



**Written Testimony of Jill Mazza Olson, Executive Director
Committee Bill on Health Care Reform
March 12, 2025**

GENERAL COMMENTS

Vermont's home health and hospice agencies urge the Senate Health and Welfare Committee to prioritize direct investment in home health and long-term care services as a core strategy to reduce the total cost of care in Vermont. Despite broad agreement that moving care to the least expensive setting is essential to reducing overall health care costs, Medicaid reimbursement rates for core services still lag well below costs.

As you know from our testimony earlier this session, home health and hospice agencies are requesting appropriations for **skilled home health care and at-home Choices for Care services**, essential services provided to mostly disabled and elderly Vermonters with numerous chronic conditions. Our budget requests would:

- 1) Bring **skilled home health rates to 90% of Medicare rates**. They are currently at 67% percent of Medicare
- 2) **Bring at-home Choices for Care services rates** (personal care, homemaker services, respite/companionship services) in line with costs as described in the 2023 DVHA rate study, adjusted for inflation

Nearly every Vermonter receiving care from a home health agency is an individual who is not in a hospital or a skilled nursing facility bed, directly reducing costs.

COMMENTS ON SPECIFIC PROVISIONS

Sec. 2 (e)(4): Reference-based Pricing for “non-Hospital” Services

- 1) **Home health and hospice agencies support a “reference-based” pricing model administered by AHS that would bring Medicaid rates for skilled home health services in line or above Medicare rates, up from the current 67 percent.** DVHA has already developed a methodology to compare rates.
- 2) **Home health and hospice agencies do not support mandating a reference-based pricing model for commercial home health services at this juncture.** Home health agencies provide relatively little care under the health plans over which Vermont has regulatory authority:
 - a. Commercial insurance makes up less than 10 percent of home health agency skilled care revenue.
 - b. Home health represents only 2.2% of total health care expenditures in Vermont.
- 3) **Rate setting authority for home health, hospice and long-term care services should remain with the Agency of Human Services**, rather than be brought under the purview of the Green Mountain Care Board. Because the scope and intent of the section is not entirely clear to us, we want

to make our position explicit. Home health and hospice agencies are primarily dependent on Medicare, Medicare Advantage and Medicaid rates. The Agency of Human Services has the sector-specific policy expertise, Medicaid expertise and budget writing authority necessary for rate setting. In addition, AHS has the policy expertise to develop cost-based reimbursement mechanisms for critical home and community-based services (such as pediatric palliative care, high-tech care, and long-term care services) that have no Medicare equivalent.

Sec. 4 (b)(7): Incentives to Support Community-based Care

Home health and hospice services are critical to Vermont's efforts to reduce the total cost of care. While we would welcome investments from hospitals in our services, **relying on "savings" from reductions in hospital costs cannot serve as a substitute for adequate Medicaid rates and timely payments for services.** Special programs, incentives, grants and other mechanisms have already failed to strengthen the home-based and long-term care systems under several iterations of health care reform. Direct investment in payment rates is critical.

Sec 7: Advisory Committee

The advisory committee should explicitly include representation from home health and hospice agencies. Each provider sector should choose its own representative. As currently structured, the committee could potentially duplicate representation from some sectors and exclude others. In addition, there is no guarantee that the "representative" will be the one preferred by the industry sector.

Sections 10 & 11 - Positions/Appropriations

The VNAs of Vermont urges the committee to focus any new appropriations on direct investments in Medicaid rates, rather than additional policy and regulatory positions.