

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 disabilities in a home or community setting other than a nursing
18 home, including enhanced residential care services;

19 (B) home health and hospice services, adult day rehabilitation
20 services, and assistive community care services; and

1 (C) short- and long-term services and supports provided to
2 individuals with mental conditions, individuals with substance use disorders,
3 individuals with developmental or intellectual disabilities, and individuals with
4 a brain injury, in a home or community setting for which the Medicaid rates
5 are not otherwise established pursuant to statute or rule.

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

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

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

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

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

19 (b) When determining reasonable and adequate rates of payment for
20 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 establish a methodology for determining payment
4 rates for providers of home- and community-based services in accordance with
5 this section. The methodology shall:

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

11 (2) set forth a predictable timeline for redetermination of base rates;

12 (3) include a process for determining an annual inflationary rate
13 adjustment;

14 (4) to the extent permitted by the Centers for Medicare and Medicaid
15 Services, take into account the financial needs of providers whose
16 reimbursements may be negatively affected by client absences; and

17 (5) use Vermont labor market rates and Vermont costs of operation.

18 (d) The Secretary shall establish a process by which a provider whose
19 financial condition places it at imminent risk of closure may seek extraordinary
20 financial relief from the Agency.

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

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

7 Sec. 4. PAYMENT RATES FOR PROVIDERS OF HOME- AND
8 COMMUNITY-BASED SERVICES; UPDATE ON
9 IMPLEMENTATION; REPORT

10 On or before January 15, 2026, the Agency of Human Services shall report
11 to the House Committees on Human Services and on Health Care and the
12 Senate Committee on Health and Welfare with an update on the Agency’s
13 implementation of 33 V.S.A. § 911, as added by Sec. 2 of this act, including
14 the Agency’s proposed schedule for Medicaid rate studies and the
15 methodology the Agency developed for determining payment rates for
16 providers of home- and community-based services.

17 Sec. 5. EFFECTIVE DATE

18 This act shall take effect on passage.
19 and that after passage the title of the bill be amended to read: “An act relating
20 to Medicaid payment rates for home- and community-based service providers”
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3 (Committee vote: _____)

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Representative _____

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FOR THE COMMITTEE