

1 TO THE HONORABLE SENATE:

2 The Committee on Health and Welfare to which was referred House Bill  
3 No. 13 entitled “An act relating to Medicaid payment rates for home- and  
4 community-based service providers” respectfully reports that it has considered  
5 the same and recommends that the Senate propose to the House that the bill be  
6 amended by striking out all after the enacting clause and inserting in lieu  
7 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) “Community-based services” means the following services provided  
14 pursuant to Vermont’s Global Commitment to Health Section 1115 Medicaid  
15 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 that is not a clinical residential  
5           setting or a private nonmedical residential setting.

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

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

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

13           (1) shall adjust the rate amounts to take into account factors that include:

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

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

19           (2) may consider geographic differences in wages, benefits, housing,  
20          and real estate costs in each region of the State.

1        (b) The Secretary shall establish a methodology for determining payment  
2        rates for providers of community-based services in accordance with this  
3        section. The methodology shall:

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

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

10          (3) include a process for determining an annual inflationary rate  
11        adjustment;

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

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

16        (c) The Secretary shall establish a process by which a provider of  
17        community-based services whose financial condition places it at imminent risk  
18        of closure may seek extraordinary financial relief from the Agency.

19        (d) The Secretary shall redetermine the payment rates for providers of  
20        community-based services in accordance with this section at least annually and  
21        shall report those rates, and the amounts necessary to fund them, to the House

1 Committees on Appropriations, on Human Services, and on Health Care and  
2 the Senate Committees on Appropriations and on Health and Welfare annually  
3 as part of the Agency's budget presentation.

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

5 § 8914. RATES OF PAYMENTS TO DESIGNATED AND SPECIALIZED  
6 SERVICE AGENCIES

7 ~~(a) The Secretary of Human Services shall have sole responsibility for~~  
8 ~~establishing~~ determine the Departments of Health's, of Mental Health's, and of  
9 Disabilities, Aging, and Independent Living's rates of payments for designated  
10 and specialized service agencies ~~that are reasonable and adequate to achieve~~  
11 ~~the required outcomes for designated populations~~ in accordance with 33 V.S.A.  
12 § 911. ~~When establishing rates of payment for designated and specialized~~  
13 ~~service agencies, the Secretary shall adjust rates to take into account factors~~  
14 ~~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 and services of designated and specialized service agencies, including~~  
19 ~~those attributed to inflation and labor market dynamics.~~

Sec. 4. PAYMENT RATES FOR PROVIDERS OF COMMUNITY-BASED SERVICES; UPDATE ON IMPLEMENTATION; REPORT

## Sec. 5. EFFECTIVE DATE

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

Senator \_\_\_\_\_

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