
9       ~~populations. When establishing rates of payment for designated and~~  
10      ~~specialized service agencies, the Secretary shall adjust rates to take into~~  
11      ~~account factors that include:~~

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

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

17      ~~(b) When establishing rates of payment for designated and specialized~~  
18      ~~service agencies, the Secretary may consider geographic differences in wages,~~  
19      ~~benefits, housing, and real estate costs in each region of the State.~~

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

2                   RATE STUDY; REPORT

3           (a) The Department of Vermont Health Access, in collaboration with the  
4           Departments of Disabilities, Aging, and Independent Living, of Health, and of  
5           Mental Health, shall conduct a rate study of the Medicaid reimbursement rates  
6           paid to providers of home- and community-based services, as defined in  
7           33 V.S.A. § 900, and providers of substance use disorder treatment services,  
8           including their adequacy and the methodologies underlying the rates. As part  
9           of the rate study, the Department of Vermont Health Access shall:

10                   (1) delineate a reasonable and predictable schedule for Medicaid rates  
11                   and rate updates;

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

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

16           (b) On or before January 15, 2026, the Department of Vermont Health  
17           Access, in collaboration with the Departments of Disabilities, Aging, and  
18           Independent Living, of Health, and of Mental Health, shall report the results of  
19           the rate study conducted pursuant to this section and their findings and  
20           recommendations to the House Committees on Human Services and on

1 Appropriations, the Senate Committees on Health and Welfare and on  
2 Appropriations, and the Secretary of Human Services.

3 Sec. 5. EFFECTIVE DATE

4 This act shall take effect on passage, with the rules adopted by the Secretary  
5 of Human Services pursuant to Secs. 2 (33 V.S.A. § 911) and 3 (18 V.S.A.  
6 § 8914) taking effect on or before July 1, 2026.

7 and that after passage the title of the bill be amended to read: “An act relating  
8 to Medicaid payment rates for home- and community-based service providers”

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16 (Committee vote: \_\_\_\_\_)

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Representative \_\_\_\_\_

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FOR THE COMMITTEE